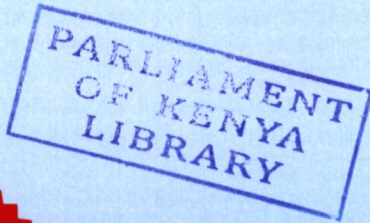


REPUBLIC OF KENYA

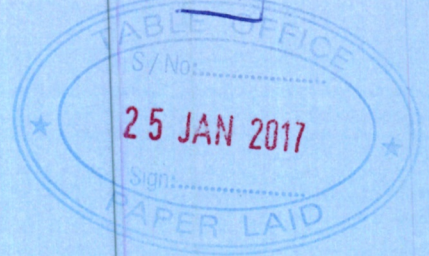


OFFICE OF THE AUDITOR-GENERAL

PAPER LAID BY THE
LEADER OF THE
MAJORITY PARTY ON
25/01/2017

REPORT

18M



OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
JUDGES AND MAGISTRATES
VETTING BOARD**

**FOR THE PERIOD ENDED
31 JULY 2016**





OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI

21 NOV 2016

RECEIVED



JUDGES AND MAGISTRATES VETTING BOARD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED
JULY 31, 2016

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

II	BOARD INFORMATION AND MANAGEMENT	ii
V	THE BOARD MEMBERS	v
X	MANAGEMENT TEAM	x
XII	CHAIRMAN'S STATEMENT	xii
XIII	REPORT OF THE SECRETARY/CHIEF EXECUTIVE OFFICER	xiii
XIV	CORPORATE GOVERNANCE STATEMENT	xiv
XVII	CORPORATE SOCIAL RESPONSIBILITY STATEMENT	xvii
XVIII	REPORT OF THE BOARD	xviii
XIX	STATEMENT OF SECRETARY/CHIEF EXECUTIVE OFFICERS RESPONSIBILITIES	xix
X	REPORT OF THE INDEPENDENT AUDITORS ON THE JUDGES AND MAGISTRATES VETTING BOARD	xx
XI	STATEMENT OF FINANCIAL PERFORMANCE	1
XII	STATEMENT OF FINANCIAL POSITION	2
XIII	STATEMENT OF CHANGES IN NET ASSETS	3
XIV	STATEMENT OF CASHFLOWS	4
XV	STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS	5
XVI	NOTES TO THE FINANCIAL STATEMENTS	6

I. BOARD INFORMATION AND MANAGEMENT

(a) Background information and Life of the Board

The Judges and Magistrates Vetting Board was established by the Vetting of Judges and Magistrates Act, 2011 pursuant to Section 23 of the 6th schedule of the Constitution. The Board was a body corporate with exemption from the provisions of the States Corporations Act. The Board commenced its assignment in September 2011 when the Board members took the oath of office.

The Executive Order No. 1 of 2013 on the organization of the Government of the Republic of Kenya, placed the department of justice under the office of the Office of the Attorney General and Department of Justice. The Judges and Magistrates Vetting Board was therefore represented by the Attorney General at the Cabinet level, in Budgeting and representation or presentation in Parliament.

However, in terms of vetting of judges and magistrates and determinations on suitability, the Board was independent.

The Vetting of Judges and Magistrates Act, 2011 Section 23(4) provided that the Board's mandate shall come to end on the 31st July 2016; the Board accomplished its mission, wound up and is in the process of handing over all the necessary documentation to State Law Office.

(b) Principal Activities

The function of the Board was to vet judges and magistrates in accordance with the values and principles set out in Article 10 and 159 of the new constitution and the Vetting of Judges and Magistrates Act 2011 (Amended). To realize this function the Board undertook the following;

- 1) Gathered relevant information, including requisition of reports, records, documents or any information from any source, including governmental authorities, and compelled the production of such information as and when necessary;
- 2) Interviewed any individual, group or members of organizations or institutions
- 3) Held inquiries for the purposes of performing its functions
- 4) Interviewed the judicial officers and determined suitability

The vision of the Board was to restore confidence in the judiciary.

(c) Key Management

The Board's day-to-day management was under the following key organs:

- Office of the Secretary & Chief Executive Officer
- Legal and Research department
- HR and Administration department
- Finance and Planning department
- ICT and public communications department

- Supply Chain Management department
- Internal Audit department

(d) Fiduciary Management

The key management personnel who held office during the period ended 31st July 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Secretary/Chief Executive Officer	Reuben Chirchir
2.	Assisting Counsel	David Wachira
3.	HR and Administration Officer	Christine C. Rotich
4.	Finance and Planning Officer	Peter O. Ayugi
5.	ICT and Public communication Officer	Vacant
6.	Supply Chain Management Officer	David K. Keter
7.	Internal Auditor	Edward M. Nyaga

(e) Fiduciary Oversight Arrangements

Governance and Audit Committee

The policy of the Board to support internal audit function was through the establishment of the Governance and Audit Committee. The Board's Governance and Audit Committee Charter outlined the following key oversight responsibilities:

- Identify and assess potential risks to the Board's operations
- Review the adequacy of controls established to ensure compliance with policies, plans, procedures and objectives.
- Assess the reliability and security of financial and management information and the systems and operations (in-house or outsourced) that produce this information.
- Assess the means of safeguarding assets
- Review established procedures and systems and propose improvement
- Appraise the use of resources with regard to economy, efficiency and effectiveness
- Follow up recommendations to make sure that effective remedial action is taken
- Carry out ad hoc appraisals, investigations or reviews requested by the Management

Finance, HR and General Purpose Committee

This committee was mandated to oversee the Board's financial affairs and processes to give initial consideration to and advise on any other Board's business of particular importance or complexity. Its role included the following:

- undertaking reviews of financial reporting and performance and advising on actions arising therefrom
- The integrity of the Board's financial statements

- The accounting and financial reporting processes of the Board and the audits of the financial statements of the Board
- The Board's compliance with legal and regulatory requirements,
- Advising on financially-related policy issues
- Considering internal financial controls, financial risk and financial compliance matters
- Considering financial issues and other matters arising from other subcommittee business
- Considering any other general matter (not covered by governance and audit committee) affecting the Board.

