

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 09 APR 2025

DAY.

Wednesday

REPORT

TABLED

BY:

Hon. Naomi Wafu, MP

Deputy Majority Party Leader

CLERK-AT

THE-TABLE:

Halima Ahmed



OF

THE AUDITOR-GENERAL

ON

THE JUDICIARY

FOR THE YEAR ENDED

30 JUNE, 2024



REPUBLIC OF KENYA

THE JUDICIARY



ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

TABLE OF CONTENT	PAGE
I. Acronym and Glossary of Terms.....	ii
II. Key Entity Information and Management.....	iii
III. Statement of Governance.....	vi
IV. Statement by the Chief Registrar of the Judiciary	vii
V. Statement of Performance against Predetermined Objectives for the FY 2023/24	x
VI. Achievements against Key Strategic Objectives	xi
VII. Management discussion and Analysis	xxii
VIII. Environmental and Sustainability Reporting.....	xxiv
IX. Statement of Management Responsibilities	xxvi
X. Report of The Independent Auditors of The Financial Statements for The Judiciary	xxviii
XI. Statement of Receipts and Payments for the Year Ended 30 th June 2024	1
XII. Statement of Financial Assets and Financial Liabilities as At 30 th June 2024	2
XIII. Statement of Cash flows For the Year Ended 30 th June 2024.....	3
XIV. Statement of Comparison of Budget and Actual Amounts for Fy2023/24	4
XV. Statement of Comparison of Budget and Actual Amounts: Recurrent for FY2023/24.....	5
XVI. Statement of Comparison of Budget and Actual Amounts: Development for FY2023/24 ...	6
XVIII. Budget Execution by Programmes and Sub-Programmes for FY2023/24	7
IX. Notes to the Financial Statements	8
ANNEX 1 – Summary of Fixed Asset Register.....	21
ANNEX 2 – Contingent Liabilities	22
ANNEX 3 Progress on Follow-Up of Prior Years Auditor-General's Recommendations.....	23
ANNEX 3 - List Of Schedules Generated From Ifmis.....	33
ANNEX 4: Register of Bank Accounts	A

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

I. Acronym and Glossary of Terms

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

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

II. Key Entity Information and Management

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

(a) Background information

Article 1 of the Constitution provides that sovereign authority belongs to the people of Kenya, which they have delegated to the various State organs including the Judiciary. Therefore, being an independent custodian of justice, as established under Article 159 of the Constitution, the Judiciary draws its authority from the people of Kenya and exercises it through Courts and Tribunals. It is mandated to administer justice and promote the rule of law.

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

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

Vision, Mission and Core Values

Vision

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

Mission

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

Core Values

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

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during and up to the period ended 30 June 2024 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	Chief Justice and President of the Supreme Court, The Head of Judiciary	Hon. Lady Justice Martha Koome
2.	The Chief Registrar of the Judiciary	Hon. Winfridah B. Mokaya
3.	Director Finance	Beatrice Kamau
4.	Director Accounts	CPA Wycliffe Wanga
5.	Director Supply Chain Management	Mr. Jeremiah Nthusi
6.	Director Human Resource & Administration	Dr. Elizabeth Kalei
7.	Deputy Director Public Affairs & Communication	Ms. Catherine Wambui
8.	Director Planning & Organisation Performance	Dr. Joseph Osewe
9.	Director Audit and Risk Management	CPA Ronald Wanyama
10.	Director ICT	Mr. Peter King'oo
11.	Deputy Director, Building Services Unit	Architect Maxwell Suero
12.	Registrar Supreme Court	Hon. Letizia Wachira
13.	Registrar Court of appeal	Hon. Moses Serem
14.	Registrar High Court	Hon. Clara Otieno
15.	Registrar Employment & Labour Relations Court	Hon. Kennedy Kandet
16.	Registrar Environment and Land Court	Hon. Rose Makungu
17.	Registrar Magistrate Court	Hon. Caroline Kabucho
18.	Registrar Tribunals	Hon. Anne Asugah

(d) Judiciary Headquarters

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

(e) Judiciary Contacts

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

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

(f) Independent Auditors

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

(g) Principal Legal Adviser

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

(h) Bankers

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

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

III. Statement of Governance

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

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

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

Section 14 of Part III of the Judicial Service Act provides for delegation of functions of the Commission to committees. The purpose for establishment of committees is to create structures for articulating goals and strategic plans, define a particular function in detail, and pool specialized expertise and knowledge in a given subject. Committees have been established for the effective discharge of Judiciary functions. They include; Administration of Justice committee, Budget Implementation Committee, Human Resources Management and Administration Committee (HRMC), ICT and Integrated Case Management System Committee (ICMS), Public Affairs and Communication Advisory Committee (PAC), and Building Infrastructure and Facilities Development Committee (BIDC).

JSC Audit, Governance and Risk Management Committee

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

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

IV. Statement by the Chief Registrar of the Judiciary

The Judiciary's Annual Report and Financial Statement for the Financial Year 2023/2024 has been prepared pursuant to section 39 of the Judicial Service Act 2011, and section 81 of the Public Finance Management Act 2012. The Judiciary is funded from the Consolidated Fund through appropriations by the National Assembly.

The resources allocated to Judiciary during the period under review were used to continue with the implementation of the Vision on Social Transformation through Access to Justice (STAJ). This primarily focuses on the following outcomes:

- i. A **strong institution** that is independent, accessible, efficient, and protects the rights of all especially the vulnerable.
- ii. An **inspired team** of Judges, Judicial officers, and Judiciary Staff committed to excellence in the delivery of justice.
- iii. Strengthened **financial mechanisms** that support the independence and Integrity of the Judiciary.
- iv. Deepened **partnerships** that enhance co-ordination in the administration of justice.
- v. **Enhanced** public trust and confidence in the judicial system.

The annual results indicate that out of the final budget of **KShs 22.47 billion** allocated, exchequer released amounted to **KShs 21.56 billion** equivalent to 96% of the annual budget. The overall absorption for the year was 96% where recurrent budget absorption was at 98% while development budget absorption was at 64%. Financing gaps still persists, at the Judiciary as funding has never been matched with requirement over the years. The resource requirement for FY 2023/24 stood at **Kshs 43.17 billion** while the allocation for the same period was **KShs 22.47 billion**. There was a resource gap of **KShs 20.70 billion**. Despite the resource shortfall the judiciary made the following achievements in realisation of the focus areas:

Case clearance rate improved to 101% in the period under review up from 99 % registered in the Financial Year 2022/23. The overall case backlog was reduced by 18% while cases aged more than three years went down by 2.75% in the Financial Year 2023/24.

To enhance expeditious dispensation of justice, judiciary continued to operationalise Small Claims Courts. The Court is required to adopt measures that ensures timely disposal of cases using the least expensive method, equality, fairness of process and simplicity of procedure. As such, the statutory lead time for all filed cases as per Section 34 of the Act is **sixty days (60)**.

In FY2023/24, 25 additional Small Claims Courts were operationalised bringing the operationalized Small Claims Courts to 37. Further, in the period under review, a total of 41,682 cases were filed and resolved in the Small Claims Court up from 27,161 matters registered in the previous financial year. The roll out of Small Claims Courts across the

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

country was a big welcome by Kenyans who view the expeditious disposal of their cases as a critical component of access to justice. This has seen many litigants prefer to have their cases referred to these courts for a faster resolution turnaround time

To promote Alternative forms of dispute resolution in the Justice sector, the Judiciary undertook various forms of engagements to promote multi door access to Justice. The Judiciary in conjunction with Strathmore University, successfully organised the Annual Mediation Summit on employment disputes, in April 18–19, 2024. The Hon. Chief Justice launched several Alternative Justice Systems (AJS) suites and a court in Moiben, Uasin Gishu county, Turbo, Kesses, Ainabkoi and Kapseret to deepen access for all citizens, especially the vulnerable and marginalised and establish a people-centred justice system.

During the reporting period, 20 High Court Judges were recruited who will ensure cases are listened to expeditiously and also ensure reduction of case backlogs.

In the financial year, Capital markets Tribunal transited to the Judiciary. This brings the total to 24 tribunals that have transited to Judiciary. Further there was engagement with the National Assembly's Justice and Legal Affairs Committee (JLAC) to discuss the Tribunals' Bill whose enactment will address Tribunal administration issues.

Meanwhile the Judiciary has continued with implementation of the digital Strategy by adopting use of ICT initiatives to enhance efficiency, effectiveness and timeliness in service delivery. E-filing has been rolled out in all court stations. Several courts and tribunals now hear matters virtually, an initiative that has brought justice closer to the people.

Resource Gap Impact

Three magistrates' courts were operationalised in Port Victoria, Etago and Malaba. Further, five kadhi's courts were established in Hola, Busia, Mashuru, Vihiga and Tongaren. The operationalisation of the remaining 11 courts established in 2020 remains a major problem due to a lack of infrastructure, inadequate budget, judicial officers, and staff. These are Zombe, Borabu, Matiliku, Usigu, Kasarani, Masinga, Manga, Garbatulla, Marigat, Kikima and Kobujoi.

There is need for increased resource allocation to facilitate the establishment of Small Claims Court in every sub-county and employ adjudicators to preside over the small claims court as envisaged under Small Claims Court Act.

Recommendations

Increase resource allocation to the Judiciary to facilitate recruitment of optimal human resource, expansion and completion of court infrastructure, digitisation and automation of court processes and registries, mainstreaming Court Annexed Mediation and roll-out of

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**


Small Claims Courts and the need to fast track the enactment of the Tribunal Bill to facilitate the transitioning and operationalisation of the Tribunals.

Allocating sufficient resources to the judiciary will not only improve court operations; it will ensure that the Justice system remains a cornerstone of a fair, just, and prosperous society. Enhanced resources will enable:

- i. The hiring of additional judges, judicial officers and staff, thereby expediting case clearance and reduction of backlogs.
- ii. Implementation of the digital strategy that includes e-filing, Case Tracking System, Court Transcription, Virtual courts to improve efficiency and being responsive to technological changes.
- iii. Establishment and promotion of Alternative Justice Systems, community outreach programs, and fund alternative dispute resolution mechanisms, fostering a more inclusive legal system.

