

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 22 MAR 2023	DAY: Wed
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OF

THE AUDITOR-GENERAL

ON

THE JUDICIARY

**FOR THE YEAR ENDED
30 JUNE, 2022**



REPUBLIC OF KENYA

THE JUDICIARY



THE JUDICIARY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30 JUNE 2022

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

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

TABLE OF CONTENT	PAGE
KEY ENTITY INFORMATION AND MANAGEMENT	1
STATEMENT BY THE CHIEF REGISTRAR OF THE JUDICIARY.....	6
1. JUDICIARY BUDGETARY REVIEW.....	6
2. KEY ACHIEVEMENTS DURING THE FINANCIAL YEAR	14
3. MANAGEMENT OF COURT DEPOSITS.....	16
4. MANAGEMENT OF PENDING BILLS	17
5. AUTOMATION OF FINANCIAL MANAGEMENT	18
6. EMERGING ISSUES	18
7. IMPLEMENTING CHALLENGES	20
STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES.....	22
CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING	27
STATEMENT OF JUDICIARY MANAGEMENT RESPONSIBILITIES	29
REPORT OF THE AUDITOR GENERAL	31
STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2022 ...	32
STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2022	33
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022.....	34
STATEMENT OF COMPARISON ON BUDGET AND ACTUAL AMOUNTS FOR FY2021/2022.....	35
SUMMARY STATEMENT OF APPROPRIATION: RECURRENT FOR FY2021/2022.....	36
SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT FOR FY2021/2022	37
BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FY2021/2022.....	38
ACCOUNTING POLICIES.....	39
NOTES TO THE FINANCIAL STATEMENTS	46
PROGRESS ON THE FOLLOW UP OF AUDITOR RECOMMENDATIONS	52
ANNEX 2 - SUMMARY OF FIXED ASSET REGISTER.....	79
ANNEX 3 - LIST OF PROJECTS IMPLEMENTED BY THE JUDICIARY	80
ANNEX 4 - LIST OF STATE CORPORATIONS AND SEMI-AUTONOMOUS GOVERNMENT AGENCIES UNDER THE JUDICIARY.....	81
ANNEX 5- REPORTS GENERATED FROM IFMIS.....	82
ANNEX 6- REGISTER OF BANK ACCOUNTS.....	83
.....	84

KEY ENTITY INFORMATION AND MANAGEMENT

(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.

The Judiciary discharges this mandate by developing jurisprudence and providing independent, accessible, fair and responsive fora for dispute resolution. Through interpretation of the Constitution, the Judiciary promotes the rule of law by shaping public policy and ensuring access to justice.

Judiciary 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.

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

v. Humility: We shall be modest in exercising powers given to us by the Constitution

(b) Key Management

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

- Judicial Service Commission (JSC);
- Office of Chief Justice and President of the Supreme Court, and
- Office of Chief Registrar of the Judiciary

(c) Fiduciary Management

The key management personnel who held office during and up to the date of these Financial Statements and who had direct fiduciary responsibility were:

No	Designation	Name
1.	The Hon. Chief Justice and President of the Supreme Court of Kenya, and Chairperson of: <ul style="list-style-type: none"> • The Judicial Service Commission, • National Council of Law Reporting • National Council on Administration of Justice 	Hon. Lady Justice Martha Karambu Koome, EGH
2.	Chief Registrar of the Judiciary	Hon. Anne A. Amadi, CBS
3.	Ag. Director of Finance	F CPA Susan Oyatsi
4.	Accounts Controller	CPA Wycliffe Wanga
5.	Director Supply Chain Management	Mr. Jeremiah Nthusi
6.	Director Human Resources Management & Administration	Dr. Elizabeth Kalei
7.	Director Planning & Organisation Performance	Dr. Paul Kimalu
8.	Director Audit and Risk Management	CPA Ronald Wanyama
9.	Deputy Director Public Affairs & Communication	Ms. Catherine Wambui
10.	Deputy Director, Building Services Unit	Architect Maxwell Suero

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

No	Designation	Name
11.	Ag. Director ICT	Mr. Stephen Ikileng
12.	Registrar, Supreme Court	Hon. Esther Nyaiyaki - <i>Upto</i> <i>January 2022</i> Hon. Letizia Wachira - <i>From</i> <i>January 2022</i>
13.	Registrar, Court of Appeal	Hon. Moses Serem
14.	Registrar, High Court	Hon. Judith Omange
15.	Registrar, Employment & Labour Relations Court	Hon. Kennedy Kandet
16.	Registrar, Environment and Land Court	Hon. Rose Makungu
17.	Registrar, Magistrate Court	Hon. Peter Mulwa
18.	Registrar, Tribunals	Hon. Anne Asugah
19.	Registrar, Small Claims Court	Hon. Stella Kanyiri

(d) Fiduciary Oversight Arrangements

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.

(i) JSC Finance, Planning and Administration Committee

The JSC Finance, Planning and Administration Committee assists the Commission in fulfilling its responsibilities in monitoring and overseeing the Judiciary's financial affairs with respect to the financing plans, financing requirements and policies. The Committee evaluates specific financial proposals, plans, strategies, transactions and other initiatives. During the year under review, the Commission held meetings in which annual work plans and procurement plans for the Judiciary were interrogated and approved among other functions.

(ii) 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 assist the Commission in fulfilling its oversight responsibilities by reviewing, identifying, assessing, monitoring and managing risks ensuring good governance.

The committee monitors the effectiveness of the internal control systems and regularly receives reports from Internal and External Auditors. The Audit Committee oversees the implementation of Audit recommendations.

(iii) Judiciary Committees

There are various committees within the Judiciary whose membership is drawn from departments and units with a wide range of skills and experience. On appointment each committee member is provided with comprehensive terms of reference for the tasks to be undertaken.

The following are some of the committees that were in place during the reporting period;

- Management Committee,
- Integrated Court Management System Committee,
- Budget Implementation Committee,
- Infrastructure Projects Committee,
- Human Resources & Administration Committee,
- Information, Communication & Technology (ICT) Committee
- Asset Management Committee,

(e) The Headquarters

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

(f) The Contacts

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

(g) Bankers

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

Kenya Commercial Bank Limited,
Kencom House, Moi Avenue,
P. O Box 60000,
City Square 00200,
Nairobi,
KENYA.

(h) Principal Legal Adviser

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

STATEMENT BY THE CHIEF REGISTRAR OF THE JUDICIARY.

Article 161 (2) (c) of the Constitution designates the Chief Registrar of the Judiciary as 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.

1. JUDICIARY BUDGETARY REVIEW

1.1 Budget Allocation Compared to National Overall Budget

A review of budget performance for the past three fiscal year years indicate that the national budget has increased steadily from KSh2.80 trillion in the FY 2019/20 to KSh3.03 trillion in the FY 2021/22. This is equivalent to an increase of 8.2% per cent or KShs 230 million. The Judiciary budget allocation over the same period increased by 9.4 per cent equivalent to KShs 1.6 billion from KShs 16.96 billion in FY 2019/20 to KShs 18.56 billion in FY 2021/22.

The Final Report of the Task Force on Judicial Reforms popularly known as the Ouko Report 2009 stated that “To enhance the independence, operational autonomy, efficiency and effectiveness in the governance and management of the Judiciary, it is recommended the annual budgetary allocation to the Judiciary be augmented to a minimum of 2.5% of the national budget, provided that this percentage may be increased in future to cater for the Judiciary's needs”. However, the Judiciary of Kenya continues to get an average of 0.6% of the national budget. Table 1 shows comparison between National budget and budget allocated to the Judiciary for the past three fiscal years.

Table 1: Comparison Trend between National Budget and Budget Allocation to the Judiciary for FY 2019/20 - FY 2021/22.