(f) Headquarters

P.O. Box 103732 - 00101
Anniversary Towers
University Way
Nairobi, KENYA

(g) Contacts

Telephone:(254) (20) 2216366
E-mail: info@jmvb.or.ke
Website: www.jmvb.or.ke

(h) Bankers

Kenya Commercial Bank
P. O. Box 48400 – 00100,
Nairobi, KENYA.
Telephone :(254) 20 3270000, 2851000, 2852000, 250802
E-mail: kcbhq@kcb.co.ke
Website: <http://www.kcb.co.ke>

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

II. THE BOARD MEMBERS



Mr. Sharad S. Rao – Chairperson

Mr. Sharad S. Rao is a Barrister at Law of Lincoln's Inn, London. He formerly served as the Deputy Public Prosecutor in the office of Attorney General and also as the Acting Attorney General. Mr. Rao served on the Panel of Iran-US claims Tribunal at the Hague arbitrate between Iran-US Disputes. Mr. Rao is Legal counsel to Commonwealth Games Federation and is a member of the Court Arbitration for Sport and has served on the panel of international judges at the ad hoc court of Arbitration at the Olympic Games Athens in 2004, Beijing 2008 and was appointed as such for Olympic Games in London in 2012. He is Hon. Legal Adviser to National Olympic Committee of Kenya and is the Chair of the Centre for Resolution of Sports Disputes established by the National Olympic Committee of Kenya. He is also a member of the Code of Conduct committee of the International Cricket Council and a member of Appeals Committee of the International Basketball Federation.



Ms. Roseline Odede – Vice Chairperson

Ms. Roseline Odede is an Advocate of the High Court of Kenya with over twenty years experience in private practice and state leadership in various professional organizations. She has been Council member of Law Society of Kenya, East Africa Law Society and Commonwealth Lawyers Association. Roseline is a passionate community service. For over 15 years she offered pro bono legal services for gender and family related issues in North Rift. Ms. Odede was awarded the East Africa Law Society recognition for distinguished legal services and a Head of State Commendation (HSC) civil division by the His Excellency the President for offering pro bono legal services. Roseline is a founder member and Chair of Eldoret Hospice Board, a charity. She is also the Honorary Legal Counsel to the Kenya Medical Association Eldoret. Ms. Odede holds a Master's degree in Law, from Witwatersrand University, South Africa, an LLB degree from the University of Nairobi. She is also a trained mediator.



Mr. Abdirashid Abdullahi Hussein – Board Member

Mr. Abdirashid Abdullahi Hussein is a conflict resolution practitioner with more than 15 years of experience working in conflict and host environment in the Greater Horn Africa countries. He has experience in designing and implementing long-term developmental as well as short-term emergency humanitarian projects to mitigate humanitarian suffering due to conflicts and natural disasters such as drought and floods. Over the years he has also acquired monitoring and evaluation skills on the impacts of various projects. Mr. Abdirashid served as Expert/Member with the Committee of Experts on Constitutional Review of Kenya that drafted and successfully delivered a new constitution for the country and prior to that as a Regional Coordinator for Muslim Aid UK, a humanitarian organization based in London/UK with programs in Kenya, Somalia, Sudan and Ethiopia. Abdirashid holds a Master of Science in Conflict Analysis and Resolution as well as a Master of Arts in African History.



Mr. Justus Muniyithya – Board Member

Mr. Justus Muniyithya is an Advocate of the High Court of Kenya, a former Vice Chair of the Law Society of Kenya from 2005 to 2008 and a Council member of the Law Society of Kenya from 2010. Mr. Muniyithya is a trainer and member of the Kenya Faculty of Justice Africa Trial Advocacy programme implemented in collaboration with Washington Law School, Kenya School of Law and Kituo Cha Sheria. He Served as a Treasurer for the East Africa Law Society from year 2003 to 2010.

Mr. Muniyithya has also served as the Chairman of the National Committee on Adoption under the Ministry of Gender, Children and Social Services from the year 2005 to 2011. Due to his exemplary performance, he was awarded the head of state commendation (HSC) for distinguished service by His Excellency the President, Hon. Mwai Kibaki on 12th December, 2010. Mr. Muniyithya was also the top pro bono award winner of CRADLE in 2002. He is a member of the legal Advisory Committee at Transparency International – Kenya, a member of the Advocacy and Legal Advisory Centre – Mombasa, and an associate member of the Chartered Institute of Arbitrators. Justus is also a member of the National NGO Regulatory Committee.



Prof. Ngotho wa Kariuki – Board Member

Prof. Ngotho Wa Kariuki is a renowned Tax Specialist and scholar having taught and consulted in taxation and accounting in many countries in Africa. He has authored books on taxation in Kenya, Namibia and recently in Cameroon. He has developed training programs on Government accounting auditing and taxation for civil service in Namibia, Zimbabwe, Swaziland, Lesotho and South Africa. Prof. Ngotho wa Kariuki is a former Dean of the Faculty of Commerce, University of Nairobi. He was seconded as Commonwealth Expert/Advisor and Visiting Professor of Finance, Accounting and Taxation, to the Government of Republic of Cameroon, University of Buea.

Prof Ngotho wa Kariuki has been active in the fight for justice and democracy since the 1970s. He was detained without trial for these activities between 1986 and 1988 and was tortured in the Nyayo House torture chambers during the Mwakenya crackdown. He was arrested again and charged with treason, later changed to sedition, in the infamous Mutugi's Bar Conspiracy (1990) (or the Anyona Four).