Conclusion

The Judiciary will continue to ensure public funds are effectively and efficiently utilized in compliance with the applicable laws in the management of public funds entrusted for the discharge of its programme and activities.


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

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

V. Statement of Performance against Predetermined Objectives for the FY 2023/24

The predetermined objectives are costed before implementation through a participatory process as stipulated in Article 201 of the Constitution and Section 37 (5) (a) of the PFM Act and anchored on the institution priorities spelt out in the Judiciary's Vision on Social Transformation through Access to Justice (STAJ). The budget making process begins with Program Performance Review (PPR) and preparation of draft work plans indicating resource requirements for the next FY. The planned outputs, targets and activities are then identified and costed to arrive at the budget proposal for Judiciary. Before finalization of the Expenditure Estimates, the Judiciary holds budget public hearings to obtain feedback from the public and stakeholders. The recommendations obtained therefrom are incorporated where applicable and applied to inform future plans. The budget proposal was presented to JSC for considerations and thereafter to the National Assembly for appropriation.

Periodic review of the implementation of judicial policies and programs is an integral part of the monitoring, feedback, and accountability that is embedded in the Judiciary blueprints. This is to ensure that the implementation of policies and programs is undertaken according to schedule and take any corrective actions or interventions in the event of any deviation.

The financial year 2023/24 annual Report, covering the period from July 1, 2023, to June 30, 2024, documents progress made by the Judiciary administrative units including the Office of the Chief Justice, the Office of the Chief Registrar, Registrars, Directorates, and units, in implementing various activities during the reporting period.

Judiciary Strategic Focus

The Social Transformation through Access to Justice (STAJ) and Strategic Plan enumerate eight Key Result Areas, namely: enhanced access to justice; expeditious delivery of justice; growth of jurisprudence and knowledge management; improved governance and transformational leadership; improved human capital management and organisational development; modernised registry operations for operational efficiency; enhanced public confidence, awareness and image of the Judiciary; and, resource mobilization, utilization and stakeholder engagement. The report presents achievements as per each KRA and concludes by presenting emerging issues and challenges faced in the period under review.

Under the STAJ and to buttress the outcomes anticipated under the Strategic Plan, focus has been on the following areas:

- a) Accessibility and Efficiency
- b) Transparency and Accountability
- c) Inclusiveness and Shared Leadership
- d) Cooperative Dialogue
- e) Social Justice

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

VI. Achievements against Key Strategic Objectives

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

Table 1: Achievements against Key Strategic Objectives

S/N	KRA	Outcome	Achievement/Output
1.	Enhanced Access to Justice	a) Make justice Accessible to all	A total of 1,124 advocates were admitted in the 2023/2024 financial year. 100 notary renewals were done and 467 Commissioners of Oath and Notary Public sworn. Furthermore, 1,491 E-practicing certificates were issued.
		b) Launch of AJS	AJS was launched in Eldoret and e-filing was fully rolled out in all court stations.
		c) High Court stations established	The Isiolo sub-registry was elevated to a fully-fledged High Court with effect from July 1, 2024 and High Courts Established in Thika, Kibera, Nyandarua and Kwale. This brings the number of high courts to 46.
		d) Standardized court fees	The policy on the exemption of court fees for appeals related to children's matters was officially published in Gazette Notice Number. 14102 on October 16, 2022, and effected on November 1, 2023.
		e) Magistrates' and Kadhis Court stations operationalized:	Three magistrates' courts were operationalized in Port Victoria, Etago and Malaba. Further, five kadhi's courts were established in Hola, Busia, Mashuru, Vihiga and Tongaren.

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

S/N	KRA	Outcome	Achievement/Output
		f) Establish and Operationalise Small Claims Courts:	<p>Two courts were gazetted at Voi and Garissa Law Courts during this period. At the same time, Malindi, Makindu, Kitui, Ruiru, Murang'a, Narok, Kisii, Siaya, Kitale, Lamu, Embu, Kericho, Chuka, Kerugoya, Nanyuki, Migori, Kakuma, Wajir, Dadaab, Loitoktok, Busia, Mandera, Taita Taveta, Malaba, and Moyale courts were operationalized. There was focus on border towns due to the increase in recorded commercial disputes resulting from heightened trade activity in the region.</p> <p>During the reporting period, twenty-six (26) registries were established to bring the total number of small claims courts to thirty-seven (37).</p> <p>Thirty-two (32) resident magistrates were designated as adjudicators in the period under review. There are now a total of 131 resident magistrates designated as adjudicators, with 52 serving in the various operational Small Claims Courts. Out of the total, 69 magistrates have undergone induction</p>
		g) Establishment of mediation registries	<p>CAM registries were established in Homabay, Voi, Garissa, Kenol, Isiolo, Marsabit, Makueni, Nyahururu, Narok, Kitui, Kabarnet, Karatina, Voi, and Ndhiwa. This brings the total number of mediation registries established so far to 63 and the number of counties where mediation is being implemented to 41.</p> <p>A total of 6,136 cases were referred to mediation. Out of these, 5418 cases were concluded, with 3030 cases</p>

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

S/N	KRA	Outcome	Achievement/Output
			reaching settlement. The settlement rate achieved was 59.9%.
2.	Expeditious Delivery of Justice	a) Court Recording and Transcription System (CRTS)	<p>This was fully operational across the courts in Nairobi, Nyeri, Nakuru, Kisumu, Malindi, as well as in all Courts of Appeal, including Nairobi, Kisumu, Mombasa, and Nyeri. Advocates join court sessions via links provided, initiating immediate recording as the court proceedings commence.</p> <p>In the year 720 transcripts of 5,426 pages and 1,278,114 words transcribed and submitted.</p>
		b) Staffing to ensure efficiency in courts	Twenty (20) new judges were appointed and sworn in on May 14, 2024. Additionally, nine (9) legal researchers were recruited, posted and deployed to the High Courts.
		c) Strengthen the operations and role of CUCs	All Environment and Land Courts (ELCs) Court User Committees (CUCs) got full technical and financial help from the National Council on the Administration of Justice (NCAJ). CUCs, encourage community involvement and environmental sustainability.
		d) Backlog reduction	Initiatives to ensure clearance of cases three (3) years and older were implemented to reduce case backlogs in Mombasa, Milimani Commercial, Nakuru, Nyahururu, Murang'a, and Kisii.

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

S/N	KRA	Outcome	Achievement/Output
3.	Growth of Jurisprudence and Knowledge Management	a) Publishing court decisions through NCLR	The Performance and Data Liaison Personnel has continued to disseminate all the rendered and delivered decisions as soon as the court pronounces itself in all its rulings and judgements. The court has sustained the uploading of court decisions on its website and the 'X' platform.
		b) Promote judicial collegiality	The Annual Judges' Colloquium was held from September 4–8, 2023. This event focused on addressing tropical concerns facing the judiciary, discussing major advances in law, and exploring new jurisprudence from the courts. The colloquium provided a platform for judges to reflect on critical issues and share insights on the evolving legal landscape.
		c) Continuous training and learning	A training was conducted between April 16 and 20, 2024, for high court judges on uniformity in resentencing post-muruatetu, emerging Jurisprudence and best practices for judges. Further, in collaboration with the KJA, the induction of the newly appointed judges was conducted between May 26 and June 1, 2024.
		d) Exchange visits for experience sharing regionally and internationally	South Africa's Judicial Institute for Africa (JIFA) trained the court's principal judge from August 20–26, 2023. Further, an associate dean for international and comparative law programmes from the University of Iowa College of Law, Jindal Global Law School, counsel from the Supreme Court of India (joining virtually), the Chief Justices of Tanzania and Malawi, and a Zimbabwean judge presented at the

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

S/N	KRA	Outcome	Achievement/Output
			<p>Annual Judges Colloquium. Dynamics of Judicial Independence, perspectives from Africa, separation of powers in the US, the role of the judiciary, and the 2024 elections were among the presentations. Additionally, the judges and court registrar attended the 112th session of the International Labour Conference in Geneva from June 3–14, 2024.</p> <p>e) Training on emerging areas for ELC Judges and Judicial Officers</p> <p>The Judges and Deputy Registrars of the Court participated in a series of training sessions covering diverse and emerging areas. These included:</p> <ul style="list-style-type: none"> • Water Sector Training for all ELC Judges in Malindi, July 2023. • Joint Workshop between ELC Judges and Magistrates in Naivasha, September 2023. • Taxation 101 webinar for Deputy Registrars on February 6, 2024. • Training by the Directorate of ICT on uploading judgements and rulings on the CTS was held on March 19, 2024. • Workshop on Knowledge Management for the Court in February 2024. <p>i) Comprehensive Environmental Law Programme for Judges in Naivasha, April 2024.</p> <p>ii) Annual ELC Judges Conference held in Kwale, June 2024.</p> <p>iii) A webinar for all judicial officers on judgement writing was conducted in October 2023.</p> <p>These training sessions ensure that the judges and deputy registrars are well-equipped with the latest knowledge and skills to enhance their effectiveness in the judiciary.</p>

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

S/N	KRA	Outcome	Achievement/Output
		f) Heads of station forum	A heads of station meeting under the theme " <i>Building a Legacy of Excellence in Court Governance and Administration</i> " was held in Nanyuki and the following topics were discussed: ensuring excellent leadership in public service; proposed solutions to supply chain challenges at court stations; concurrent jurisdiction of tribunals and courts; common audit findings, responses, and resolutions; and practical tips in court governance administration. Additionally, briefings and sensitizations were conducted on the following topics: The Sexual Offenders Registry, the ISO Process, unclaimed deposits, the UFAA Case Audit, and the Adoption of the Guide for Heads of Stations.
4.	Improved Governance and Transformative Leadership	a) Collaboration with Government	The office of the Chief Registrar held talks with the ODPP Advisory Board Water Committee. The main goal of these talks was to deal with issues such as climate change, systemic problems, and regulatory changes. Additionally, the office engaged the JLAC Committee on the Tribunal bill, operational modernization, and the integrity of the financial system.
		b) Training and capacity building	The Employment and Labour Relations Court, in partnership with the ITC-ILO, organized a training on International Labour Standards for the judges of the court on January 15–20, 2024.
		c) Institutional and individual accountability	Monitoring of the implementation of PMMU was done during supervisory visits to stations by the principal judges. At the DRs retreat, participants were trained on the Performance