Financial Year	National Budget (KShs Billion)	Judiciary (KShs Billion)	Percentage of Judiciary Allocation
2019/20	2,800.00	16.96	0.61%
2020/21	2,890.00	17.13	0.59%
2021/22	3,030.00	18.56	0.61%

Table 1 indicates that the Judiciary has persistently been underfunded as compared with recommended global funding for Judiciary. The funding has been at meagre 0.6 per cent of the National Budget for the past three years. This 1.9% less in terms of internationally recommended 2.5 per cent of the National Budget. Inadequate budgetary allocation continues to hinder Judiciary from fully implementing its Mandate. Figure 1 below further illustrates this discrepancy.

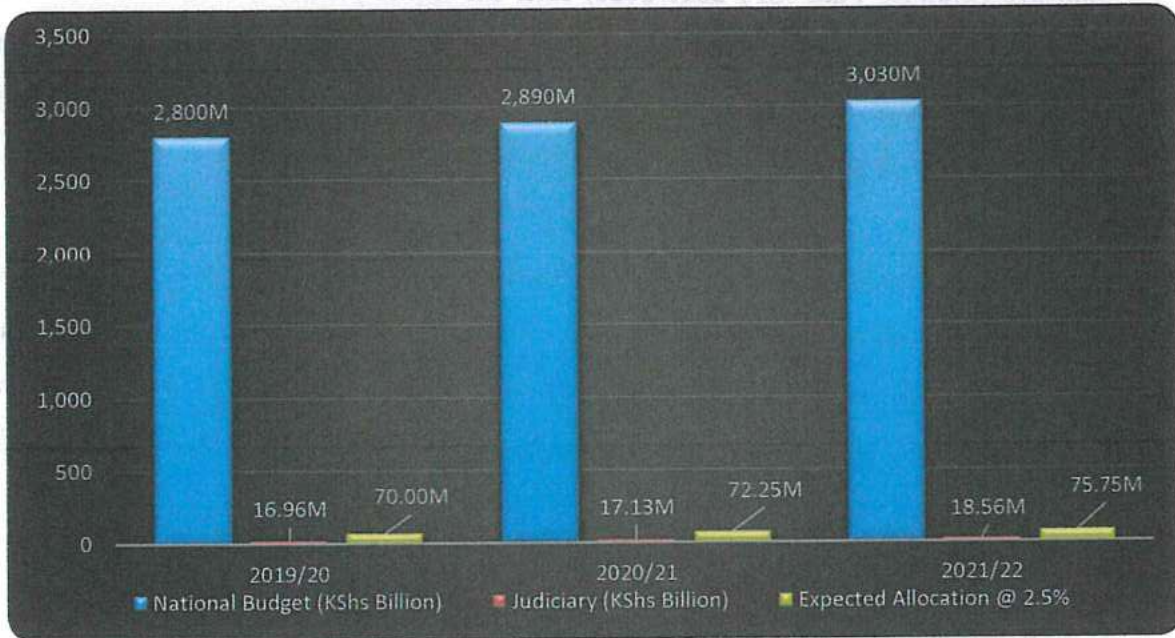


Figure 1: Proportion of Judiciary Budget Allocation Compared to the National Budget.

1.2 Judiciary Budget Preparation Process

The Judiciary Budget Preparation Process is anchored on Article 173 (3) of the Constitution which stipulates that the Chief Registrar of the Judiciary (CRJ) shall prepare estimates of expenditure for each financial year and submit them to the National Assembly for approval. The legislative documents guiding budgeting process in the Judiciary include the Public Finance Management (PFM) Act, 2012, the Judicial Service Act, 2011, the Judiciary Fund Act, 2016 and the Judiciary Fund Regulations, 2019.

Dispensation of Justice

The Judiciary continued to undertake its mandate through Dispensation of Justice Programme. The programme was implemented through two sub-programmes namely *access to justice*; and *general administration, planning and support services*. The delivery units which includes court stations, tribunals and administrative units prioritised their initiatives primarily drawn from the Key Result Areas (KRAs) of the *Judiciary Strategic Plan (SP) 2019-2023*, and the Chief Justice's Vision titled "*Social Transformation through Access to Justice (STAJ)*." The Judiciary ensures that the budgeting process is consultative and participatory in adherence of Article 201 of the Constitution and Section 37(5) (a) of the PFM Act, 2012.

The Judiciary's resource requirements were a consolidation of funding requests from all spending units namely, court stations, tribunals, registrars, directorates and other independent spending units in the Judiciary. The Judiciary's proposed budget was subjected to scrutiny by the stakeholders before it was submitted to Parliament for approval.

1.3 Budget Requirements versus Allocation (2019/20 - 2021/22)

Over the years, the resource requirements sought by the Judiciary have been below the internationally recommended proportion of 2.5 per cent of the National budget. The budgets are based on resource requirement as explained in 2.2 above and re-prioritizing its needs for consideration by Parliament. Despite prioritising its needs to reflect the bare minimum required by the Judiciary to deliver its mandate, budget appropriated to the Judiciary has over the years been way below the Judiciary's resource requirements. Table 2 which illustrates a comparative analysis between the resource requirements and resource allocation.

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

Table 2: Resource Requirements versus Allocation

	2020/21			2021/22		
	Recurrent (KShs M)	Development (KShs M)	Overall (KShs M)	Recurrent (KShs M)	Development (KShs M)	Total KShs M
Requirement	30,684	6,731	37,415	28,293	7,086	35,379
Allocation	14,575	2,558	17,133	15,968	2,592	18,560
Funding Gap	16,109	4,173	20,282	12,325	4,494	16,819
Percentage	52%	62%	54%	44%	63%	48%

From table 2 above, budget allocation has continued to fall short of the resource requirements. The overall funding gap stood at 54 per cent in the FY 2020/21 and at 48 per cent in the FY 2021/22. Deficit for the Recurrent budget stood at 52 per cent for the FY 2020/21 and at 44 per cent in the FY 2021/22 which was a slight improvement by eight per cent whereas budget deficit for Development budget increased by a per cent from 62 per cent FY 2020/21 to 63 per cent in the FY 2021/22. Budget deficit is illustrated in Figure 2 for the past two financial years.



Figure 2: Resource Requirements versus Allocation

1.4 Approved Budget Estimates (2020/21 - 2021/22)

The overall budget allocation for the Judiciary in FY 2021/22 was **KShs 18.56 billion**

which was a slight improvement from the previous financial year 2020/21 which had an allocation of KShs 17.13 billion. The overall budget increment was KShs 1.53 billion equivalent to an 8 per cent improvement. Budget allocation for FY2021/2022 comprised of KShs 15.97 billion and KShs 2.59 billion for recurrent and development budgets respectively.

1.5 Budget Expenditure Analysis

The Judiciary has one programme, namely; the Dispensation of Justice. The programme was implemented through two sub-programmes, namely; *access to justice*; and *general administration, planning and support services*. Table 3 illustrates budget allocation and utilisation of the Dispensation of Justice programme through the two sub-programmes.

Table 3: Budget Allocation and Utilisation

Dispensation of Justice	FY2020/21			FY2021/22			
	Budget	Expenditure	Utilization	Budget	Expenditure	Utilization	
	KShs 'B'	KShs 'B'	%	%	KShs 'B'	KShs 'B'	%
i. Access to Justice	13.96	12.80	92%	79%	14.75	13.73	93%
ii. General Administration Planning and Support Services	3.17	3.09	97%	21%	3.81	3.69	96%
Grand Total	17.13	15.89	93%	100%	18.56	17.42	94%

The overall budget absorption improved slightly from 93 per cent in the FY 2020/21 to 94 per cent in the FY 2021/22. The improvement in absorption was attributed to the resumption of services after easing of containment measures earlier introduced to mitigate spread of COVID-19 Pandemic. Access to Justice Sub-programme within which courts are classified was allocated 79% of the budget while General Administration, Planning and Support Services Sub-programme where the headquarters is classified was allocated 21% of the budget. Figure 3 is an illustration of the budget allocation between the sub-programmes.