Mrs.Meuledi Iseme – Board Member

Mrs. Meuledi Iseme is a Financial Management specialist with over 20 years' experience in senior level management with focus in financial and business management, organizational development and strategy planning. She has been instrumental in business turnaround financial project management and evaluation of both public and private sector institutions. Mrs. Iseme has contributed immensely to community initiatives in Trans Nzoia especially in development of schools where she served as the chairperson of the Board of Governors and the Development and Planning Committee in various schools. Mrs. Iseme has also been actively involved in charity work as a member of the Ladies Club of Kitale. Previously she served as the Deputy Managing Director, Kenya Seed Company and Principal Accountant in Industrial Development Bank. Ms.Iseme is an Alumni of the University of Nairobi with a Masters of Business Administration (Finance) and a Bachelor of Commerce degrees. She has also attended courses in Strategic Leadership, Corporate Governance, Performance Contracting and Effective Performance Management, Financial Management among others.



Hon.Justice (Rtd.) Barnabas Albert Samatta – Board Member

Hon. Justice (Rtd.) Barnabas Albert Samatta was Chief Justice of the United Republic of Tanzania and Chairman of the Judicial Service Commission (2000-2007). Justice Barnabas Samatta graduated from the University of East Africa in 1966 with an honours degree in Law. In the same year, he was appointed a State Attorney, rising rapidly to become Senior State Attorney in 1971 and Director of Public Prosecutions in 1972 at the age of 32. He was appointed to the High Court of Tanzania in 1976 and served as a Judge of that Court until 1989. He was also a Judge of the High Court of Zimbabwe from 1979 to 1987. From 1989 he served as Principal Judge of the High Court of Tanzania, until his appointment in 1997 as a Justice of Appeal of Tanzania. He was a Member of the Judicial Service Commission from 1989. In 2000, he was appointed Chief Justice of the United Republic of Tanzania. Justice Samatta was a member of the Judicial System Review Commission (1974-1977), member of the Legal Task Force (1993-1996), Chairperson of the Appointments Committee (2000-2007), and Vice Chairperson of the Southern African Judges Commission (2005-2007). He is the Chancellor of Mzumbe University, Tanzania. In 2011, a felicitation volume, Rule of Law: Rulers of Law: Justice Barnabas Albert Samatta's Road to Justice was published by the School of Law, University of Dar es Salaam, to celebrate him as an example of an ethical lawyer whose integrity cannot be questioned, making him a worthy model for the young generation to emulate and draw inspiration from.



Hon. Justice (Rtd.) Joseph A. N. De Silva

Hon. Justice (Rtd.) Joseph Asoka Nihal De Silva is a former Chief Justice of Sri-Lanka. He was born 17th May 1946 and served as 42nd Chief Justice of Sri Lanka. Hon. Asoka De Silva holds a Master's Degree in Administrative Law (1983/84) from the University of Colombo and has done a Postgraduate Diploma in criminology at the University of Illinois in the United States of America. After graduation from the University of Peradeniya in 1971 he joined as an Advocate of the Supreme Court in December 1972. He joined the Attorney General's Department on 2nd April 1974.

He became a Senior Deputy Solicitor General in 1987 and after serving 22 years in the Attorney General's Department he was appointed a Judge of the Court of Appeal on 12th October 1995. Hon. Asoka De Silva became the President of the Court of Appeal in February 2001 and later elevated to the Supreme Court on 1st August 2001. The judge is familiar with the East African conditions having served on the International Criminal Tribunal for Rwanda (ICTR) as a judge for a period of four years.



Hon. Lady Justice (Rtd. DCJ) A.E.N. Mpagi-Bahigeine – Board Member

Hon. Lady Justice (Rtd. DCJ) Alice Mpagi-Bahigeine is a retired judge having served as a judge for over 25 years in her country, Uganda. She was born in 1942. Lady Justice Alice Mpagi-Bahigeine graduated with an LL.B degree from the University of London (Holborn College of Law) in 1967. She is a Barrister at Law – Gray's Inn (1969). She joined M/s Mbojana and Co. Advocates where she worked for a year. In 1971, she joined the Judiciary as a Grade one Magistrate and rose through the ranks to Chief Magistrate, Judge of the High Court and Justice of the Court of Appeal on which bench she served until 2008 when she was appointed Deputy Chief Justice/President of the Constitutional Court until her retirement in July 2012.

The Honourable Lady Justice chaired the Committee of Inquiry in the Ministry of Justice (1986) whose recommendations were widely adopted and implemented. She also served on the Committee for Judicial Reform where she participated in the implementation of several reforms in the civil procedure rules. The honourable judge was a member of the Judicial Integrity Committee. She is also a founding Chairperson of FIDA, Uganda in 1972.






Mr. Reuben Chirchir (Secretary/Chief Executive Officer)




Mr. Chirchir is a manager with vast experience having served various national and regional institutions. Reuben holds an M. degree (Natural Resource Management) from the University Edinburgh, a B.Sc. (Biochemistry) from University of Nairobi, and LLB from University of Huddersfield. Mr. Chirchir is also a registered Environmental Impact Assessment Lead Expert. Prior to joining Board, Mr Chirchir was a consultant with UNDP supporting the Task Force on Devolved Government (TFDG), under the Ministry of Local Government in the development of Devolution Bills and sessional papers. He has also previously worked as the Operational Officer/Deputy Executive Secretary for the Lake Victoria Environmental Management Programme (EPS) where he spearheaded integrated management of environmental resources in the Lake Victoria basin. More recently, he worked for the Danida program and participated in the drafting of national environment policy under the Ministry of Environment.

Mr. Reuben Chirchir is the head of the Secretariat and Account Officer for the Board.