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

S/N	KRA	Outcome	Achievement/Output
			Appraisal System for Judicial Officers and Staff, focusing on "entrenching a culture of individual responsibility," which is relevant to the PMMU.
		d) Digitization of tribunal activities	ORT utilized Ajira agents to digitize records within the RRT Registry and managed record disposal at RRT Nakuru and RRT Nairobi. The office developed an initial version of the TAT service charter, conducted training for TAT staff on the preliminary registry manual, restructured the TAT P1 registry, implemented secure-access filing shelves in the RRT registry, and organized file arrangements. HAT updated the complaint form that clients use to report cases, making sure that it includes all necessary information, such as witnesses, respondents, and their contact details.
		e) Monitoring and Evaluation Framework	The development of a prototype system for automating M&E in the Judiciary was completed.
		f) ERP (Enterprise Resource Planning)	The Judiciary partnered with a vendor to develop an ERP "Jumuika" to automate the administrative processes
5.	Improved Human Capital Management and Organisational Development	a) Development of Job Descriptions	The Directorate of Human Resource Management and Development reviewed and advised on the organizational structure for two functions, i.e., the Employee Protection Unit and Gender Unit. It also advised on the staff established and the job description for the staff of the units.
		b) Staff rationalization	The Directorate carried out a rationalization exercise in June 2024, which affected one hundred and eighty (180) staff. The exercise affected three

THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024

S/N	KRA	Outcome	Achievement/Output
			cadres of staff, i.e., process servers, court bailiffs, and security wardens and records management officers.
		c) Salary review and allowances for staff	<ul style="list-style-type: none"> Implemented phase one FY2023–2024 Salaries and Remuneration Commission (SRC) Circular Ref No. SRC/TS/24/3 dated October 13, 2023 on reviewed and set remuneration and benefits for Judges and Judicial Officers, with effect from July 1, 2023 and through February 2024 payroll.
		d) Training and capacity-building programmes for staff	<p>Directorate of HR Facilitated a range of training sessions and programmes, achieving the following milestones:</p> <p>i) Pre-Retirement Training:</p> <p>ii) Online Induction Training Sessions: for 500 employees, including office assistants and process servers, from December 13 to 15, 2023.</p> <p>iii) Attachments and Training Applications: Processed 244 general attachments, 9 pupillage requests, and 37 training applications for self-development courses. Training of four</p>
		e) Psycho-social Support	<p>In the period under review, the following activities were undertaken by the Psychosocial Support Unit:</p> <ul style="list-style-type: none"> Handled twenty-five (25) individual therapy sessions for employees provided psycho-education to fifteen (15) court stations. Organized and conducted a Critical Incident Stress Debriefing (CISD) exercise for the Makadara Law Courts Team. Organized and conducted a sexual harassment and alcohol abuse

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

S/N	KRA	Outcome	Achievement/Output
			webinar for the staff of the Directorate of Human Resource Management and Development.
6.	Modernised Registry Operations and Records Management	a) Modern registry operations	The Supreme Court commenced automation of all registry processes, including file management systems and the implementation of e-customer service desks. Shelves with controlled access were constructed in all registries and archives.
		b) Registry Standard Operating Procedures (SOP)	A new SOP was reviewed and implemented in December 2023, focusing on streamlining registry operations, managing case backlogs, and standardizing file handling procedures.
		c) Reduce adjournments	The docket management system, where matters are allocated to judges in a cyclic manner in stations with more than one judge was implemented to ensure that once a new matter is assigned, the judge handles it to completion. This approach has significantly reduced adjournments and case backlogs.
		d) 'Mahakama Popote Initiative'	The Chief Justice reappointed a committee in charge of this office to complete the creation of the 'Mahakama Popote Initiative's' guidelines. The draft guidelines have been developed and are currently being validated.
		e) Case Management System Modules for e-Court Services and Mobile	Development of all the CTS modules was completed in June 2024.

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

S/N	KRA	Outcome	Achievement/Output
		Application Platform	
7.	Enhanced Public Confidence, Awareness and Image of The Judiciary	a) Update the public on the progress of high-public-interest events	During the Financial year, the following public interest events were undertaken: i) The ELRC @ 10 event, from July 17 to 19, and broadcasted on local media.
		b) Stakeholder engagement	The following activities were undertaken: i) The Supreme Court exhibited at the Employment and Labour Relations Annual Symposium and Exhibition (ELRASE) held at the Kenyatta International Convention Centre (KICC) from July 17–20, 2023, where the public was exposed to the daily activities of the Court. ii) The Supreme Court participated in the Nairobi Trade Fair from September 25th to October 1st. The court showcased the initiatives undertaken to address the various thematic areas as elaborated. iii) The Supreme Court also held a virtual bar bench meeting on September 29, 2023, and engaged all the key stakeholders on pertinent issues such as review of practice directions, court virtual hearings, practice directions, and status of pending matters. These engagements serve to demystify the court and its workings.
8.	Resource Mobilisation and Utilisation	a) Resource mobilization strategy	All spending units participated in the Budgeting and Work plan development workshops from December 6, 2023, to December 9, 2023. The courts and spending units presented their resource requirements for consideration at the workshop.

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

S/N	KRA	Outcome	Achievement/Output
		b) Strengthen capacity for financial management	The Directorate of Human Resource Management & Development predesignated thirty (30) staff to accounts assistants from various cadres. The predesignated staff were deployed in various court stations.

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

VII. Management discussion and Analysis

The Judiciary Fund is established under Article 173 of the Constitution which requires the approved estimates of expenditure of the Judiciary to be a direct charge on the Consolidated Fund. The detailed framework for the regulation and operationalization of the Fund is provided under the Judiciary Fund Act (No 16 of 2016) and the Judiciary Fund Regulations, 2019.

The budget process is anchored on Article 173 (3) of the Constitution of Kenya, which requires the Chief Registrar of the Judiciary to prepare estimates of expenditure for the Judiciary each financial year. The Public Finance Management (PFM) Act, 2012, the PFM Regulations, 2015, the Judicial Service Act, 2011, the Judiciary Fund Act (JFA), 2016, the Judiciary Fund Regulations 2019, and the circular on operationalization of the Judiciary Fund also provides guidelines on the budgeting process.

(i) Budget Execution

The Judiciary budget is released on half year basis for both recurrent and development. The annual budget was revised upwards during supplementary from **KShs 22,277,400,000** to **KSh.22,472,400,000**. This final budget comprised recurrent budget of **KSh.21,022,400,000** and development budget of **KSh.1,450,000,000**

The annual results indicate a 96% funding of the annual budget where exchequer releases from the National Treasury to Judiciary Fund amounted to **Kshs.21,562,904,852** while withdrawals from the Judiciary Fund totalled **KSh.21,639,372,586**. This comprised recurrent and development exchequer amounts of **KSh.20,709,689,530** and **KSh.929,561,736** respectively. Other receipts from unspent funds amounted to Kshs79,454,515.

Table 2: FY2023/24 Budget Performance

Details	FY2023/24 Final Budget	Receipts	Funding Level	Actual Cumulative to Date	Surplus/Deficit	Utilisation %
	Kshs'000	Kshs'000		Kshs'000	Kshs'000	
Recurrent	21,022,400	20,709,373	98.5%	20,701,633	7,740	98.47%
Development	<u>1,450,000</u>	<u>930,000</u>	<u>64%</u>	<u>929,562</u>	<u>438</u>	<u>66.40%</u>
Surplus/ Deficit	<u>22,472,400</u>	<u>21,639,373</u>	<u>96%</u>	<u>21,631,195</u>	<u>8,178</u>	<u>96.47%</u>

The overall absorption for the year improved to 96.47% from 95% registered in previous financial year. Recurrent budget absorption increased to 98.47% in FY2023/24 from 97% in FY2022/23 while development budget absorption fell to 66.40% down from 78% registered in FY2022/23. The low absorption in development budget was due to challenges experienced including contractor's failure to resume work owing to high cost

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

of works due to inflation, delayed procurement processes as well as delay in submission of certificates for work done.

The surplus for the financial year amounted to **KSh.8,177,645** compared to **KSh.81,144,106** registered in FY2022/23 mainly representing unspent funds from court stations, un-surrendered staff imprest and staff advances.

a) Pending Bills

The pending bills for FY2023/24 amounted to **KSh.791,432,670** comprising development and recurrent pending bills of **KSh.410,009,385** and **KSh.381,423,285** respectively. The pending bills were attributable to lack of exchequer. During FY2023/24 budget totalling over KShs 830 million was not funded and hence huge amount of bills remained unpaid at the end of the financial year.

Further there were pending bills totalling **KSh.657,262,311** relating to FY 2022/2023 and prior years. These comprised of development **KSh.11,423,415** taken over from JPIP upon expiry of the project whose final account had not been concluded at the end of the financial year and **KSh.69,244,858.48** being unfunded arbitral awards. Recurrent pending bills amounting to **KSh.9,155,957** and development bill of **KSh.567,438,081** totalling **Ksh.576,594,038** were submitted to the Pending Bills Verification Committee. The table below summarise the pending bills.

Table 3: Pending Bills Summary

No	Item	FY2023/24 (Ksh.)	FY2022/23 & Prior Years (Ksh.)
A	Development Pending Bills:	410,009,385	11,423,415
B	Recurrent Pending Bills	381,423,284	-
C	Court & Arbitration Awards - Development	-	69,244,858
	Pending Bills submitted to pending Bills verification Committee	-	<u>576,594,038</u>
TOTAL		<u>791,432,670</u>	<u>657,262,311</u>

(i) Compliance and Governance

i. Non-Compliance with Statutory Requirements:

There was no non-compliance issues in the year ended 30 June 2024.

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

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

iii. Financial Improbability and Serious Governance Issues:

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

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

VIII. Environmental and Sustainability Reporting

The Judiciary exists to dispense justice in a fair, timely, accountable and accessible manner, uphold the rule of law, advance indigenous jurisprudence, protect and promote the Constitution. This is borne out of the reality that justice is blind to the social status of its citizens and the legitimate hope of every citizen is to be treated fairly.