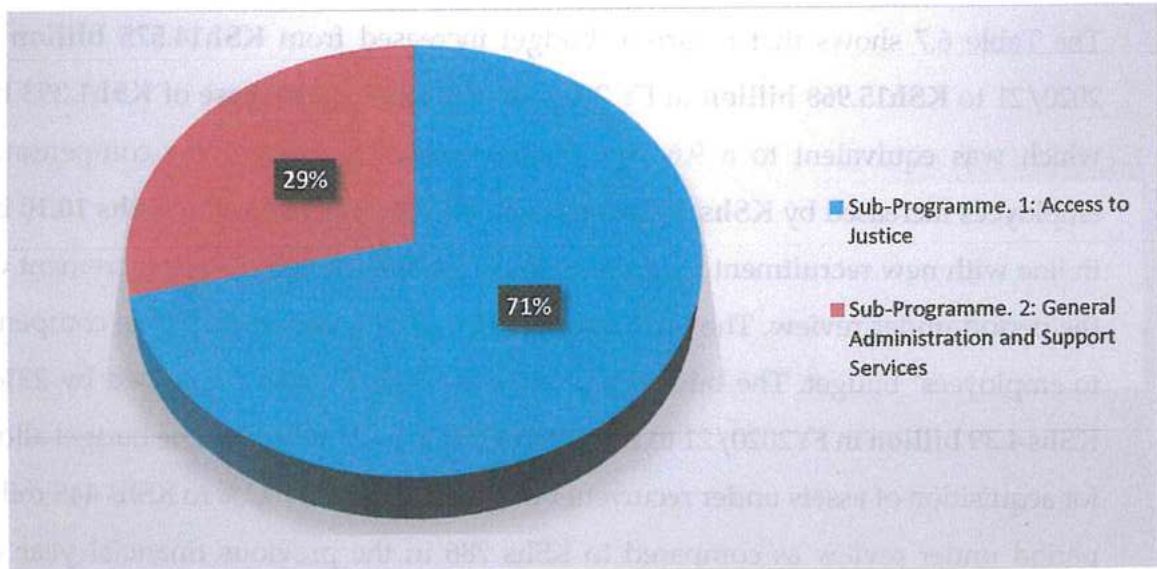


Figure 3: Resource Allocation between the Sub-Programmes

1.5.1 Recurrent Expenditure

Recurrent expenditure is usually presented under economic classifications which is broken down into different major areas of spending namely: compensation for employees; transfers; Appropriation in Aid (AIA); and Operations and Maintenance (O&M). Table 6.7 is a breakdown of the approved estimates versus actual expenditure for the past three fiscal years.

Table 4: Analysis of Recurrent Budget the Judiciary

Economic Classification	Approved Budget Versus Actual Expenditure (KShs Million)					
	FY2020/21			FY2021/22		
	Approved KShs' M	Actual KShs' M	Utilization Percentage	Approved KShs' M	Actual KShs' M	Utilization Percentage
Compensation to Employees	9,402	9,393	100%	10,101	10,063	100%
Use of goods and services	4,388	4,244	97%	5,418	5,212	95%
Transfers	-	-		-	-	
Acquisition of assets and other recurrent	786	777	99%	449	432	96%
AIA	-	-		-	-	
	14,575	14,414	99%	15,968	15,707	98%

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

The Table 6.7 shows that recurrent budget increased from **KSh14.575 billion** in FY 2020/21 to **KSh15.968 billion** in FY 2021/22. This was an increase of **KSh1.393 billion** which was equivalent to a 9.6 per cent increase. The budget for compensation of employees increased by **KShs 699 million** from **KShs 9.40 billion** to **KShs 10.10 billion** in line with new recruitment for Judicial staff and annual staff salary increment during the period under review. The Judiciary achieved 99.7% utilisation of the compensation to employees' budget. The budget allocation for use of goods increased by 23% from **KShs 4.39 billion** in FY2020/21 to **KShs 5.41 billion** in FY2021/22. The budget allocation for acquisition of assets under recurrent budget decreased by 43% to **KShs 449 million** in period under review as compared to **KShs 786** in the previous financial year due to reduction in budget for acquisition of motor vehicles and purchase of furniture. The budget utilisation for this category also reduced by 3% from 99% in previous financial year to 96% in the current financial year.

The recurrent budget absorption for period under review was 97% compared to 99% in the previous financial year.

1.5.2 Development Expenditure

Development expenditure is analysed based on the source of funding. Development budget for Judiciary was sourced from the Government of Kenya (GoK) and World Bank funded Judicial Performance Improvement Project (JPIP). Table 6.8 provides an analysis of the approved vis-à-vis actual development expenditure.

Table 5: Analysis of Development Approved Budget VS Actual Expenditure

Economic Classification	Approved Budget Versus Actual Expenditure (KShs Million)					
	FY2020/21			FY2021/22		
	Approved	Actual	Utilization	Approved	Actual	Utilization
	KShs M	KShs M	%	KShs M	KShs M	%
GoK	292	268	92%	1,595	946	59%
JPIP Loans	2,266	1,202	53%	997	813	81%

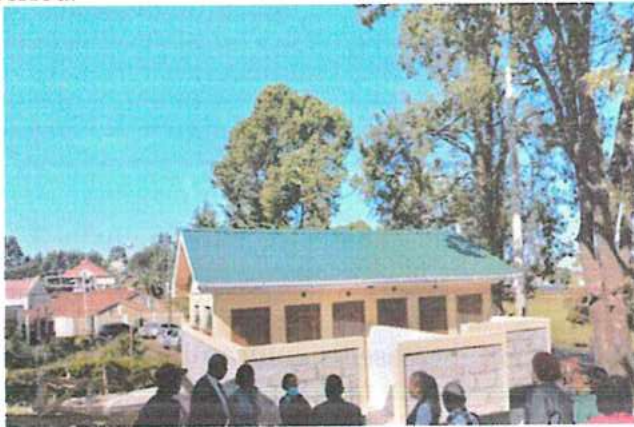
THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

Economic Classification	Approved Budget Versus Actual Expenditure (KShs Million)					
	FY2020/21			FY2021/22		
	Approved	Actual	Utilization	Approved	Actual	Utilization
	KShs M	KShs M	%	KShs M	KShs M	%
TOTAL	2,558	1,470	57%	2,592	1,760	71%

The overall budget for Development Vote in the FY 2021/22 increased marginally by 2% or **KShs 34 Million** to **KShs 2.56 billion** from **KShs 2.59 billion** in the previous financial year. The development budget allocation under GoK increased significantly from **KShs 292 million** in FY2020/21 to **KShs 1.59 billion**, an increase of 486% while budget allocation for JPIP decreased significantly by 106% from **KShs 2.27 billion** in FY2020/21 to **KShs 997 million** in the period under review. This was attributed to coming to an end of the (JPIP) that did most of the construction projects and uptake by GoK to continue with development projects. Absorption of the development budget improved from 57 per cent in FY 2020/21 to 71 per cent in the FY 2021/22.

2. KEY ACHIEVEMENTS DURING THE FINANCIAL YEAR

The pictorial below represents a highlights of the achievements made during the reporting period.