III. MANAGEMENT TEAM

 <p>Mr. Reuben Chirchir- Secretary/Chief Executive Officer</p>	<p>Mr. Chirchir holds an M.Sc. degree (Natural Resource Management), a B.Sc. (Biochemistry), and an LLB.</p> <p>Mr. Chirchir is also a registered Environmental Impact Assessment Lead Expert. Mr. Chirchir is the head of the Secretariat and Accounting Officer for the Board.</p>
 <p>Mr. David Wachira – Head Legal and Research Department</p>	<ul style="list-style-type: none">a. LLBb. Dip. Law (KSL)
 <p>Mrs. Christine C. Rotich – Head HR and Administration Department</p>	<ul style="list-style-type: none">a. MBAb. Bachelor of Arts –c. Higher Diploma – Human Resources Management

JUDGES AND MAGISTRATES VETTING BOARD
Reports and Financial Statements
For the period ended July 31, 2016 (Kshs'000)

 <p>Mr. Peter O. Ayugi – Head Finance and Planning Department</p>	<ul style="list-style-type: none"> a. CPA (K) b. MBA – Strategic Management c. IBA – Finance and Accounting 	
 <p>Mr. Edward Munene Nyaga - Head Internal Audit</p>	<ul style="list-style-type: none"> a. MBA - Finance b. CPA (K) c. Bachelor of Science d. Investment and Securities Analyst (II) e. Certified Information Systems Auditor 	
 <p>Mr. David K. Keter – Head Procurement</p>	<ul style="list-style-type: none"> a. Masters of Commerce b. Bachelor of Commerce c. S.M.M – Supply and Material Management 	
<p>Head ICT and Public Communications</p>	<p>Position Vacant</p>	

IV. CHAIRMAN'S STATEMENT

The Judges and Magistrates Vetting Board was established as part of the reform process of the Judiciary as enshrined in the Constitution of Kenya, 2010. The aim was to determine the suitability of all judges and magistrates who were in office as at the effective date. The purpose of the vetting was to restore confidence in the institution of the Judiciary. The Board delivered on its assignment by vetting all the affected judicial officers of the Court of Appeal, High Court and the subordinate courts.

In undertaking this assignment, the Board faced several challenges, the major one being interruptions occasioned by litigation against the Board in the courts from time to time. Nevertheless, the Board throughout its existence remained cognizant of its responsibility to the stakeholders and to all the Kenyan people and therefore endeavored to effectively deliver on its mandate. The Board employed an extensive public engagement programme in an effort to fully involve the *Mwanainchi* in the process.

I am convinced that the vetting process conformed to the aspirations of the Kenyan people as provided for in the Constitution and that the Board has played its role by completing its mandate in ensuring that public confidence is restored in the judicial system.

The Board wishes to acknowledge the support and cooperation received from State Law office and in particular the Hon. The Attorney General, the Hon. Solicitor General and the Treasury. It is through this co-operation that the Board was able to implement the crucial activities necessary for the delivery of its mandate. The Board also acknowledges the crucial financial support offered by the governments of Japan, Netherlands and the UNDP.

SHARAD S. RAO
CHAIRMAN



V. REPORT OF THE SECRETARY/CHIEF EXECUTIVE OFFICER

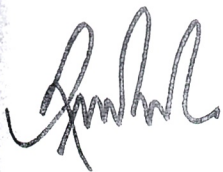
The Board's mandate is derived from Section 23 of the Sixth Schedule of the Constitution of Kenya, 2010. Parliament duly enacted the Vetting of Judges and Magistrates Act which came into force on 22nd March 2011 and that established the Judges and Magistrates Vetting Board. The Board's mandate is to vet and determine the suitability to continue to serve in office of Judges and Magistrates who were in office on the promulgation of the New Constitution on Aug 27, 2010.

The Board began the vetting process with the Judges of the Court of Appeal in February 2012 and concluded the process with the magistrates in March 2016. The Board has in total vetted 9 judges of the Court of Appeal, 44 judges of the High Court and 298 magistrates; 14 judges and 14 magistrates were found unsuitable to continue in service. The rulings have been documented in the Board's final report.

In discharging its mandate, the Board engaged the public in a bid to meet the Constitutional requirements on public sensitization and sourcing relevant information from the public to assist the vetting process and undertook public sensitization and awareness program in various parts of the country.

In the year under review, the Board conducted several Corporate Social Responsibility (CSR) activities which included visits to Rabai - where the Board donated paint and paint brushes as part of giving the ACK Rabai church a much needed face lift , Meru where the Board took part in Meru cancer screening exercise, the Kabarnet school for the deaf and blind and a visit Mama Sarah Obama children's home.

It is my honest conviction that the Board has played its role by completing its mandate which was one facet of the multifaceted approach to restoring the public's confidence in the Kenyan judicial system as envisioned in the new constitution.



REUBEN CHIRCHIR
SECRETARY/CHIEF EXECUTIVE OFFICER

VI. CORPORATE GOVERNANCE STATEMENT

The board members at Judges and Magistrates Vetting Board were committed to the highest level of corporate governance as enshrined in the Constitution and best practices. The Board which was responsible for the corporate governance subscribed to the principles of standards of behaviour (balance of power and authority), organization structure, control and external reporting.

According to the Constitution and the Vetting of Judges and Magistrates Act 2011 (as amended), the following governance structure were adopted.

Board Members

The Board Members were appointed in accordance with section 9 of the Vetting of Judges and Magistrates Act, 2011 and was composed of nine members and a Secretary who was also the Chief Executive Officer who was the head of the Secretariat. The Board, consisted of nine members, draws from different professional and jurisdictional backgrounds. Six members are Kenyan (three lawyers and three non-lawyers), while three members are eminent judges from the Commonwealth. The remuneration of the Board Members was as determined by the National Treasury and proceeds drawn from the consolidated fund.

In addition to their roles as outlined in Vetting of Judges and Magistrates Act, 2011, the Members of the Board assumed a primary responsibility in the following areas.

- i. Oversee the corporate management and operations, management accounts, major capital expenditures and review Board's performance and strategies;
- ii. Identify the principal risks in its operating environment including the implementation of appropriate measures to manage such risks or anticipated changes impacting the mandate of the Board;
- iii. Development of appropriate staffing and remuneration policy including the appointment of Chief Executive and the senior staff;
- iv. Monitor the effectiveness of the corporate governance practices under which the Company operates and propose revisions as may be required from time to time.