(a) Sustainability Strategy and Profile

The Judiciary's strategy documents are inspired by the principles of the Constitution of Kenya, 2010 that captured the aspirations of every citizen vis-à-vis access to justice and the protection of basic human rights.

Articles 159 and 173 that anchor the Judiciary and Judiciary Fund in the Constitution of Kenya 2010, are the cornerstone to the sustainability of the Judiciary. Correspondingly, the National Assembly has enacted and or amended several Statutes that enable the Judiciary to carry out its mandate, among which are, Judicial service Act, 2011, the Judiciary Fund Act, 2016.

(b) Environmental Performance

As part of its internal processes, the Judiciary has mandated the performance of environmental impact assessments before the commencement of all major construction projects. This ensured adherence to the Environmental and Social Policy that aims to ensure that the people and the environment are protected from potential adverse impacts. As such all projects are subjected to the National Environment Management Agency requirements on Environmental and Social management Plan (ESMP) was conducted for projects in consultation with affected communities.

(c) Employee Welfare

A safe and conducive work environment enhances employee motivation and increases work productivity. The Judiciary is committed to developing and improving the work environment for Judges, Judicial officers, staff and all court users. Various wellness and benefits programmes were implemented in the year, which included medical scheme cover for employees and their dependents The Judiciary allocated twenty million for ex-gratia assistance to support the employees with various medical challenges. In the year under review, the Judiciary supported 35 employees with medical ex-gratia assistance out of the medical fund. The Judiciary medical ex-gratia allocation will be enhanced to support our employee with various medical challenges.

The Judiciary is committed in facilitating a conducive and secure work environment through provision and maintenance of office facilities, transport services and security

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

services to foster a healthy working environment, the Judiciary established a psychosocial support section to cater for the mental health needs of the employees and their families. Further, the Judiciary offers group medical insurance cover for all employees and their families. The employees also enjoy a group personal accident insurance cover, a pension scheme, car loans and mortgage facilities at a subsidized rate.

(d) Market Place Practices

The Judiciary ensures that proper procurement, disposal procedures and policies are established and implemented to promote fair market practices in line with the provisions of the Constitution of Kenya Article 227, the Public Procurement and Asset Disposal Act (PPADA), 2015 and the Public Procurement and Asset Disposal Regulations (PPADR), 2020. In addition, to promote vulnerable groups the Judiciary is guided by Access to Government Procurement Opportunities (AGPO) and reserves at least 30% of its tenders to Youth, Women and People with Disabilities.

The Judiciary started an initiative of collecting and disclosing the identity and beneficial ownership of all bidders. In bid to ensure transparency in all the evaluation processes, intention to award letters, were sent to all winning bidders and regret letters to all the unsuccessful bidders detailing the reasons why they were unsuccessful and notifying them of the winning bidder. This ensured independent monitoring of all stages of the procurement process and made it open and transparent.

(e) Community Engagements

The Judiciary's corporate social responsibility is based on the recognition that, as part of the Kenyan society, we have responsibilities that go beyond our dispensation of Justice Obligations for the benefit of the society. Judiciary corporate social responsibility entails community engagement, supporting community activities, responding to emerging challenges, donating to charities, helping the needy and application of ethical conduct and participating in matters of topical national interest in the republic. The following are illustration of various corporate social responsibilities.

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

IX. 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 by the Public Sector Accounting Standards Board of Kenya from time to time.

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

This responsibility includes:

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

The Accounting Officer in charge of the Judiciary accepts responsibility for the Judiciary's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with IPSAS. The Accounting Officer is of the opinion that the Judiciary's financial statements give a true and fair view of the state of Judiciary's transactions during the year ended 30th June 2024, and of the Judiciary's financial position as at that date. The Accounting Officer in charge of Judiciary further confirms the completeness of the accounting records maintained for the Judiciary, which have been relied upon in the preparation of the Judiciary's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Judiciary confirms that the Judiciary has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Judiciary's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the Judiciary's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

Approval of the Financial Statements

The Judiciary's financial statements were approved and signed by the Accounting Officer on 30th December 2024.



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



.....
Wycliffe Wanga - ICPAK No: 3209
Director Accounting Services

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON THE JUDICIARY FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of The Judiciary set out on pages 1 to 32, which comprise the statement of financial assets and liabilities as at 30 June, 2024, and the statement of receipts and payments, statement of cash flows and

Report of the Auditor-General on The Judiciary for the year ended 30 June, 2024

statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 Judiciary as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Judicial Service Act, 2011 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Compensation of Employees

The statement of receipts and payments reflects employees costs of Kshs.14,050,247,576 which includes personal allowances paid as part of the salary amounting to Kshs.4,894,681,873 as disclosed in Note 3 to the financial statements. However, personal allowances amounting to Kshs.182,390,324 and leave allowances of Kshs.131,318,155 were not supported by ledger and payroll analysis. Further, review of payroll data revealed that, The Judiciary had a total of eight thousand three hundred and thirty (8,330) and six thousand and fourteen (6,014) members of staff as at 30 June, 2024 and 30 June, 2023, respectively, indicating an increase of two thousand three hundred and sixteen (2,316) employees during the year. The list provided for new contracts revealed one-hundred and thirty-six (136) additional staff members resulting to an unsupported variance of two thousand one hundred and eighty (2,180) employees. However, the recruitment and records for the additional staff were not provided for audit review.

In the circumstances, the regularity, accuracy and completeness of the compensation of employees amount of Kshs.14,050,247,576 could not be confirmed.

2. Unsupported Foreign Travel Subsistence and Training Expenses

The statement of receipts and payments reflects use of goods and services expenditure of Kshs.6,528,902,111 as disclosed under Note 4 to the financial statements. Included in the expenditure is foreign travel and subsistence of Kshs.213,863,129 and training expenses of Kshs.55,298,426. However, review of records revealed payments amounting to Kshs.37,778,400 paid to a firm for air tickets which was not supported by invoices and boarding passes. Further, during the year under review, The Judiciary spent an amount of Kshs.55,298,426 on training expenses. However, the expenditure was not supported by an approved training plan, training needs assessment, approval and list of employees nominated for the trainings.

In the circumstances, the regularity, accuracy and completeness of foreign travel subsistence and training expenses totalling Kshs.93,076,826 could not be confirmed.

3. Variances Between the Comparative Balances and Prior Year Audited Financial Statements

Comparison between the 2022/2023 audited financial statements and comparative balance of the financial statements presented for audit revealed variances as shown below:

Description	Financial Statements Balance (Kshs.)	Balance as Per Audited 2022/2023 Financial Statements (Kshs.)	Variance (Kshs.)
Statement of Financial Assets and Liabilities			
Bank Balances	85,320,110	8,186,097,574	8,100,777,464
Third Party Deposits	0	8,100,777,464	8,100,777,464
Statement of Cash Flows			
Cash and Cash Equivalents at Beginning	62,119,764	6,718,069,286	6,655,949,522
Cash and Cash Equivalents at end of the year	85,320,110	8,186,097,574	8,100,777,464
Bank Account Balances Note 6A	64,375,639	8,186,097,574	8,121,721,935
CBK 1000589377- Development Judiciary Fund	0	728,449,399	728,449,399
CBK 100082342 Deposit The Judiciary	0	50,279,333	50,279,333
Various Commercial Bank Balances	0	7,322,048,732	7,322,048,732
Kshs.55,373,565 Unspent Funds (AIEs and Imprest)	0	55,373,565	728,449,399

In the circumstances, the accuracy and completeness of the financial statements for the year under review could not be confirmed.

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

Emphasis of Matter

1. Pending Bills

Note 12.1 on Other Important Disclosures reflects pending accounts payables of Kshs.872,100,944 which was not paid during the year, but instead carried forward to the 2024/2025 financial year. The balance includes pending payables of Kshs.82,455,478 relating to 2022/2023 and prior years and an amount of Kshs.791,432,670 or 91% incurred in 2023/2024 financial year.

Failure to settle bills in the year to which they relate distorts the financial statements for the year and affects the budgetary provisions for the subsequent year as they form a first charge.

2. Low Absorption of Development Budget

The statement of comparison of budget and actual amounts for development funds reflects final budget of Kshs.1,450,000,000 and an actual expenditure of Kshs.929,561,636, resulting in under-utilization by Kshs.520,438,264 or 33% of the budget. Management attributed the under-utilization of project funds to internal capacity challenges which led to contractors failure to resume work due to the rising costs associated with inflation, delayed procurement processes and delays in certification of works. However, there was no evidence of plans to build capacity to address these challenges.

In the circumstances, the effectiveness of The Judiciary's programme aimed at providing critical infrastructure for social transformation through enhanced access to justice may be delayed.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not provided satisfactory reasons for the delay in resolving the issues.

Other Information

Management is responsible for the other information set out on page iii to xxvi which comprise of Key Entity Information and Management, Statement of Governance, Statement of the Chief Registrar of the Judiciary, Statement of Performance Against Predetermined Objectives, Achievements Against Key Strategic Objectives Management Discussion and Analysis, Environmental and Sustainability Reporting, and the Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on The Judiciary's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I

conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Avoidable Payments

The statement of receipts and payments reflects use of goods and services expenditure of Kshs.6,528,902,111 as disclosed in Note 4 to the financial statements. The expenditure includes other operating expenses of Kshs.880,106,087, out of which Kshs.100,000,000 was in respect of partial payment of arbitration award to a contractor involved in the construction of the Lodwar Law Courts under contract No. JUD/028/2012-2013. Records indicate that The Judiciary was sued by the contractor for breaching contractual obligations, which delayed payments and termination of the contract. The payments could have been avoided if The Judiciary adhered to the contract terms.

In the circumstances, the regularity and value for money of other operating expenses amounting to Kshs.100,000,000 could not be confirmed.

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

Review of payroll data revealed that, during the year under review five hundred fifty-one (551) employees earned a net salary of less than one-third ($\frac{1}{3}$) of their basic salary. This is contrary to Section 19(3) of the Employment Act, 2007 which states that public officers shall not over-commit their salaries beyond two thirds ($\frac{2}{3}$) of their basic salaries.