Completed ablution block at Iten Law Court



Old Toilet at Iten Law Court



Prefabricated Container at Kandara Law Courts



A Complete Registry on 1st Floor of the Container in Kandara Law Courts



Ongoing Construction of Cell Block in Karatina



Cell block in Karatina - A different perspective



Painting works ongoing in Karatina cell block



Cell seats at Karatina cell block



Ongoing Construction of Marsabit High court



Ongoing Construction of Marsabit High Court from the side and some materials on site

3. MANAGEMENT OF COURT DEPOSITS

Court deposits are payments of funds or property to the court as a precautionary measure during the pendency of a court case. Deposits do not represent revenue to either Judiciary or the National government as they are refunded at the conclusion of court proceedings.

Cash bail, bond (security), land title, log book, fixed deposit certificate, travel documents, and pay slips are all forms of court deposits. The bond or bail may be utilized towards payment of fines (depositor makes a request) or forfeits to the state. In deposit collection, payments and accounting, the Judiciary employs the Case Tracking System (CTS) and the Judiciary Financial Management Information System (JFMIS), while payments and refunds are processed through the KCB bank's Quick Pay (Q-pay) electronic payment system. This has led to efficiency, effectiveness, transparency and accountability in collection, refund and accounting for court deposits.

Figure 4 shows the trends in amounts of deposits held by the Judiciary at the end of each financial year.

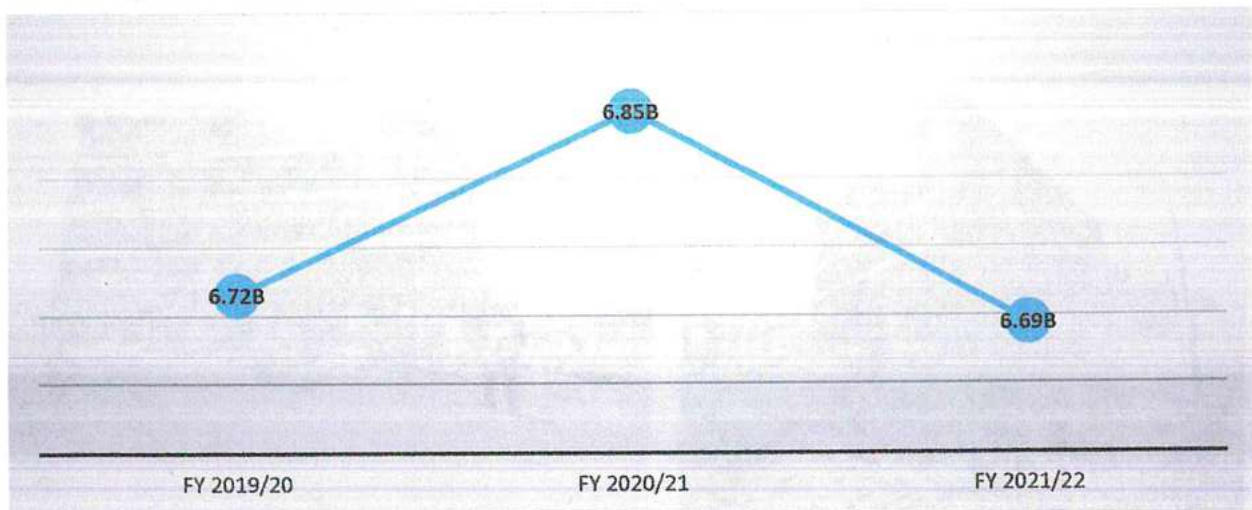


Figure 4: Deposits Trend Analysis from FY 2019/20 – FY 2021/22

The average court and tribunals deposits held by the Judiciary for the past three financial years was KSh6.75 billion. Figure 6.10 indicates deposits held at close of FY2019/20 was KSh6.72 billion. The amount increased by KSh133.66 million to close at KSh6.85 Billion in FY 2020/21. There however, was a decrease by KSh154.30 million to KSh6.69 billion in FY

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

2021/22. The decline in court deposits was attributable to fast tracking conclusion of cases and money returned to depositors and also issuance of moderate cash bail terms leading to lower deposit balances at close of FY2021/22.

4. MANAGEMENT OF PENDING BILLS

The Judiciary has made significant efforts to reduce the occurrence of pending bills. A pending bill is an unsettled financial obligation at the end of a financial year. Pending bills arise from unfunded budgets for which commitments had been made, late invoice presentation by suppliers or delay in project certification. Pending bills affect project implementation in subsequent financial years as they form the first charge. Judiciary endeavours to settle all pending bills as a first charge in the subsequent year's budget. Table 6 shows the level of pending bills held by close of the financial years.

Table 6: Pending bills at close of FY 2019/20 – FY 2021/22

Description	FY 2019/20	FY 2020/21	FY2021/22	Change	
	Kshs'000	Kshs'000	KShs'000	KShs;000	%
Development Pending Bills	76,731	332,484	113,095	(219,389)	-66%
Recurrent Pending Bills	711,934	206,940	110,140	(96,800)	-47%
Recurrent & Development	788,665	539,424	223,235	(316,189)	-59%
Court Awards & Arbitration	-	1,138,713	1,088,022	(50,692)	-4%
Total	788,665	1,678,137	1,311,246	(366,891)	-22%

The total pending bills for recurrent and development have reduced from a high of KSh788.66 million in the FY 2019/20 to KSh223,235 million in the FY2021/22. Development pending bills increased from KSh76.73 million in the FY 2019/20 to KSh332.48 in the FY2020/21. This was due to the development budget cuts that affected the implementation of ICT infrastructure projects and the on-going projects. The development pending bills however, reduced in FY 2021/22 attributable to availability of funds that settled bills in FY 2021/22. However, there were unsettled bills amounting to KSh113 million that were invoiced after closure of financial year hence could not be paid. These consisted KSh73.14 million for GoK projects whose certificates/invoices were presented after closure of the financial period and

KSh39.96 million being unpaid JPIP bills upon lapse of the project transferred to GoK. The recurrent pending bills reduced from KSh711.9 million in FY 2019/20 to KSh206.9 million in FY 2020/21 being a reduction of KSh505 million and further reduced to KSh98.12 million in FY 2021/22. This reduction was achieved through stringent measures that ensured suppliers were paid on time and strict compliance with work plans and budgets. The court and arbitration awards reduced marginally to KSh1.088 billion in FY2021/22 from KSh1.138 billion in the previous year due to lack of budgetary allocation to settle them and also the unpaid awards continue to grow owing to interest accrued over period they remained unpaid.

5. AUTOMATION OF FINANCIAL MANAGEMENT

The Judiciary has continued to employ technology in various aspects of service delivery. The Case Tracking System (CTS) and Judiciary Financial Management Information System (JFMIS) have been integrated with Kenya Commercial Bank (KCB) platform to achieve seamless cash receipt and payment platform. The system has undergone continued improvement and it links with CTS at court registries. There exists a seamless collections, e-receipting and accounting for revenue, deposits and court expenditure. The CTS and JFMIS are used for revenue collection and payment at court stations. The outputs from these systems are relayed to the headquarters and consolidated using IFMIS for Judiciary reporting.

Judiciary Budget implementation is managed through IFMIS. The financial information generated from JFMIS at court stations is obtained in a compatible format that ensures integration with IFMIS. This ensures for a complete reporting on all Judiciary Financial matters. The automation of registry and accounting processes has reduced instances of misappropriation of revenue, deposits and expenditure.