Secretary/Chief Executive Officer

The Secretary/Chief Executive Officer had day to day management responsibility in the running of the Board's operations and in the implementation of Board's policies agreed by the Board. The Secretary/Chief Executive instilled the company's culture, core values and standards, which include appropriate corporate governance, throughout the Board. In executing the responsibilities, the Secretary/Chief Executive was supported by the management team, together with the Secretary/Chief Executive, were responsible for ensuring that high quality information is provided to the Board.

Board Committees

The Board had established four Committees for efficient delivery of services and accordingly assigned/delegated specific mandates. Specifically, the Board committee established were

- a. Legal Affairs Committee
- b. Finance, HR and General Purpose Committee
- c. Governance and Audit Committee
- d. Editorial and Publication Committee

Two committees namely Governance and Audit Committee and Finance, Human Resources and General Purpose Committee dealt directly with the prudent management and administration of financial resources.

Governance and Audit Committee

The mission of the Governance and Audit Committee was to ensure that the Board's operations were conducted according to the highest standards by providing independent, objective assurance function and by advising on best practice. The committee also helped the Board accomplish its objectives by evaluating and improving the effectiveness of risk management, control and governance processes. The Governance and Audit Committee had three members.

The scope of the committee included the review of risk management procedures, internal control systems, information systems and governance processes, periodic testing of transactions, best practice reviews, special investigations, appraisals of regulatory requirements and measures to prevent and detect fraud.

The Charter outlined the following key oversight responsibilities:

- Identify and assess potential risks to the Board's operations
- Review the adequacy of controls established to ensure compliance with policies, plans, procedures and objectives.
- Assess the reliability and security of financial and management information and the systems and operations (in-house or outsourced) that produce this information.
- Assess the means of safeguarding assets
- Review established procedures and systems and propose improvement
- Appraise the use of resources with regard to economy, efficiency and effectiveness
- Follow up recommendations to make sure that effective remedial action is taken
- Carry out ad hoc appraisals, investigations or reviews requested by the Management

Finance, Human Resources and General Purpose Committee

This committee was mandated to oversee the Board's financial affairs to give initial consideration to and advise on any other Board's business of particular importance or complexity. Its role included the following:

- Undertaking reviews of financial reporting and performance and advising on actions arising there from
- Advising on financially-related policy issues
- Considering internal financial controls, financial risk and financial compliance matters
- Considering financial issues and other matters arising from other subcommittee business
- Development of appropriate staffing and remuneration policy including the appointment of chief executive and the senior staff;
- Considering any other general matter (not covered by governance and audit committee) affecting the Board.

Code of Ethics

The Board was committed to the highest standards of integrity, behaviour and ethics in dealing with all its stakeholders. A formal code of ethics approved by the government was been implemented to guide management, employees and stakeholders on acceptable behaviour in conducting business. All employees of the Board were expected to avoid activities and financial interests that could undermine their responsibilities to the Board. In addition Board and staff members were required to disclose any potential conflict of interest which may arise during the carrying out of their duties in their respective capacities.

VII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Judges and Magistrates Vetting Board recognised its obligations to act responsibly, ethically and with integrity in its interactions with all stakeholders both internal and external. In the conduct of its activities, the Board took social responsibilities as an essential part of its core mandate. As a public organization, the Board had a major role to play in the social and economic welfare of all stakeholders and an ethical responsibility to all by taking positive action.

The ultimate responsibility for social responsibility issues rested with the Board, the Chief Executive Officer who has the executive responsibility for all aspects of the Policy and is committed, together with the staff of the Secretariat ensured that proper procedures are in place to fully implement its CSR policy.

In its CSR policy, the Board sought to:

- Contribute to society and improve the quality of life
- Promote health and wellbeing of less fortunate persons in society
- Promote the responsible use of water and support the conservation of water resource initiatives
- Promote its involvement in social and charitable interaction with the local and wider communities.
- regular risk assessments to guarantee the wellbeing of staff and visitors, in accordance with Health and Safety legislation
- Promoting diversity without differentiating on grounds of gender, ethnicity, religion, sexual orientation or physical ability.

In the year under review, the Board engaged in several CSR activities countrywide including a visit to Rabai - where the Board donated paint and paint brushes as part of giving the ACK Rabai church a much needed face lift - , Meru where the Board took part in Meru cancer screening exercise, Kabarnet school for the deaf and blind and a visit Mama Sarah Obama children's home.

VIII. REPORT OF THE BOARD

The Board submit their report together with the audited financial statements for the period ended July 31, 2016 which show the state of the Board's affairs.

Principal activities

The principal activities of the Board is to vet the suitability of all the Judges and Magistrates, in office prior to the promulgation of the new constitution of Kenya in accordance with the values and principles set out in Article 10 and 159 of the new constitution and the Vetting of Judges and Magistrates Act 2011 (as amended).

Results

The results of the entity for the period July 31, 2016 are set out from page 1.

Board Members

The members of the Board who served during the year are shown on page v to viii in accordance with the Vetting of Judges and Magistrates Act 2011 (as amended).

Auditors

The Auditor General is responsible for the statutory audit of the Board in accordance with Article 229 of the Constitution and Section 8 of the Audit Act.

By Order of the Board



Reuben Chirchir

Secretary/Chief Executive Officer

Nairobi

Date: 31st July 2016

IX. STATEMENT OF SECRETARY/CHIEF EXECUTIVE OFFICERS RESPONSIBILITIES

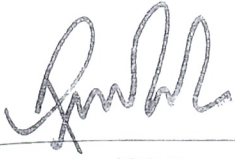
Section 28 subsection 1 of the Vetting of Judges and Magistrates Act, 2011 required the Board to keep proper books and records of accounts of its income, expenditure, assets and liabilities. Subsection 2 requires the annual accounts of the Board to be prepared, audited and reported upon in accordance with the Public Audit Act, 2003. Section 4 of the Public Audit Act, 2003 and Section 81 of the Public Finance Management Act, 2012 required the Accounting Officer to prepare financial statements in respect of that Board, which give a true and fair view of the state of affairs of the Board at the end of the financial year/period and the operating results of the Board for that year/period. The Accounting Officer was also required to ensure that the Board keeps proper accounting records which disclose with reasonable accuracy the financial position of the Board. The Accounting Officer is also responsible for safeguarding the assets of the Board.