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

3. Non-Compliance With Law on Affirmative Action

Review of payroll data for July,2023 and staff establishment revealed that, The Judiciary had six thousand two hundred and ninety-nine (6,299) staff members during the year, out this only one hundred (100) staff members or 2% were people with disabilities. This percentage falls below the 5% of the staff members contrary to Article 54(2) of the Constitution of Kenya (2010) which requires that persons with disabilities should make up of at least five percent (5%) of the workforce.

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

4. Non-Compliance with Staff Establishment

Review of records revealed The Judiciary has an approved staff establishment of ten thousand one hundred and six (10,106) against an in-post of six thousand eight hundred and eighty-two (6,882) resulting in a deficit of three thousand two hundred and twenty-two (3,222) or 32%. Further, the magistrates and judges approved establishment was one thousand five hundred and forty-seven (1,547) against those in-post of eight hundred and twenty-six (826), resulting in a shortage of seven hundred and twenty-one (721) or 47%. Further, thirty-five (35) cadres with an approved total establishment of eight hundred and sixteen (816) in seven (7) job groups had staff in-post of one thousand five hundred and forty-six (1,546) resulting in an overstaffing by seven hundred and thirty (730) or 89%. The non-compliance with the staff establishment may affect service delivery to the public.

In the circumstances, the effectiveness of the internal controls and the regularity of human resources management processes could not be confirmed.

5. Failure to Operationalize Courts

Review of documents provided for audit and inspection of the court stations revealed that The Judiciary had one hundred and seventy-five (175) courts that had been gazetted. However as at 30 June, 2024, one hundred and forty-one (141) of these courts or 83% were operational. Among the non-operational courts were eleven (11) that were established in 2020 in Zombe, Borabu, Matiliku, Usigu, Kasarani, Masinga, Manga, Garbatulla, Marigat, Kikima and Kobujoi. However, no records were provided outlining any plans to operationalize the remaining Law Courts.

In the circumstances, the effectiveness of service delivery to the public could not be confirmed.

6. Condemned New Office Building at the Mombasa Law Courts

Records provided for audit indicate that The Judiciary signed contract No. JPIP/NCB/WORKS/07/2016-2017 with a contractor for the construction of the Mombasa Law Courts during the 2016/2017 financial year at a contract sum of Kshs.445,173,323. Construction of the building began in September, 2017 and a completion certificate was issued in June, 2021. However, audit inspection at the Mombasa Law Courts and reports from the Ministry of Lands, Public Works, Housing and Urban Development revealed that the newly constructed court building remains unoccupied due to significant structural defects which render it unsafe for use. Further, a final structural assessment report by the Ministry dated 17 May, 2024 recommended the demolition of the building due to high costs associated with repair works.

In the circumstances, the public did not obtain value for money for the amount of Kshs.445,173,323 spent on the court building.

7. Failure to Prepare and Submit Bank Reconciliation Statements and Quarterly Reports

During the year under review, Management did not prepare and submit to the Auditor- General for review monthly bank reconciliation statements. This is contrary to the

Regulation 90(1) of the Public Finance Management (National Government) Regulations, 2015 which requires accounting officers to prepare bank reconciliation statements not later than the 10th day of the subsequent month and submit a copy to The National Treasury and the Auditor-General.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Reports

There were no internal audit reports provided for the financial year under review, contrary to Section 73 (3)(b) of the Public Finance Management Act, 2012 which requires a government entity to have appropriate arrangements for conducting internal audit that complies with the guidelines issued by the Accounting Standards Board.

In the circumstances, the effectiveness of internal controls, risk management and governance could not be confirmed.

2. Incomplete Fixed Assets Register

Annex 1 on summary of fixed asset register to the financial statements reflects historical cost of non-current assets of Kshs.31,770,849,000. Records provided for audit revealed that twenty-six (26) motor vehicles were disposed during the year under review. However, the disposal of the vehicles was not reflected in the summary of fixed asset register. Further, the register was not in compliance with The National Treasury template provided vide Circular No.23 of 2020. Important information such as date acquired, cost of the asset, serial number, tag number, asset condition, current value was not included in the asset register.

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

3. Enhancement of Governance Systems for Security Related Expenditures

During the year under review, The Judiciary incurred some expenditure for confidential security operations. A certificate of confidential expenditure was issued, supported by a declaration from the Accounting Officer affirming proper use of funds in compliance with Regulation 101(5) of the Public Finance Management (National Government) Regulations, 2015.

There is need, however, to enhance accountability of confidential expenditures through review of the Regulations to clearly define entities eligible for confidential security related expenditures and to specify what constitutes security related operations. Further, entities should establish internal oversight mechanisms and processes that include detailed budget projections and post-operation financial summaries to address risks and ensure responsible use and accountability of the funds, beyond the certificate.

The measures will strengthen governance, foster trust, and ensure funds are utilised responsibly without compromising State security.

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

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (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 Judiciary's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

Those charged with governance are responsible for overseeing The Judiciary's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes

and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


31 December, 2024


**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

XI. Statement of Receipts and Payments for the Year Ended 30th June 2024

	Note	30-Jun-2024	30-Jun-2023
		KShs	KShs
Receipts			
Exchequer Releases	1	21,562,904,852	20,235,193,180
Other Receipts	2	<u>76,467,734</u>	<u>-</u>
		21,639,372,586	20,235,193,180
Payments			
Compensation of Employees	3	14,050,247,576	12,373,414,686
Use of goods and services	4	6,528,902,111	6,784,207,914
Acquisition of Assets	5	<u>1,052,045,254</u>	<u>996,426,474</u>
Total Payments		<u>21,631,194,941</u>	<u>20,154,049,074</u>
Surplus/Deficit		<u>8,177,645</u>	<u>81,144,106</u>

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 ^{30th} December, 2024 and signed by:

.....

 Hon. Winfridah B. Mokaya
Chief Registrar of the Judiciary

.....

 Wycliffe Wanga - ICPAK No: 3209
Director Accounting Services


**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

XII. Statement of Financial Assets and Financial Liabilities as at 30th June 2024

	Note	30-Jun-2024	30-Jun-2023
Financial Assets		Kshs	Kshs
Cash And Cash Equivalents			
Bank Balances	6	67,362,419	85,320,110
Imprest And Advances	7	<u>5,063,732</u>	<u>57,789,082</u>
Total Financial Assets		<u>72,426,151</u>	<u>143,109,192</u>
Financial Liabilities		-	-
Third party deposits	8	-	-
Net Financial Assets		<u>72,426,151</u>	<u>143,109,192</u>
Represented By			
Fund Balance B/Fwd.	9	143,109,192	87,300,096
Prior Year Adjustments	10	(78,860,686)	(25,335,010)
Surplus/Deficit for The Year		<u>8,177,645</u>	<u>81,144,106</u>
Net Financial Position		<u>72,426,151</u>	<u>143,109,192</u>

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...^{30th}..... December 2024 and Signed By:


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



.....
Wycliffe Wanga - ICPAK No: 3209
Director Accounting Services


**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

XIII. Statement of Cash flows For the Year Ended 30th June 2024

	Note	30-Jun-2024	30-Jun-2023
		Kshs	Kshs
Cash Flow from Operating Activities			
Receipts for operating income			
Exchequer releases	1	21,562,904,852	20,235,193,180
Other Receipts	2	<u>76,467,734</u>	<u>-</u>
Total receipts		21,639,372,586	20,235,193,180
Payments for operating expenses			
Compensation of Employees	3	(14,050,247,576)	(12,373,414,686)
Use of goods and services	4	<u>(6,528,902,111)</u>	<u>(6,784,207,914)</u>
Adjusted for:			
Changes in receivables	11	52,725,350	6,310,668
Adjustments during the period	10	<u>(78,860,686)</u>	<u>(25,335,010)</u>
Net cash flow from operating activities		1,034,087,562	1,058,546,238
Acquisition of Assets	5	<u>(1,052,045,254)</u>	<u>(996,426,474)</u>
Net Increase in Cash and Cash Equivalent		(17,957,691)	62,119,764
Cash and cash equivalent at the beginning of the year		<u>85,320,110</u>	<u>23,200,346</u>
Cash and cash equivalent at end of the period		<u>67,362,419</u>	<u>85,320,110</u>

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 20th December, 2024 and signed by:


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

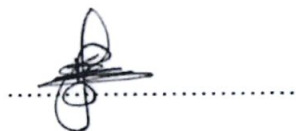

.....
Wycliffe Wanga - ICPAK No: 3209
Director Accounting Services

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

XIV. Statement of Comparison of Budget and Actual Amounts for Fy2023/24

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	Ksh.	Ksh.	Ksh.	Ksh.	Ksh.	
Receipts	a	b	c=b+a	e		g=e/c %
Exchequer releases	22,277,400,000	195,000,000	22,472,400,000	21,562,904,852	909,495,148	96%
Other receipts	-	-	-	76,467,734	(76,467,734)	
Total Receipts	22,277,400,000	195,000,000	22,472,400,000	21,639,372,586	833,027,414	
Payments						
Compensation of Employees	13,636,747,284	426,787,203	13,921,333,787	14,050,247,576	13,286,911	99.9%
Use of goods and services	6,579,436,838	252,041,096	6,831,477,934	6,528,902,111	302,575,823	96%
Acquisition of Assets	2,061,215,878	(483,828,299)	1,577,387,579	1,052,045,254	525,342,325	167%
Total Payments	22,277,400,000	195,000,000	22,472,400,000	21,631,194,941	841,205,059	96%
Surplus	=	=	=	8,177,645	(8,177,645)	

The entity financial statements were approved on ^{30th} December, 2024 and signed by:



Hon. Winfridah B. Mokaya
Chief Registrar of the Judiciary



Wycliffe Wanga - ICPAK No: 3209
Director Accounting Services


¹ Low absorption mainly due to of development exchequer. Development expenditure of more than KShs 290 million was reversed due to lack of exchequer.


THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

XV. Statement of Comparison of Budget and Actual Amounts: Recurrent for FY2023/24

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Utilization Difference	% Of Utilization
	Ksh.	Ksh.	Ksh.	Ksh.	Ksh.	
	a	b	c=b+a	d	E=c-d	g=e/d %
Receipts						
Exchequer releases	20,437,400,000	585,000,000	20,437,400,000	20,632,904,852	(195,504,852)	>100%
Other receipts	-	-	-	76,467,734	(76,467,734)	
Total Receipts	20,437,400,000	585,000,000	20,437,400,000	20,709,372,586	(271,972,586)	
Payments						
Compensation of Employees	13,494,546,584	426,787,203	13,921,333,787	13,908,046,876	13,286,911	100%
Use of goods and services	6,519,436,838	84,041,096	6,603,477,934	6,311,522,361	291,955,573	96%
Social Security Benefits	142,200,700	-	142,200,700	142,200,700	-	100%
Acquisition of Assets	281,215,878	74,171,701	355,387,579	339,863,269	15,524,310	96%
Total Payments	20,437,400,000	585,000,000	21,022,400,00	20,701,633,206	320,766,794	98%
Surplus	=	=	=	7,739,380	(7,739,380)	

The entity financial statements were approved on ^{30th}.....December, 2024 and signed by:


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



.....
Wycliffe Wanga - ICPAK No: 3209
Director Accounting Services


**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

XVI. Statement of Comparison of Budget and Actual Amounts: Development for FY2023/24

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	Ksh.	Ksh.	Ksh.	Ksh.	Ksh.	
	a	b	c=b-a	d		g=e/d %
Receipts						
Exchequer releases	<u>1,840,000,000</u>	<u>(390,000,000)</u>	<u>1,450,000,000</u>	<u>930,000,000</u>	<u>520,000,000</u>	<u>64%</u>
Payments						
Use of goods and services	60,000,000	168,000,000	228,000,000	217,379,751	10,620,250	95%
Acquisition of Assets	<u>1,780,000,000</u>	<u>(558,000,000)</u>	<u>1,222,000,000</u>	<u>712,181,985</u>	<u>509,818,015</u>	<u>58%²</u>
Total Payments	<u>1,840,000,000</u>	<u>(390,000,000)</u>	<u>1,450,000,000</u>	<u>929,561,636</u>	<u>520,438,264</u>	<u>67%</u>
Surplus	=	=	=	<u>438,264</u>	<u>(438,264)</u>	

The entity financial statements were approved on ^{30th}..... December, 2024 and signed by:

.....

 Hon. Winfridah B. Mokaya
 Chief Registrar of the Judiciary

.....

 Wycliffe Wanga - ICPAK No: 3209
 Director Accounting Services

² Low absorption mainly due to lack of development exchequer. Development expenditure of more than KShs 290 million was reversed due to lack of exchequer

THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024

XVIII. Budget Execution by Programmes and Sub-Programmes for FY2023/24

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	FY2023/24	FY2023/24	FY2023/24	FY2023/24	FY2023/24
	KSh.	KSh.	KSh.	KSh.	KSh.
Administration of Justice					
1. Access to Justice	14,768,025,219	129,268,448	14,897,293,667	14,240,658,471	656,635,197
2. General Administration planning and Support Services	<u>7,509,374,781</u>	<u>65,731,552</u>	<u>7,575,106,333</u>	<u>7,390,536,471</u>	<u>184,569,862</u>
Total	<u>22,277,400,000</u>	<u>195,000,000</u>	<u>22,472,400,000</u>	<u>21,631,194,941</u>	<u>841,205,059</u>

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

IX. Notes to the Financial Statements

(i) 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.

(ii) Reporting Entity

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

(iii) 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 Judiciary for all the years presented.

a) Recognition of Receipts

The Judiciary recognises all revenues 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 receiving entity.

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 JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

The date of the transaction is the value date indicated on the payment advice. A similar recognition criterion is applied for loans received in the form of a direct payment.

During the period ended 30 June 2024 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 recognised in the financial statements the time associated cash is received.

b) Recognition of payments

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

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) 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 by Judiciary and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

c) In-kind contributions

In-kind contributions are donations that are made to the Judiciary 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 Judiciary includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

d) 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 period. A bank account register is maintained, and a summary provided for purposes of consolidation. *This summary is disclosed as an annexure 4 to the financial statements.*

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. The amount of restricted cash has been reported in a separate financial statement.

e) Imprest 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 period is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

f) Third Party deposits and Restriction

For the purposes of these financial statements, deposits and retentions held on behalf of third parties has been recognized 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 by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements.

g) Non-current assets

Noncurrent assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the entity fixed asset register a summary of which is provided as a memorandum to these financial statements.

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

h) Pending bills

Pending bills consist of unpaid liabilities at the end of the financial period arising from contracted goods or services during the period 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 to provide a sense of the overall net cash position of the Judiciary at the end of the period. Pending bills form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the period in which the payments are made.

i) Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, 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 on June 2023 for the period 1st July 2023 to 30th June 2024 as required by Law and there were no 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.

j) Comparative figures

Where necessary comparative figures for the previous financial period have been amended or reconfigured to conform to the required changes in presentation. In particular the opening balances for bank has been restated following separation of court deposits that are reported separately.

k) Subsequent Events

There have been no events after the financial year end with a significant impact on the financial statements for the year ended *30th June 2024*.

l) Prior Period Adjustment

During the year, prior period transaction completed during the period under review have been corrected are disclosed *under note 9* explaining the nature and amounts.

m) Related Party Transactions

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

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

- 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.

n) Contingent Liabilities

A contingent liability is:

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

Some of contingent liabilities may arise from: litigation in progress, guarantees, and indemnities. Letters of comfort/ support, insurance, Public Private Partnerships. The Judiciary does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Note 12.2 of this financial statement is a register of the contingent liabilities in the year.

THE JUDICIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2024

1) Exchequer Releases	30-Jun-2024	30-Jun-2023
	KShs	KShs
Exchequer Releases for quarter 1	4,638,364,126	4,563,111,354
Exchequer Releases for quarter 2	5,538,507,073	3,954,852,220
Exchequer Releases for quarter 3	4,940,075,036	3,034,315,871
Exchequer Releases for quarter 4	<u>6,445,958,617</u>	<u>8,682,913,735</u>
Total	<u>21,562,904,852</u>	<u>20,235,193,180</u>

2) Other Receipts	30-Jun-2024	30-Jun-2023
	KShs	KShs
Receipts from unspent Funds	<u>³76,467,734</u>	=

3) Compensation of Employees	30-Jun-2024	30-Jun-2023
	KShs	KShs
Basic salaries of permanent employees	6,995,683,419	5,587,870,841
Basic wages of temporary employees	232,038,142	33,862,418
Personal allowances paid as part of salary	4,894,681,873	5,028,280,513
Employer Contributions to Compulsory National Social Security Schemes	<u>1,927,844,142</u>	<u>1,723,400,914</u>
Total	<u>14,050,247,576</u>	<u>12,373,414,686</u>

4) Use of Goods and Services	30-Jun-2024	30-Jun-2023
	KShs	KShs
Utilities, supplies and services	161,975,415	148,090,561
Communication, supplies and services	346,921,916	338,520,104
Domestic travel and subsistence	1,477,444,600	1,369,529,890
Foreign travel and subsistence	213,863,129	199,208,460
Printing, advertising and information supplies & services	79,491,992	88,621,872
Rentals of produced assets	120,602,080	84,407,574
Training expenses	55,298,426	54,322,392
Hospitality supplies and services	660,341,479	592,618,326
Insurance costs	1,595,752,342	1,519,772,094

³ The other receipts were drawn from unspent funds held in the Judiciary Fund Account.

THE JUDICIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2024

4) Use of Goods and Services	30-Jun-2024	30-Jun-2023
	KShs	KShs
Specialized materials and services	102,766,927	108,446,899
Office and general supplies and services	317,039,062	272,398,263
Fuel Oil and Lubricants	272,130,890	173,429,733
Other operating expenses	880,106,087	1,379,303,849
Routine maintenance – vehicles and other transport equipment	141,547,995	148,091,783
Routine maintenance – other assets	103,619,771	107,446,114
Housing Loans to Public Servants	-	<u>200,000,000</u>
Total	<u>6,528,902,111</u>	<u>6,784,207,914</u>

5) Acquisition of Assets	30-Jun-2024	30-Jun-2023
	KShs	KShs
Construction of Buildings	199,549,279	203,632,644
Refurbishment of Buildings	151,517,908	143,473,936
Purchase of Vehicles and Other Transport Equipment	250,897,700	192,103,040
Purchase of Office Furniture and General Equipment	88,965,569	100,736,804
Purchase of Specialized Equipment & Machinery	154,662,683	353,488,225
Acquisition of Intangible Assets	<u>206,492,115</u>	<u>2,991,825</u>
Total	<u>1,052,045,254</u>	<u>996,426,474</u>

THE JUDICIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2024

6) Bank Accounts	30-Jun-2024	30-Jun-2023
Name of Bank, Account No. & Type	KShs	KShs
		⁴ (Restated)
Bank Accounts (6A+6B)	<u>67,362,419</u>	<u>85,320,110</u>
6 (A) Bank Accounts		
CBK: 1000589353 J Fund – Rec Kes	836,480	13,882,963
CBK: 1000589388 J Fund – Dev Kes	43,741	9,472,061
CBK: 1000181915 Jud – Rec Kes (Old)	62,554,169	60,904,045
CBK: 1000182048 Jud – Dev Kes (Old)	941,249	941,249
CBK: Judicial Perf: Impr 1000187441	-	119,792
	<u>64,375,639</u>	<u>85,320,110</u>

6 (B) Fund Account Movement	30-Jun-2024	30-Jun-2023
Central Bank of Kenya: 1000589396 – Judiciary Fund	KShs	KShs
Opening Balance	-	-
Exchequer Receipts from CFS	21,562,904,852	20,235,193,180
Unspent AIEs from court stations	79,454,514	-
Transfer to the Judiciary Operations	<u>(21,639,372,586)</u>	<u>(20,235,193,180)</u>
Fund balance	<u>2,986,780</u>	=

6 (B) (i) Fund Withdrawal from Fund to Operations	30-Jun-2024	30-Jun-2023
	KShs	KShs
Exchequer Releases for quarter 1	4,526,381,061	4,563,111,354
Exchequer Releases for quarter 2	5,507,464,671	3,954,852,220
Exchequer Releases for quarter 3	5,094,852,595	3,034,315,871
Exchequer Releases for quarter 4	<u>6,510,674,258</u>	<u>8,682,913,735</u>
Total	<u>21,639,372,586</u>	<u>20,235,193,180</u>

⁴ The opening bank balances have been restated by removing cash balances of Kshs.8,100,777,464 related to court deposits. The restatement of opening balances was done to allow for separate reporting between the Judiciary main- Financial Statements and the Judiciary Court Deposits Accountability Statements. This was agreed after lengthy discussion with the Public Sector Accounting Standards Board (see separate Judiciary Deposit accountability Statements). Consequently, the opening cash balance was restated from 8,186,096,574 to Kshs.85,320,110.