6. EMERGING ISSUES

Cross sector linkages- The inter-linkages among State organs are essential to the effective implementation of the Constitution and upholding the rule of law. The National and County Executive is charged with implementation of policy and enforcement of law and order,

while Parliament and County Assemblies offer representation, oversight and legislation. In the justice chain, NCAJ ensures a coordinated, efficient, effective and consultative approach in the administration and reform of the justice system. The NCAJ is established under Section 34 of the Judicial Service Act and comprises of state and non-state actors. Its mandate is to ensure a coordinated, efficient, effective and consultative approach in the administration and reform of justice system. It does this by formulating policies; implementation, monitoring, evaluation and review of relevant strategies;

Other key sectoral linkages include Land and Environment, National Security, Social Protection and the Economic sector. The Judiciary will continue to put in place mechanisms for harnessing synergies with each sector to ensure strong and successful partnerships in order to achieve its core mandate and also contribute to the achievement of the broad national objectives.

New Legal Frontiers - Disputes arising from the discovery and utilisation of natural resources, data protection, social media, financial crimes, cyber-crimes, human trafficking, interpretation of human organ trade, terrorism, international organised crime, doping in sports. To address these challenges, the Judiciary needs to invest and provide opportunities for training and research in-order to build capacity of the Judges, Judicial Officers and Staff in resolution of disputes in those areas.

Small Claims Courts - The advent of SCCs in the Judiciary has heralded an avenue for Mwananchi to resolve disputes of below Kshs. 1,000,000/= in less than 60 days. It is estimated in the coming period SCCs will grow by 181% which points to much need increase in infrastructure and capacity. To realise this expansion SCC Judiciary will requires increased budgetary allocation to increase the number of Adjudicators from the current twenty-five (25) to sixty (60) by 2025/26 and construct at least four (4) Small Claims Court.

Alternative Justice System - AJS reflects the lived realities of Kenyans and is an effective mechanism used to access justice. The use of AJS to resolve disputes aids in the expansion of human rights and human autonomy it employs a different and sometimes more effective

way to enhance access to justice. It is a form of restorative justice due to its participatory nature and it ensures more social inclusion. The operationalisation of AJS gives communities an opportunity to participate in reduction of case backlog and Judiciary requires funding in this area to mainstream AJS in the courts dispute resolution mechanism, sensitise and build capacity in communities.

7. IMPLEMENTING CHALLENGES

i. Insufficient Funding

The Judiciary has been underfunded over the years where the annual allocation has continuously been lower than half of the resource requirements requested for. This budget shortfall has affected administration of justice in key areas such as establishment and construction of courts, facilitation of benches, operationalization of small claims courts, court annexed mediation, Alternative Justice System, service weeks, *pro bono*, mobile courts and circuits have been scaled down due to lack of adequate resources. In addition, the Judiciary is unable to recruit adequate number of Judges, Judicial officers and staff that are required to effectively handle the workload since the current staffing levels fall below the optimal number as per the Judiciary establishment.

ii. Slow Adoption of Automation

The Judiciary has realised great strides in automation but continues to be hampered by inadequate funding which has affected ICT infrastructure and capacity building. The situation has been compounded by the fact that other stakeholders in the justice chain whom the Judiciary relies upon to discharge its mandate have not achieved comparable levels of automation. Through NCAJ, Judiciary stakeholders should be encouraged to automate their processes to improve access and dispensation of justice. Public awareness is required to enhance knowledge in the use of online processes.

iii. Legal Gaps

There is yet to be enacted a legal framework anchoring the place and the operations of Tribunals as is envisaged under Article 169 of the Constitution. Further, there is pending

litigation, at the Court of Appeal case number E165/2021 and E416/2021 challenging appointment of members of the Tribunals.

iv. Delayed Operationalisation of the gazetted Magistrates Courts

Twenty-two (22) court stations were gazetted under the last MTEF period, six (6) have been operationalised and sixteen (16) are yet to operationalised due to inadequate funding which affected the recruitment of necessary human resource and development of key infrastructures.

v. Delays in processing title documents for Land belonging to Judiciary

Most courts lack land ownership documents occasioned by the historical aspect of courts being housed in government quarters. This has delayed implementation of some infrastructure projects that require Judiciary to have verified land ownership.



Anne A. Amadi, CBS
CHIEF REGISTRAR OF THE JUDICIARY

STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Section 81 (2) (f) of the PFM Act, 2012 requires that, “at the end of each financial year, the Accounting officer shall prepare financial statements of the National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board (PSASB) that includes a statement of the national government entity’s performance against predetermined objectives”. It’s against this backdrop that the Chief Registrar of the Judiciary makes the following report.

JUDICIARY STRATEGIC FOCUS

The Judiciary strategic focus is primarily guided by the Strategic Plan 2019-2023 and the Chief Justice’s Blueprint; Social Transformation through Access to Justice (STAJ) and other policy documents as well as the environmental scan. The key objectives also known as Key Strategic Areas (KRAs) under the Strategic Plan are:

1. Enhanced Access to Justice
2. Expeditious Delivery of Justice
3. Growth of Jurisprudence and Knowledge Management
4. Improved Governance and Transformative Leadership
5. Improved Human Capital Management and Organizational Development
6. Modernized Registry Operations for Operational Efficiency
7. Enhanced Public Confidence, Awareness and Image of Judiciary
8. Resource Mobilization, Utilization and Stakeholder Engagement

Under the STAJ and to buttress the outcomes anticipated under the Strategic Plan, focus will have 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 STAJ vision is intended to achieve the following outcomes during the course of its implementation:

- 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.

To actualise the Strategic Plan and the STAJ vision, the Judiciary seeks to standardise service delivery across all levels of courts, from the Tribunals through the magistracy up to the Supreme Court and make our courts centres of excellence. Judiciary also seeks to inform and equip the court users with the requisite information to enable them effectively access services. Towards this end, the collaboration with the National Council on the Administration of Justice has been and will continue to be a critical partner in attaining this quest.

A multi-door approach to justice has been pursued with the expansion of the Small Claims Courts (SCC) across the county, strengthening and streamlining the operations of Tribunals, expanding the operations of the Alternative Justice Systems (AJS) and encourage the uptake of Alternative Dispute Resolution (ADR) mechanisms in resolving civil disputes.

The Judiciary continues to strongly leverage on Information Communication Technology solutions to improve judicial productivity. The Judiciary Case Management Systems (CMS) and other innovative services anchored on technology have greatly enhanced service delivery. These include virtual hearings, e-filing rollout across all courts, Case Tracking (CTS) and Automated Feedback mechanisms by various units.

Plans are already underway to automate the administrative functions by an Enterprise Resource Planning (ERP) System. The system will target functions like planning, budgeting,

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

finance, accounts, procurement, human resources, performance management and library services, among others. The ERP system is at the final stages of procurement and should be running in the course of the year 2022-23. This will enable the Judiciary actively pursue certification as an ISO certified institution.

The following are the key achievements during the period under review:

A. OPERATIONALISATION OF THE JUDICIARY FUND

Operationalisation of the Judiciary Fund became a reality in the FY 2021/22 more than a decade after promulgation of the Constitution in the 2010. The country had anticipated that Article 173 (1) which established the Judiciary Fund (JF) would have become reality soon after promulgation of the Kenya Constitution in 2010. However, the Judiciary faced many challenges in the process of operationalisation of the Fund among them lack of a model to be replicated, delay in legislations and operational guidelines. The Journey towards operationalisation of the Fund commenced with enactment of the Judiciary Fund Act, 2016 and its regulations in 2019 which laid the foundation. These policies provided a framework for budgeting, funding, expenditure and reporting arrangements applicable in the operationalisation of the Judiciary Fund.

B. ACHIEVEMENTS AGAINST KEY STRATEGIC OBJECTIVES

The table below shows some of the achievements during the financial year under review.