The Accounting Officer was responsible for the preparation and presentation of the Board's financial statements, which give a true and fair view of the state of affairs of the Board for and as at the end of the period ended on July 31, 2016. This responsibility included: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Board; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

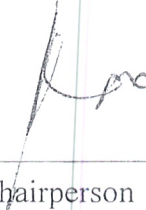
The Accounting Officer accepts responsibility for the Board's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public sector Accounting Standards (IPSAS) and in the manner required by the PFM Act. The Board Members are of the opinion that the Board's financial statements give a true and fair view of the state of Board's transactions during the period ended July 31, 2016, and of the Board's financial position as at that date. The Accounting Officer further confirm the completeness of the accounting records maintained for the Board, which have been relied upon in the preparation of the Board's financial statements as well as the adequacy of the systems of internal financial control.

Approval of the financial statements

The Board's financial statements were approved by the Board Members and signed on its behalf by:



Secretary/CEO



Chairperson

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON JUDGES AND MAGISTRATES VETTING BOARD FOR THE PERIOD ENDED 31 JULY 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Judges and Magistrates Vetting Board set out on pages 1 to 16, which comprise the statement of financial position as at 31 July 2016, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the period 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.

Management's Responsibility for the Financial Statements

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 such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The 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.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation

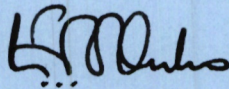
Report of the Auditor-General on Judges and Magistrates Vetting Board for the Period ended 31 July 2016

and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Judges and Magistrates Vetting Board as at 31 July 2016, and its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Judges and Magistrates Vetting Board Act, 2011.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

14 December 2016

XI. STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 31 July 2016

REVENUE	Notes	2015 - 2016 Kshs'000	2014 - 2015 Kshs'000
Government Grant	9(i)	428,100	827,200
Other Income	9(ii)	-	52
Total Revenue		428,100	827,252
OPERATING EXPENSES			
Compensation of Employees	10	299,366	294,036
Administration Costs	3	341,124	328,085
Depreciation of Property, Plant and Equipment	11	4,440	6,198
Total Expenses		644,930	628,319
Surplus from Operating Activities		(216,830)	198,933

The notes set out on pages 6 to 16 form an integral part of the Financial Statements

JUDGES AND MAGISTRATES VETTING BOARD
Reports and Financial Statements
For the period ended July 31, 2016 (Kshs'000)

XII. STATEMENT OF FINANCIAL POSITION
As at 31st July 2016

ASSETS	Notes	2015 - 2016 KES'000	2014 - 2015 KES'000
Current Assets			
Cash and Cash Equivalents	8	127,819	344,227
Staff Advances	5	-	260
Accounts Receivable	4	4,551	4,551
Inventories	6	2,049	7,467
Non-Current Assets			
Plant and Equipment	11	14,005	19,346
Total Assets		148,424	375,851
LIABILITIES			
Current Liabilities			
Accounts Payables and Accruals	7	2,691	4,164
Service Gratuity	12	24,763	33,936
Total Liabilities		27,454	38,100
Net Assets			
Accumulated Surplus (Deficit)		120,970	337,751
		120,970	337,751
Total Net Assets and Liabilities		148,424	375,851

The Financial Statements set out on pages 1 to 16 were signed on behalf of the Board by:

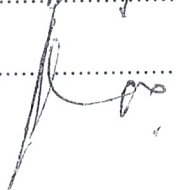
Secretary/Chief Executive Officer

Date... 31.07.2016

Signature... 

Chairman of the Board

Date... 31st July 2016

Signature... 

XIII. STATEMENT OF CHANGES IN NET ASSETS
For the year period 31 July 2016

	Notes	Accumulated Surplus KES'000
Balance as at 30th June 2012		387
Deficit for the period		(20,302)
Balance as at 30th June 2013		(19,915)
Operating Surplus/ (Deficit) Financial Year 2013/2014		158,733
Balance as at 30th June 2014		138,818
Operating Surplus/ (Deficit) Financial Year 2014/2015		198,933
Balance as at 30th June 2015		337,751
Operating Surplus/ (Deficit) the period ending 31 st July 2106		(216,830)
Prior Year Adjustment		49
Balance as at 31st July 2016		120,970

JUDGES AND MAGISTRATES VETTING BOARD
Reports and Financial Statements
For the period ended July 31, 2016 (Kshs'000)

XIV. STATEMENT OF CASHFLOWS

	Notes	2015 - 2016 KES'000	2014 - 2015 KES'000
Cash flows from operating activities			
Receipts			
Government Grant	9(i)	428,100	827,200
Other Income	9(ii)	-	52
		<hr/>	<hr/>
		428,100	827,252
Payments			
Compensation of employees & Admin Costs	14	645,458	611,299
		<hr/>	<hr/>
		645,458	611,299
Net cash flow from operating activities		(217,358)	215,953
Adjustment of assets	15	950	-
Increase in assets		-	(5,654)
		<hr/>	<hr/>
Net Cashflow used in Investing Activities		950	(5,654)
Cashflow from Financing Activities			
		<hr/>	<hr/>
Net Cashflow used in Financing Activities		-	-
Net Cash Increase/(decrease) in Cash and Cash Equivalents		(216,408)	210,299
Cash and Cash equivalents at 1st July		344,227	133,928
		<hr/>	<hr/>
Cash and Cash Equivalent as at 31st July 2016	8	127,819	344,227

JUDGES AND MAGISTRATES VETTING BOARD**Reports and Financial Statements**

For the period ended July 31, 2016 (Kshs'000)