THE JUDICIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2024

7) Staff Advances & Accounts Receivable	30-Jun-2024	30-Jun-2023
	KShs	KShs
Staff advances	5 ¹ ,779,300	2,415,516
Suspense and clearance account	<u>3,284,432</u>	<u>55,373,565</u>
Total	<u>5,063,732</u>	<u>57,789,082</u>

Imprests and advances Aging analysis.

	FY2023/2024	% of the	FY2022/2023	% of the
	KShs	total	KShs	total
Under one year	5,063,732	100%	57,789,082	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	<u>5,063,732</u>		<u>57,789,082</u>	

8) Third Party Deposits & Retention	30-Jun-2024	30-Jun-2023
	KShs	KShs
General Deposits – HQs	-	-
General Deposits - Stations	-	-

The opening Third Party Deposits and Retention balances have been restated by removing the deposit liability balances of Kshs.8,100,777,464 related to court deposits. The restatement was done allow for separate reporting between the Judiciary main-Financial Statements and the Judiciary Court Deposits Accountability Statements (see separate Judiciary Deposit accountability Statements). This was agreed after lengthy discussion with the Public Sector Accounting Standards Board. Consequently, the opening third party deposits and retention liability balance was restated by removing the deposit liability from these financial statements.

9) Balances Brough Forward	30-Jun-2024	30-Jun-2023
	KShs	KShs
Bank Accounts	85,320,110	23,200,346
Accounts Receivable	<u>57,789,082</u>	<u>64,099,750</u>
Total	<u>143,109,192</u>	<u>87,300,096</u>

⁵ Related to staff advances not recovered at close of financial year due to delay in surrender. The Judiciary took measures to recover the same through the payroll to avoid accumulation of staff advances.

THE JUDICIARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2024

The balances brought forward have been adjusted following separate reporting of court deposits. Court deposits amounting to KSh.8,100,777,464 have been removed from the opening balances and reported separately in the deposit accountability statements to ensure enhanced reporting and disclosure of court deposits.

10) Adjustments during the Period	30-Jun-2024	30-Jun-2023
	KShs	KShs
Bank account balances	21,764,605	10,904,694
Accounts receivable	<u>57,096,081</u>	<u>14,430,316</u>
	<u>78,860,686</u>	<u>25,335,010</u>

The adjustment related to cash for FY2022/23 surrendered back to exchequer in FY2023/24 of Ksh.24,751,385 and the unspent AIEs from stations and staff advances of Ksh.55,373,565 and Ksh.1,722,516 respectively recovered to the Judiciary Fund account during the year. This in effect reduced the fund balance brought forward by KShs.81,847,466 (FY2022/23: KShs.25,335,010).

11) Changes in Receivables	30-Jun-2024	30-Jun-2023
	KShs	KShs
Period Opening Balances	57,789,082	64,099,750
Period Closing balance	<u>5,063,732</u>	<u>57,789,082</u>
Changes in Receivables	<u>52,725,350</u>	<u>6,310,668</u>

THE JUDICIARY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2024

12) Other Important Disclosures

12.1 Pending Accounts Payables

	Balance B/fwd 01-Jul-2023	Ineligible Bills	Paid during the year	Addition for the year	Balance c/fwd 30-Jun-2024
	KShs	KShs		KShs	KShs
Construction of buildings	11,423,415	-	-	153,670,591	165,094,006
Supply of goods	17,275,784	-	17,275,748	256,338,794	256,338,794
Supply of services	<u>241,836,681</u>	<u>1,787,204</u>	<u>240,049,477</u>	<u>376,975,170</u>	<u>376,975,170</u>
Total	<u>270,535,844</u>	<u>1,787,204</u>	<u>257,325,225</u>	<u>786,984,555</u>	<u>798,407,970</u>
Staff Payables	<u>5,283,563</u>	=	<u>5,283,563</u>	<u>4,448,115</u>	<u>4,448,115</u>
Prior Period Development Pending Bills	<u>272,734,350</u>	=	<u>203,489,491</u>		<u>69,244,859</u>

The pending bills rose mainly due to unfunded exchequer requests to pay already processed payments. Late submission of invoices amounting to KShs.134,925,246 relating rent, postage and courier and security also led to pending bills due to insufficient time to process. Further, the overall unfunded budget was KShs.833,027,414 hence inability to settle payments within the financial year.

12.2 Contingent Liabilities

	30-Jun-2024	30-Jun-2023
	KShs	KShs
Contingent Liabilities arising from unsettled claims by Suppliers.	<u>576,594,038</u>	<u>576,594,038</u>

These liabilities have not been settled as they await verification by the Pending Bills Verification Committee. They are detailed in Annex II.

THE JUDICIARY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2024

13) External Assistance

During the period under review the Judiciary partnered with various development partners in undertaking some of the programs and activities. These included the European Union through the Programme for Legal Empowerment and Aid Delivery (PLEAD) implemented by the United Nations Office on Drugs and Crime (UNODC); Konrad Adenauer Stiftung (KAS), Food and Agriculture Organization (FAO) of the United Nations, International Development Law Organization (IDLO), United Nations Development Programme (UNDP), British High Commission.

These partners provided additional resources through grants and technical support in the following areas:

1. **Development of Policies, Manuals and Guidelines** including
 - a. Development of the Sexual and gender-based violence (SGBV) Case Types and Practice Direction supported by the Programme for Legal Empowerment and Aid Delivery (PLEAD) programme;
 - b. Development of User Operation Guidelines for Environment and Land Court (ELC) under the theme *"Enhancing specialization and efficiency in the Environment and Land Court"* supported by the Food and Agriculture Organization (FAO) of the United Nations;
 - c. Development of the Environment and Land Court at Ten (ELC@10) Conference Report and development of the User Operation Guidelines and Development of the Employment Labour Relations Court (ELRC) Training of Trainers (ToTs) Conciliation Manual both supported by IDLO; and
 - d. Development and printing of 500 copies of the Environment and Land Court (ELC) User Operation Guidelines supported by the Legal Resources Foundation Trust (LRF).
2. **Green justice:** Installation of solar energy in Wajir Law Courts under the PLEAD programme.
3. **Capacity building:** This was undertaken through trainings, colloquium, conferences, dialogues and study tours for the Judges and Judicial Officers. They included
 - a. Africa Regional Judicial Dialogue on Transnational Organized crimes and illicit financial flows in Africa supported by the EU through the PLEAD programme;
 - b. Anti-Money Laundering and Economic crimes facilitated by Konrad Adenauer Stiftung (KAS) and Transparency International (TI);
 - c. Training of 45 Judges and Judicial Officers on Digital Forensics and evidence handling facilitated by the British High Commission through UKaid;

THE JUDICIARY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2024

- d. Training on Environmental Law to all Judges of the ELC court through funding from the Financing Locally Led Climate Action Program (FLOCCA);
 - e. Training of 40 the Employment and Labour Relations Court (ELRC) Judges and Magistrates on International Labour Standards by the International Labour Organization (ILO);
 - f. Hosting of the Employment and Labour Relations Annual Symposium and Exhibition (ELRASE) – some of the activities were facilitated by the Federation of Kenya Employers (FKE), Kituo cha Sheria and International Labour Organisation (ILO);
 - g. Hosting of the 2nd Annual Mediation summit themed “harmonizing Labour Relations; Fostering Social Justice and Economic Growth through Mediation” held at Strathmore University supported by the Jones Day Foundation;
 - h. Training of Magistrates and Justice Actors on SGBV and Child Justice supported by the International Rescue Committee (IRC);
 - i. Annual Symposium for Adjudicators facilitated by the United Nations Development Programme (UNDP);
 - j. Training on Report Writing and Communication for the Directorate of Planning and Organizational Performance (DPOP) by IDLO.
4. **Small Claims Courts (SCC):** The United Nations Development Programme (UNDP) supported development of a mobile application for ease of access to services to the Small Claims Courts. The International Development Law Organization (IDLO) supported various activities for the SCC among them:
- a. Roll-out of 25 Small Claims Courts;
 - b. Providing Small Claims Courts with ICT equipment;
 - c. Rolled out of secondary internet connectivity at five Small Claims Courts in the border towns; and
 - d. Designing, development and deployment of end-to-end process automation of e-filing at Milimani SCC which automated all the post judgement requests.

THE JUDICIARY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2024

ANNEX 1 – Summary of Fixed Asset Register

Asset class	Historical Cost b/fwd. (Kshs) 2022/2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/fwd. (Kshs) 30.06 2024
	KShs	KShs	KShs	KShs	KShs
Land	7,297,599,999	-	-	-	7,297,599,999
Buildings and structures	16,585,685,935	351,067,187	-	-	16,936,753,122
Transport equipment	3,894,123,827	250,897,700	-	-	4,145,021,527
Office equipment, furniture and fittings	649,997,167	88,965,569	-	-	738,962,736
ICT Equipment	420,191,603	-	-	-	420,191,603
Intangible Assets	-	206,492,115	-	-	206,492,115
Machinery and Equipment	<u>1,871,205,215</u>	<u>154,622,683</u>	-	-	<u>2,025,827,898</u>
Total	<u>30,718,803,746</u>	<u>1,052,045,254</u>	=	=	<u>31,770,849,000</u>

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

ANNEX 2 – Contingent Liabilities

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

**THE JUDICIARY FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

ANNEX 3 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.