Strategic Focus	Outcomes	Achievement/Output
Enhanced Access to Court Services	Reduction in distance travelled to access court services	<ul style="list-style-type: none"> Two Employment and Labour Relations courts were established at Bungoma and Malindi. Eleven new ELC Courts established during the period. These are Isiolo, Nanyuki, Nyamira, Kitui, Siaya, Vihiga, Iten, Homa Bay, Kwale, Kapsabet and Kilgoris ELCs.

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

Strategic Focus	Outcomes	Achievement/Output
		<ul style="list-style-type: none"> • The High Court established 6 new High Court Stations at Mombasa, Kwale, Kapenguria, Garissa, Makueni and Ol Kalou. • Five sub-registries for the Court of Appeal at Busia, Kakamega Meru, Garissa and Kisii, • Decentralization of Political Parties Disputes Tribunal across seven regions in the country • In the year under review, 11 Small Claims Court established and operationalized at Kajiado, Machakos, Nyeri, Naivasha, Nakuru, Eldoret, Kakamega, Kisumu, Mombasa, Thika and Meru. • The Judiciary successfully on boarded the Tax Appeals Tribunal from the Executive and strengthened the shared services model of managing tribunals • Court Annexed Mediation (CAM) was introduced in eight 8 High Court Stations in Siaya, Kerugoya, Nanyuki, Kitale, Kapsabet, Kiambu, Meru and Chuka Law Courts which saw the conclusion of 66 matters with the releases of Ksh. 554 million back to the economy.

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

Strategic Focus	Outcomes	Achievement/Output
Expeditious Delivery of Justice	Faster resolution of court cases.	<ul style="list-style-type: none"> • Different tribunals held over 26 circuit sittings including Sports, BPRT, Rent Restriction Tribunal, and Co-operative Tribunal where a total of 2,706 matters were concluded. • The High Court ramped up virtual courts in 41 court stations, integrated its CTS and E-filing with JFMIS, and Uadilifu (ODPP), established ICT booths to support indigent litigants in 10 High court stations where 763 persons were assisted to appear in court virtually. • Tribunals adopted virtual courts and installation of teleconference facilities for HIV Tribunal across 8 towns in Kenya easing access to justice to vulnerable litigants. • Small Claims Courts introduced e-registration, e- assessment and e-payment to ease access to the courts

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/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. It is an ordinary desire, the legitimate hope of every citizen is to be treated fairly.

i. 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. The devolution principle is evidenced by the Judiciary's desire to establish a court in every sub-county so as to bring court services closer to every citizen.

Further, the Judiciary has supported social transformation agenda through judicial pronouncements that promote the bill of rights.

ii. 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 (ESMP) was conducted for projects in consultation with affected communities.

iii. Employee Welfare

All recruitment of staff was based on the Judicial Service Commission policy on recruitment that deliberately focused on merit, gender equality and ethnic balance. Gender balance and equality in all ranks, including senior management, has been achieved. In Judiciary has a

psychosocial support section to support members of staff affected directly or indirectly in matters that require psychosocial support. Further the Judiciary provides group medical and personal accident insurance cover to all its employees.

iv. Market Place Practices

The Judiciary is a public entity governed by the Public Procurement Laws. As guided by the Public Procurement and Asset Disposal Act, 2015 the Judiciary has adhered to open market mechanisms in the procurement of works, goods and services. 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.

STATEMENT OF JUDICIARY 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 2022. This responsibility includes:

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) safeguarding the assets of the 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 International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Judiciary's financial statements give a true and fair view of the state of Judiciary's transactions during the year ended 30th June 2022, 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

THE JUDICIARY
REPORTS AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

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.

Approval of the Financial Statements

The Judiciary's financial statements were approved and signed by the Accounting Officer on 20th September 2022.



Anne A. Amadi, CBS
CHIEF REGISTRAR OF THE JUDICIARY



Wycliffe Wanga - ICPAK No: 3209
ACCOUNTS CONTROLLER

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON THE JUDICIARY FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of The Judiciary set out on pages 32 to 78, which comprise the statement of assets and liabilities as at

30 June, 2022, and the statement of receipts and payments, statement of cash flows, statement of comparison of budget and actual amounts and summary statements of appropriation - recurrent and development 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, 2022 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 Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Bank Balances

1.1 Bank Reconciliation Statements for General Deposits

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.6,718,069,286 as disclosed in Note 8 to the financial statements. The balance includes general deposits held in the Central Bank of Kenya and various commercial banks of Kshs.581,300,657 and Kshs.6,113,568,283, respectively totalling Kshs.6,694,868,940. Bank reconciliation statements for deposits in respect of fifty-eight stations reflects long outstanding items which include receipts in the cash books not yet reflected in bank statements totalling Kshs.404,881,546 and payments in the bank statements not yet recorded in cash books totalling Kshs.125,806,926.

No explanation was provided for delay in recording the payments in the cash books and the receipts in the bank statements.

1.2 Loss of Cash Deposits

As reported in the previous year 2020/2021 and reviewed during the financial year 2021/2022, deposit records maintained by The Judiciary headquarters and Molo Court station reflects losses of Kshs.47,840,030 and Kshs.34,219,651, dating back to 2013/2014 and 2017/2018 financial years, respectively through theft by staff members who have since been dismissed. The matter was referred to the Director of Criminal Investigation and the Asset Recovery Agency and the matter is still outstanding.

In addition, bank reconciliation statements for the month of June, 2022 for the bank accounts for Embu, Nakuru and Malindi court stations reflected losses amounting to Kshs.2,682,152, Kshs.84,588,258 and Kshs.1,455,800 respectively. However, as previously reported, the nature of the loss, recovery strategies and court proceedings on the matter have not been disclosed.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.6,718,069,286 could not be confirmed.

2. Accounts Receivables

2.1 Un-Analyzed Long Outstanding District Suspense and Clearance Accounts

The statement of assets and liabilities reflects accounts receivables – outstanding imprests and clearance accounts balance of Kshs.64,099,750 as disclosed in Note 9 to the financial statements. The amount includes Kshs.49,669,434 (2020/2021 - Kshs.26,306,566) relating to district suspense and clearance accounts. However, no reconciliation was provided or proof of effort being made to clear the increasing district suspense and clearance account balances.

In the circumstances, the accuracy, completeness and validity of the balance of Kshs.64,099,750 could not be confirmed.

2.2 Outstanding Imprests

Included in the accounts receivables balance of Kshs.64,099,750 and as reflected in Note 9 to the financial statements, are outstanding Government imprests totalling Kshs.14,180,234 which were due for surrender on or before 30 June, 2022. No explanation was provided why the imprests were not surrendered or recovered on time. In addition, the Government imprests balance includes an amount of Kshs.3,108,300 which was issued to non-staff members seconded from Other Government Agencies with some dating back to the financial year 2015/2016. Management did not explain why the long outstanding imprests have not been recovered fully to date.

In the circumstances, the recoverability of the long outstanding imprests of balance of Kshs.14,180,234 could not be confirmed.

3. Accounts Payables

3.1 Long Outstanding Accounts Payables

The statement of assets and liabilities reflects an accounts payables balance of Kshs.6,694,868,940. As disclosed in Note 10 to the financial statements, the balance includes deposits held by various Court stations out of which an amount of Kshs.866,827,061 has been outstanding for over 10 years and above and should have been surrendered to the Unclaimed Financial Assets Authority.

3.2 Unconfirmed Accounts Payables

As disclosed in Note 10 to the financial statements, the accounts payables balance of Kshs.6,694,868,940 includes general deposits for various Court stations totalling Kshs.6,113,568,283 out of which an amount of Kshs.348,091,889 relates to deposits for fifty-eight (58) Court stations held by the former District Treasuries that have not been paid to The National Treasury. Although the Judiciary had written to the Principal Secretary for The National Treasury vide letter Ref. CRJ/14 of 29 December, 2021 to confirm the liability, The National Treasury has not acknowledged the same to date.