XV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference
	2015-2016	2015-2016	2015-2016	2015-2016	2015-2016
Revenue	KES'000	KES'000	KES'000	KES'000	KES'000
Government grants and subsidies	663,100	(235,000)	428,100	428,100	-
Other Income	40,100	(40,100)	-	-	-
Total income	703,200	(275,100)	428,100	428,100	-
Expenses					
Compensation of employees	407,386	(108,020)	299,366	299,366	-
Goods and services	279,194	(174,088)	105,106	321,936	(216,830)
Finance cost	-	-	-	-	-
Rent paid	16,620	7,008	23,628	23,628	-
Taxation paid	-	-	-	-	-
Total expenditure	703,200	(275,100)	428,100	644,930	(216,830)
Surplus for the period	-	-	-	(216,830)	(216,830)

XVI. NOTES TO THE FINANCIAL STATEMENTS

1. a. Going Concern of The Board

The Vetting of Judges and Magistrates Act, 2011 Section 23(4) provides that the Board's mandate shall come to end on the 30th June 2016; the Board having accomplished its mission, is therefore winding up and handing over all the assets and necessary documentation to State Law Office.

b. Statement of compliance and basis of preparation – IPSAS 1

The entity's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the entity. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

2. Summary of significant accounting policies

a) Revenue recognition

Revenue from non-exchange transactions – IPSAS 23

Fees, government grants and donor funds

The Board recognizes revenues from fees, government grants and donor funds when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

b) Budget information – IPSAS 24

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the entity. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

JUDGES AND MAGISTRATES VETTING BOARD
Reports and Financial Statements
For the period ended July 31, 2016 (Kshs'000)

c) Taxes – IPSAS 23

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Property, plant and equipment – IPSAS 17

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

The depreciation is on reducing balance method. The rates are as follows:

Furniture and Fittings – 12.5%

Office Equipment – 33.3%

e) Leases – IPSAS 13

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

JUDGES AND MAGISTRATES VETTING BOARD
Reports and Financial Statements
For the period ended July 31, 2016 (Kshs'000)

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

f) Inventories – IPSAS 12

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

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

g) Provisions – IPSAS 19

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

JUDGES AND MAGISTRATES VETTING BOARD
Reports and Financial Statements
For the period ended July 31, 2016 (Kshs'000)

Contingent liabilities

The Entity 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.

Contingent assets

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

h) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. The Board has no other reserves apart from accumulated surplus/deficit.

i) Changes in accounting policies and estimates – IPSAS 3

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

j) Employee benefits – IPSAS 25

All short term employee benefits

Short-term employee benefits include items such as: (a) Wages, salaries, and social security contributions; (b) Short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the period in which the employees render the related employee service; (c) Performance related bonuses and profit-sharing payable within twelve months after the end of the period in which the employees render the related service; and (d) Non-monetary benefits (such as medical care, housing, cars, and free or subsidized goods or services) for current employees.

When an employee has rendered service to an entity during an accounting period, the Board recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service: (a) As a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, an Board recognizes that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and (b) As an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

JUDGES AND MAGISTRATES VETTING BOARD
Reports and Financial Statements
For the period ended July 31, 2016 (Kshs'000)

k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

l) Comparative figures

The 2015/2016 accounts have been prepared for the 13 months; however a 12 months comparative has been provided for the previous financial year.

m) Significant judgments and sources of estimation uncertainty – IPSAS 1

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

n) Subsequent events – IPSAS 14

There have been no events subsequent to the end of period with a significant impact on the financial statements for the period ended July 31, 2016.

3) Administration Costs	2015/2016	2014/2015
Communication Supplies and Services	735	-
Domestic Travel	20,789	8,590
Foreign Travel	3,847	14,519
Printing , Advertisement and Information	15,841	15,972
Training Expenses	20,852	13,450
Hospitality, Supplies and Services	3,263	1,809
Medical Insurance Premium	10,398	35,696

JUDGES AND MAGISTRATES VETTING BOARD
Reports and Financial Statements
For the period ended July 31, 2016 (Kshs'000)

Specialized Materials and Supplies	-	77
Office, General Supplies and Services	15,392	3,587
Fuel , Oil and Lubricants	7,281	6,112
Miscellaneous Expenses	480	60
Telephone and Airtime Expenses	5,921	5,072
Newspapers and Periodicals	455	274
Courier Charges	-	28
Internet Services	1,231	1,890
Staff Retreat and Team Building	19,613	21,332
Public Sensitization & Outside Vetting	76,457	78,149
Bank Charges	63	48
Routine Maintenance - Vehicle and Other Assets	192	757
Rent	23,628	19,772
Witness Expenses	66	116
Car Rentals and Hire	72,064	62,724
Office Maintenance Services	802	944
Office Cleaning Services	1,251	864
Legal Fees and Charges	6,137	3,431
Consultancy Fees and Charges	482	1,000
Subscription and Licenses	2,007	1,137
Hotel Accommodation & Subsistence Allowance	31,028	30,098
General Expenses	171	577
Audit Fees	678	-
Total Expenses	341,124	328,085

JUDGES AND MAGISTRATES VETTING BOARD
Reports and Financial Statements
For the period ended July 31, 2016 (Kshs'000)