FY2020/2021						
REF:	Issue	Recommendations By Pac	Management Comment	Focal Person to Resolve	Status	Timeframe
i.	Bank Balances					
1.1	Bank Reconciliation Statements for General Deposits	Awaiting PAC Recommendation	Long outstanding reconciling items in the deposit reconciliation for various court stations relates to periods when the Sub-County (Formerly District Treasury) superintended the Judiciary accounting services. A joint reconciliation between the National Treasury and Judiciary has been carried out to ascertain the variances which consisted of funds not transferred upon de-linking. The receipts in cashbook not in bank	D A	Resolved, awaiting PAC resolution	June, 2025

**THE JUDICIARY FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

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

**THE JUDICIARY FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

FY2020/2021						
REF:	Issue	Recommendations By Pac	Management Comment	Focal Person to Resolve	Status	Timeframe
			and case forwarded to the DCI and Asset Recovery. The courts have continued to update cashbooks and reconciliations to clear long outstanding balances in subsequent bank reconciliations.			
1.2	Loss of Cash Deposits		<p>The losses of KShs 2,682,152 million in Embu and KShs 1,455,800 were fraud matters investigated in FY2016/2017 and matters are active in Runyenjes and Malindi law Courts respectively.</p> <p>The KShs 84,588,258 noted in Nakuru Law Courts was not a loss but an amount expected from</p>	DA	<i>Unresolved, awaiting PAC resolution</i>	<i>June 2025</i>

**THE JUDICIARY FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

FY2020/2021						
REF:	Issue	Recommendations By Pac	Management Comment	Focal Person to Resolve	Status	Timeframe
			<p>the National Treasury for deposits balances not transferred upon de-linking. Subsequently upon reconciliation, it was established the funds not transferred amounted to KShs 52,427,008.06</p> <p><i>The KShs 1,455,800 loss in Malindi was reported in a loss report and matter is active in Malindi Law Courts.</i></p> <p><i>The above matters have been responded to before Parliamentary Accounts Committee (PAC) and awaiting resolution.</i></p>			
2.	Accounts Receivables					

**THE JUDICIARY FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

FY2020/2021						
REF:	Issue	Recommendations By Pac	Management Comment	Focal Person to Resolve	Status	Timeframe
2.1	Unanalysed long outstanding district suspense and clearance Accounts	Awaiting PAC Recommendation	The KShs 26,306,566 related to unspent AIEs to court stations that had not been surrendered at the date of reporting for FY2020/2021. The amount was made up of KShs 5,538,000 being JPIP AIEs to court stations and KShs 20,306,566.35 being unspent AIEs received from court station. The JPIP AIEs were subsequently surrendered while unspent AIEs were received from court station in Judiciary CBK account after the National Treasury had recovered unspent	DA	<i>Resolved awaiting PAC resolution.</i>	<i>June 2025</i>

**THE JUDICIARY FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

FY2020/2021						
REF:	Issue	Recommendations By Pac	Management Comment	Focal Person to Resolve	Status	Timeframe
			exchequer funds in July 2021.			
2.2	Recoverability of imprest issued to non-employees		These imprests are due from government officers who have since moved to other departments of government and some are deceased. The Accounting Officer has approved recovery in compliance with PFM Act 2012.	DA	Resolved, awaiting PAC resolution.	June 2025
3.	Unconfirmed Accounts Payables	Awaiting PAC Recommendation	The deposit reconciliation was carried out jointly by the Judiciary and the National Treasury. The National Treasury acknowledged the work that was jointly carried out with the officers from Directorate of General Accounting Services.	DA	Resolved, awaiting PAC resolution	June, 2025

**THE JUDICIARY FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

FY2020/2021						
REF:	Issue	Recommendations By Pac	Management Comment	Focal Person to Resolve	Status	Timeframe
			in the local travel budget item. The Accounting Officer wrote to the PS National on the effect of the unilateral budget cut.			
5.	Unsupported Contingent Liabilities	Awaiting PAC Recommendation	The contingent liabilities were disclosed based on amounts awarded to contractors/suppliers. The amounts vary from time-to-time due accrual of interest.	DA	<i>Resolved, awaiting PAC resolution</i>	<i>June 2025</i>
6.	Pending Bills	Awaiting PAC Recommendation	The unpaid pending bill composed of KShs 47,955,022.10 being a court award to Riley Services Limited still outstanding due to insufficient fund.	DA	<i>Resolved, awaiting PAC resolution</i>	<i>June, 2023</i>
7.	Judiciary Mortgage Scheme	Awaiting PAC Recommendation	The Judicial Service (Judiciary Mortgages Scheme Fund) Regulations, 2012 are	DA	<i>Unresolved the Regulations are before</i>	<i>June, 2025</i>

**THE JUDICIARY FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

FY2020/2021						
REF:	Issue	Recommendations By Pac	Management Comment	Focal Person to Resolve	Status	Timeframe
			This is evidenced by joint sign off on the summary reports from the reconciliation exercise by officers from the Judiciary and the National Treasury.			
4.	Foreign Travel Charged to Domestic and Subsistence	Awaiting PAC Recommendation	During the covid-19 period the National Treasury unilaterally revised downward Judiciary budgetary allocation to fund National activities to fight Covid-19 pandemic. This affected implementation of ongoing Judiciary activities. The Judiciary had already incurred costs on local travel amounting to KShs 3,093.755 and the cut caused negative balance	DA	<i>Resolved, awaiting PAC resolution</i>	<i>June 2025</i>

**THE JUDICIARY FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

FY2020/2021						
REF:	Issue	Recommendations By Pac	Management Comment	Focal Person to Resolve	Status	Timeframe
			draft regulations yet to be presented to the National Assembly for approval. However, Judiciary has an Agreement with KCB Bank that provides in clause 13 for Maintenance of Proper records and Accounts.		<i>National Assembly Committee</i>	
8.	Delayed Completion of Construction of Thirty (30) Courts	Awaiting PAC Recommendation	Failure to complete projects on time is affected by unavailability of budgets. The Judiciary has engaged the National treasury to provide for budgetary and exchequer allocation to enable payment of contractors on time. When a contractor presents a certificate, whose payment is delayed due to	DA	<i>Partly resolved – some projects were completed while others are ongoing.</i>	<i>June 2025</i>

**THE JUDICIARY FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

FY2020/2021						
REF:	Issue	Recommendations By Pac	Management Comment	Focal Person to Resolve	Status	Timeframe
			unavailability of funds, the project gets delayed and hence the contractors impose charges on delayed payment(s).			



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



.....
Wycliffe Wanga - ICPAK No: 3209
Director Accounting Services

**THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

ANNEX 4 - List Of Schedules Generated From IFMIS.

- I. Comparison Trial Balance
- II. Bank Reconciliation for all bank accounts
- III. Receipts and Payments Statement
- IV. Statement of Financial Position
- V. Statement of Cash Flows
- VI. Notes to the Financial Statements
- VII. Statement of Budget Execution
- VIII. Statement of Deposits
- IX. Budget Execution by Programme and Economic Classification
- X. Budget Execution by Heads and Programmes
- XI. Budget Execution by programmes and sub-programmes

THE JUDICIARY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

ANNEX 5: Register of Bank Accounts

No	Station Name	Region	Bank Name	Branch	Deposit Account No	Revenue Account No	AIE Account No
1	Bungoma	Bungoma	KCB	Bungoma	1174054441	1106286618	1173330836
2	Busia	Bungoma	KCB	Busia	1174013524	1105251748	1173317279
3	Kimilili	Bungoma	KCB	Kimilili	1259603113	1102061697	1259606414
4	Sirisia	Bungoma	KCB	Bungoma	1259606678	1102059536	1259607623
5	Webuye	Bungoma	KCB	Webuye	1259607887	1107197554	1259608832
6	Chuka	Central Eastern	KCB	Chuka	1184221367	1184221421	1184221405
7	Embu	Central Eastern	KCB	Embu	1184349355	1184349622	1184348383
8	Githongo	Central Eastern	KCB	Meru	1174025190	1145952089	1173301747
9	Marimanti	Central Eastern	KCB	Chuka	1262017718	1262019338	1262018722
10	Maua	Central Eastern	KCB	Maua	1184375364	1184429723	1184377340
11	Meru	Central Eastern	KCB	Meru	1184198748	1184198829	1184198586
12	Nkubu	Central Eastern	KCB	Nkubu	1259609863	1111630070	1259610241
13	Runyenjes	Central Eastern	KCB	Embu	1259610519	1102958611	1259611051
14	Siakago	Central Eastern	KCB	Embu	1261972570	1261973437	1261972821
15	Tigania	Central Eastern	KCB	Meru	1259619184	1133735797	1259620603
16	Eldama Ravine	Central Rift	KCB	Eldama Ravine	1259623718	1128691639	1259624366
17	Engineer	Central Rift	KCB	Njabini	1259624625	1142365344	1259625036
18	Kabarnet	Central Rift	KCB	Kabarnet	1184390428	1184390487	1184390266
19	Maralal	Central Rift	KCB	Maralal	1259625370	1108190049	1259625915
20	Molo	Central Rift	NBK	Molo	1264162162	1264162537	1264162367
21	Naivasha	Central Rift	KCB	Naivasha	1197688323	1197687793	1197687467
22	Nakuru	Central Rift	KCB	Nakuru	1119332915	1101845880	1197974180
23	Nanyuki	Central Rift	KCB	Nanyuki	1184252165	1184252335	1184251878
24	Nyahururu	Central Rift	KCB	Nyahururu	1259626350	1102164364	1259626660
25	Butali	Kakamega	KCB	Kakamega	1259626857	1167754557	1259627195
26	Butere	Kakamega	KCB	Mumias	1259627357	1105198847	1259627551
27	Hamisi	Kakamega	KCB	Serem	1259669432	1102408557	1259670309
28	Kakamega	Kakamega	KCB	Kakamega	1184391041	1184390967	1184390541
29	Mumias	Kakamega	KCB	Mumias	1259670813	1105199061	1259671771