In the circumstances, the accuracy and validity of the accounts payables balance of Kshs.6, 694,868,940 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 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.

Key Audit Matters

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

Other Matter

1. Pending Bills

Notes 15.1 and 15.2 to the financial statements on Other Important Disclosures reflects pending accounts payable of Kshs.207,946,790 and pending staff payables of Kshs.223,235,174 both totalling Kshs.431,181,964 which were not settled during the financial year 2021/2022 but were instead carried forward to 2022/2023 financial year.

Failure to settle bills in the year to which they relate distorts the financial statements for the year and also affects the budgetary provisions for the subsequent year.

2. Contingent Liabilities

Disclosed in Note 15.3 to the financial statements are contingent liabilities totalling Kshs.1,088,021,644 as at 30 June, 2022 (2021 - Kshs.1,138,713,450) which relates to courts and arbitration awards as result of disputes between The Judiciary and various contractors who had been awarded contracts for construction of court buildings.

Further delay in settling the awards is likely to result in interest on the outstanding amounts and nugatory expenditure.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Delayed Completion of Development Projects

Review of the project status reports and field inspections for various court stations revealed that construction works for eight (8) projects with a contract sum of Kshs.505,496,668 had not been completed. Some projects have delayed for over seven (7) years and no evidence was provided to show when The Judiciary intends to complete the projects.

In the circumstances, it was not possible to confirm whether the public will obtain value for money on the delayed construction of these projects.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and 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 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 and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing The Judiciary's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate The Judiciary or to cease operations.

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

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of

the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

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



CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

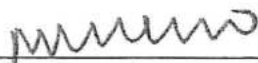
12 January, 2023

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2022

	Note	FY2021-2022	FY2020-2021
		KShs	KShs
RECEIPTS			
Exchequer releases	1	16,667,084,412	14,847,378,582
Other receipts - Direct Payments	2	<u>702,368,664</u>	<u>1,159,516,540</u>
		17,369,453,076	16,006,895,122
PAYMENTS			
Compensation of Employees	3	10,063,892,754	9,393,247,822
Use of goods and services	4	5,212,320,489	4,256,695,803
Acquisition of Assets	5	1,872,434,004	1,897,069,906
Other Expenses	6	<u>272,000,000</u>	<u>350,000,000</u>
TOTAL PAYMENTS		<u>17,420,647,247</u>	<u>15,897,013,531</u>
(DEFICIT)/SURPLUS	7	<u>(51,194,171)</u>	<u>109,881,591</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Judiciary financial statements were approved on 20th September, 2022 and signed by:



 Anne A. Amadi, CBS
 CHIEF REGISTRAR OF THE JUDICIARY



 Wycliffe Wanga - ICPAK No: 3209
 ACCOUNTS CONTROLLER

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2022

	Note	FY2021-2022	FY2020-2021
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	6,718,069,286	7,118,597,106
Accounts Receivables - Outstanding Imprest and Clearance Accounts	9	<u>64,099,750</u>	<u>41,694,742</u>
TOTAL FINANCIAL ASSETS		<u>6,782,169,036</u>	<u>7,160,191,848</u>
LESS: FINANCIAL LIABILITIES			
Accounts Payables - Deposits	10	<u>6,694,868,940</u>	<u>6,849,172,293</u>
NET FINANCIAL ASSETS		<u>87,300,096</u>	<u>311,119,555</u>
REPRESENTED BY			
Fund balance b/fwd.	11	311,119,555	505,113,628
Prior Year Adjustment	14	(172,625,288)	(303,875,664)
(Deficit)/Surplus for the year		<u>(51,194,171)</u>	<u>109,881,591</u>
NET FINANCIAL POSITION		<u>87,300,096</u>	<u>311,119,555</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Judiciary financial statements were approved on 20th September 2022 and signed by:



Anne A. Amadi, CBS
 CHIEF REGISTRAR OF THE JUDICIARY



Wycliffe Wanga - ICPAK No: 3209
 ACCOUNTS CONTROLLER

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	FY2021-2022	FY2020-2021
		KShs	KShs
Receipts for operating income			
Transfers from National Treasury	1	16,667,084,412	14,847,378,582
Other Receipts	2	<u>702,368,664</u>	<u>1,159,516,540</u>
		17,369,453,076	16,006,895,122
Payments for operating expenses			
Compensation of Employees	3	10,063,892,754	9,393,247,822
Use of goods and services	4	5,212,320,489	4,256,695,803
Other Expenses	6	<u>272,000,000</u>	<u>350,000,000</u>
		15,548,213,243	13,999,943,625
Adjusted for:			
Changes in receivables	12	(22,405,008)	268,062,105
Changes in payables	13	(154,303,353)	133,660,655
Adjustment during the year	14	<u>(172,625,288)</u>	<u>(303,875,664)</u>
		(349,333,649)	97,847,096
Net cash flow from operating activities		1,471,906,184	2,104,798,593
Acquisition of Assets	5	<u>(1,872,434,004)</u>	<u>(1,897,069,906)</u>
NET INCREASE IN CASH AND CASH EQUIVALENT		(400,527,820)	207,728,687
Cash and cash equivalent at start of the year		<u>7,118,597,106</u>	<u>6,910,868,419</u>
Cash and cash equivalent at end of the year		<u>6,718,069,286</u>	<u>7,118,597,106</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Judiciary financial statements were approved on 20th September 2022 and signed by:

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Wycliffe Wanga - ICPAK No: 3209
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REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

STATEMENT OF COMPARISON ON BUDGET AND ACTUAL AMOUNTS FOR FY2021/2022

Receipt/Expense Item	Original Budget	Adjustment	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	B	c=b+a	d	e=c-d	f=d/c %
RECEIPTS	KShs	KShs	KShs	KShs	KShs	KShs
Exchequer releases	10,361,820,384	7,760,432,723	18,122,244,107	17,025,849,152	1,096,394,955	94%
Other receipts- JPIP Direct	438,400,000	=	438,400,000	343,603,923	94,796,077	78%
	10,800,220,384	7,760,423,723	18,560,644,107	17,369,453,076	1,191,191,031	94%
PAYMENTS						
Compensation of Employees	5,150,474,844	4,950,474,846	10,100,949,690	10,063,892,755	37,056,935	100%
Use of goods and services	3,121,194,148	2,361,908,624	5,483,102,772	5,212,320,489	270,782,283	95%
Acquisition of Assets	2,341,551,392	363,040,253	2,704,591,645	1,872,434,003	832,157,642	169%
Other Expenses	187,000,000	85,000,000	272,000,000	272,000,000	-	100%
	10,800,220,384	7,760,423,723	18,560,644,107	17,420,647,247	1,139,996,860	94%

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Wycliffe Wanga - ICPAK No: 3209
ACCOUNTS CONTROLLER

¹ The low development absorption was due to time taken to repackage, re-advertise and award projects which had been abandoned in prior years due to insufficient budgetary allocation and contractors abandoning sites.