		2015/2016 KES'000	2014/2015 KES'000
4 (i)	Accounts Receivables		
	Rent Deposit	4,551	4,551
	The rent deposit relates to View park and Anniversary Towers premises. The deposit is refundable at the end of the contract period to the Office of the Attorney General.		
5.	Salary Advances	2015/2016 KES'000	2014/2015 KES'000
	Salary Advances	-	260
	These relate to salary advances to members of the secretariat as at 31 th July.		
6.	Inventories	2015/2016 KES'000	2014/2015 KES'000
	Stationery/Determination reports	2,049	7,468
	Inventories are valued at the lower of cost and net realizable value.		
7.	Accounts Payables and Accruals	2015/2016 KES'000	2014/2015 KES'000
	Accounts Payable (Note 7 (ii))	2,691	1,884
	Legal Fees Accrued (Note 7 (i))	-	2,280
	Totals	2,691	4,164
7 (i)	Legal Fees Accrued Schedule	2015/2016 KES'000	2014/2015 KES'000
	S.No. Name of Supplier		
	1 Accrued Legal Fees	-	2,280
	Total	-	2,280
7 (ii)	Accounts Payable Schedule	2015/2016 KES'000	2014/2015 KES'000
	Lease & Own It	183	-
	Muma & Kanjama Advocates	1,350	-
	Global Star Tours & Travel	607	732
	R.H. Devani	551	484
	Simba Corporation Ltd	-	668
	Total	2,691	1,884

JUDGES AND MAGISTRATES VETTING BOARD**Reports and Financial Statements**

For the period ended July 31, 2016 (Kshs'000)

The accounts payable were still in payment process at the close of the period. Their complete documentation shall be forwarded to Office of the Attorney General for payment.

8. Cash and Cash equivalents

	2015/2016	2014/2015
	KES'000	KES'000
Kenya Commercial Bank	120,149	189,150
KCB Japan Funds	6,692	34,827
Cash in Hand	120	120
KCB – Salaries	858	120,130
Total	127,819	344,227

9(i) Exchequer Contribution

Description	2015/2016	2014/2015
	KES'000	KES'000
1st Qtr AIE	165,775	206,800
2nd Qtr AIE	165,775	206,800
3rd Qtr AIE	96,550	206,800
4th Qtr AIE	-	206,800
Totals	428,100	827,200

9(ii) Other Income

	2015/2016	2014/2015
	KES'000	KES'000
Tender Fees	-	52
Total	-	52

10. Compensation of Employees

Description	2015/2016	2015/2016
	KES'000	KES'000
Net Pay	175,094	175,721
P.A.Y.E	81,432	71,248
NSSF	402	384
NHIF	1,861	334
Gratuity Expense	31,064	44,380
Pay in Lieu of Leave	9,513	1,969
Totals	299,366	294,036

JUDGES AND MAGISTRATES VETTING BOARD
Reports and Financial Statements
For the period ended July 31, 2016 (Kshs'000)

11. Property, Plant and Equipment

	Furniture & Fittings	Office Equipment	Assets Below KES 15,000	Total
	Kshs.	Kshs.	Kshs	Ksh.
Cost				
As at 1 July 12	577	6,267	66	6,910
Additions	11,777	16,844	49	28,670
Disposals	-	-	-	-
Transfers/Adjustments	-	-	-	-
At 30.06.2013	12,354	23,111	115	35,580
Additions	470	799	62	1,331
Disposals	-	-	-	-
Transfers/Adjustments	-	-	-	-
At 30.06.2014	12,824	23,910	177	36,911
Additions	988	4,659	7	5,654
Disposals	-	-	-	-
Transfers/Adjustments	-	-	-	-
At 30.06.2015	13,812	28,569	184	42,565
Additions	-	-	-	-
Disposals	-	-	-	-
Correction of Misposting	-	(901)	-	(901)
At 30.06.2016	13,812	27,668	184	41,664
Depreciation and Impairment				
As at 1 July 12	72	2,087	-	2,159
Depreciation	1,536	6,982	-	8,518
Disposals	-	-	-	-
Impairment	-	-	-	-
Transfers/Adjustments	-	-	-	-
At 30.06.2013	1,608	9,069	-	10,677

JUDGES AND MAGISTRATES VETTING BOARD
Reports and Financial Statements
For the period ended July 31, 2016 (Kshs'000)

Depreciation	1,402	4,942	-	6,344
Disposals	-	-	-	-
Impairment	-	-	-	-
Transfers/Adjustments	-	-	-	-
At 30.06.2014	3,010	14,011	-	17,020
Depreciation	1,350	4,848	-	6,198
Disposals	-	-	-	-
Impairment	-	-	-	-
Transfers/Adjustments	-	-	-	-
At 30.06.2015	4,360	18,859	-	23,219
Depreciation	1,279	3,161	-	4,440
Disposals	-	-	-	-
Impairment	-	-	-	-
Transfers/Adjustments	-	-	-	-
At 31.07.2016	5,639	22,020	-	27,659
Net Book Values				
At 31.07.2016	8,173	5,648	184	14,005
At 30.06.2015	9,452	9,710	184	19,346

12. Accrued Service Gratuity and Pay in Lieu of Leave

	2015/2016	2012/2013
	KES'000	KES'000
Accrued Gratuity & Pay in Lieu of Leave	24,763	33,936
Totals	24,763	33,936

Accrued gratuity relates to gratuity payable (calculated as 31 per cent of the basic salary) to members of staff from July 2015 to July 2016.

A reduction in the number of staff led to a subsequent reduction in gratuity paid/payable.

JUDGES AND MAGISTRATES VETTING BOARD
Reports and Financial Statements
For the period ended July 31, 2016 (Kshs'000)

13. Gratuity Expense

	2015/2016	2014/2015
	KES'000	KES'000
Accrued Gratuity	24,763	33,936
Gratuity	6,301	10,444
Totals	31,064	44,380

14. Cash Paid on Compensation of Employees and Admin Costs

	2015/2016	2014/2015
	KES'000	KES'000
Compensation of Employees	299,366	294,036
Change in accrued gratuity	9,173	(7,560)
Change in staff advances	(260)	(300)
Admin Costs	341,124	328,085
Change in accounts payable & accruals	1,473	4,382
Change in accounts receivables & prepayments	-	(13,453)
Change in inventory	(5,418)	6,109
	645,458	611,299

15. Adjustment Ksh. 950,000

The amount relates to cheque no. 1361 which was double posted in the previous financial year.

16. Prior Year Adjustment Ksh. 49,000

The amount relates to VAT element of cheque no. 1361 which was double posted in the 2014/2015 financial year.