SUMMARY STATEMENT OF APPROPRIATION: RECURRENT FOR FY2021/2022

Receipt/Expense Item	Original Budget a KShs	Adjustment b KShs	Final Budget c=b+a KShs	Actual on Comparable Basis D KShs	Budget Utilization Difference E=c-d KShs	% of Utilization f=d/c % KShs
RECEIPTS						
Exchequer releases	8,466,820,384	7,501,500,000	15,968,320,384	15,711,859,855	256,460,529	98%
Other Receipts	-	-	-	-	-	-
	<u>8,466,820,384</u>	<u>7,501,500,000</u>	<u>15,968,320,384</u>	<u>15,711,859,855</u>	<u>256,460,529</u>	<u>98%</u>
PAYMENTS						
Compensation of Employees	5,150,474,844	4,950,474,846	10,100,949,690	10,063,892,755	37,056,935	100%
Use of goods and services	3,046,694,148	2,371,373,762	5,418,067,910	5,164,426,194	253,641,716	95%
Acquisition of Assets	82,651,392	94,651,392	177,302,784	160,020,888	17,281,896	90%
Other expenses	<u>187,000,000</u>	<u>85,000,000</u>	<u>272,000,000</u>	<u>272,000,000</u>	<u>-</u>	<u>100%</u>
Grand Total	<u>8,466,820,384</u>	<u>7,501,500,000</u>	<u>15,968,320,384</u>	<u>15,660,339,837</u>	<u>307,980,547</u>	<u>98%</u>

The Judiciary financial statements were approved on 20th September 2022 and signed by:



Anne A. Amadi, CBS
 CHIEF REGISTRAR OF THE JUDICIARY



Wycliffe Wanga - ICPAK No: 3209
 ACCOUNTS CONTROLLER

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT FOR FY2021/2022

Receipt/Expense Item	Original Budget a KShs	Adjustment b KShs	Final Budget c=b+a KShs	Actual on Comparable Basis d KShs	Budget Utilization Difference e=c-d KShs	% of Utilization f=d/c % KShs
RECEIPTS						
Exchequer releases - GoK	1,595,000,000	-	1,595,000,000	955,224,556	639,775,444	60%
Exchequer releases (JPIP)	300,000,000	258,923,723	558,923,723	358,764,741	200,158,982	64%
Other receipts - JPIP (AIA)	<u>438,400,000</u>	-	<u>438,400,000</u>	<u>343,603,923</u>	<u>94,796,077</u>	<u>78%</u>
	2,333,400,000	258,923,723	2,592,323,723	1,657,593,221	934,730,502	64%
PAYMENTS						
Use of goods and services	74,500,000	(9,465,138)	65,034,862	47,894,295	17,140,567	74%
Acquisition of Assets -GoK	1,520,500,000	9,465,138	1,529,965,138	898,564,042	631,401,096	259%
Acquisition of Assets - JPIP	300,000,000	258,923,723	558,923,723	470,245,150	88,678,573	84%
Acquisition of Assets - JPIP (AIA)	<u>438,400,000</u>	-	<u>438,400,000</u>	<u>343,603,923</u>	<u>94,796,077</u>	<u>78%</u>
	2,333,400,000	258,923,723	2,592,323,723	1,760,307,410	832,016,309	68%

The Judiciary financial statements were approved on 20th September 2022 and signed by:



Anne A. Amadi, CBS
CHIEF REGISTRAR OF THE JUDICIARY



Wycliffe Wanga - ICPAK No: 3209
ACCOUNTS CONTROLLER

²² The low development absorption was due to time taken to repackage, re-advertise and award projects which had been abandoned in prior years due to insufficient budgetary allocation and contractors abandoning sites.

BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FY2021/2022

Programme/Sub-programme	Original Budget	Adjustment	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference
	FY2021-2022 KShs	FY2021-2022 KShs	FY2021-2022 KShs	FY2021-2022 KShs	FY2021-2022 KShs
Programme 1: Dispensation of Justice	18,560,644,108		18,560,644,108	17,420,647,247	1,139,996,861
Sub-programme 1: Access to Justice	14,746,308,726		14,746,308,726	13,731,894,891	1,014,413,835
Sub-programme 2: Administration and Support Services	3,814,335,382		3,814,335,382	3,688,752,356	125,583,025
Grand Total	18,560,644,108		18,560,644,108	17,420,647,247	1,139,996,861

ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Judiciary. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts.

2. 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 and also comprise of the following development project implemented by the entity:

i) Judicial Performance Improvement Project

3. Reporting Currency

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

4. **Significant Accounting Policies**

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

a) **Recognition of Receipts**

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

- **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 Judiciary.

- **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 Judiciary.

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

During the year ended 30th June 2022, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

b) Recognition of payments

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

• **Compensation of Employees**

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

• **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.

• **Interest on Borrowing**

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

• **Repayment of Borrowing (Principal Amount)**

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

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

5. 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.

6. Third Party Payments

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

7. Cash and cash equivalents

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

A bank account register is maintained and a summary provided for purposes of consolidation. This summary is disclosed as an annexure 6 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. Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2022, this amounted to KShs 6,694,868,940 compared to KShs 6,849,172,293 in prior period as indicated on note 7 to the financial statements. There were no other restrictions on cash during the year.

There were no other restrictions on cash during the year

8. **Imprests and Advances**

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

9. **Third Party Deposits and Retentions**

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

Other liabilities including pending bills are disclosed in the financial statements.

10. Pending Bills

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on a cash basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2021 for the period 1st July 2021 to 30th June 2022 as required by Law and there were two 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.

12. Comparative figures

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

13. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022

14. Prior Period Adjustments

During the year, errors that have been corrected are disclosed under note 26 explaining the nature and amounts.

15. Contingent Liabilities

Section 148 (9) of the PFM Act regulations 2015 requires the Accounting officer of a National Government entity to report on the payments made, or losses incurred, by the National Government entity to meet contingent liabilities as a result of loans during the financial year.

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 14.3* and Annex 6 of this financial statement is a register of the contingent liabilities in the year.

NOTES TO THE FINANCIAL STATEMENTS

1) EXCHEQUER RELEASES

Description and reference of the transfer	FY2021-2022	FY2020-2021
	KShs	KShs
Total Exchequer Releases for quarter 1	3,384,931,819	4,130,858,176
Total Exchequer Releases for quarter 2	3,567,239,764	3,026,463,919
Total Exchequer Releases for quarter 3	4,285,437,204	3,691,932,006
Total Exchequer Releases for quarter 4	<u>5,429,475,625</u>	<u>3,998,124,481</u>
Total	<u>16,667,084,412</u>	<u>14,847,378,582</u>

2) PROCEEDS FROM FOREIGN BORROWINGS (JPIP)

Total Exchequer Releases for quarter 1	-	220,075,449
Total Exchequer Releases for quarter 2	358,764,741	262,631,267
Total Exchequer Releases for quarter 3		319,981,128
Total Exchequer Releases for quarter 4		200,833,501
Miscellaneous Receipts		1,447,698
Direct Payments	<u>343,603,923</u>	<u>154,547,497</u>
	<u>702,368,664</u>	<u>1,159,516,540</u>

3) COMPENSATION OF EMPLOYEES

Basic salaries of permanent employees	4,284,470,335	3,473,337,564
Basic wages of temporary employees	964,415,086	160,043,389
Personal allowances paid as part of salary	3,290,636,506	4,567,633,617
Personal allowances paid as reimbursements	-	-
Employer contribution to Compulsory national Social Security Schemes	<u>1,524,370,827</u>	<u>1,192,233,252</u>
Total	<u>10,063,892,754</u>	<u>9,393,247,822</u>

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

Social security benefits relate to Judiciary contribution towards staff retirement under the defined contribution scheme and defined benefit schemes. The contributions are made to Sanlam Kenya Limited and Zamara Actuaries, Administrators & Consultants Limited who are the fund managers and administrators respectively

4) USE OF GOODS AND SERVICES

	FY2021-2022	FY2020-2021
	KShs	KShs
Utilities, supplies and services	123,455,573	133,999,526
Communication, supplies and services	282,759,065	276,143,173
Domestic travel and subsistence	1,229,511,231	819,227,252
Foreign travel and subsistence	97,372,870	15,976,877
Printing, advertising and information supplies & services	66,658,683	42,266,796
Rentals of produced assets	79,086,727	70,675,556
Training expenses	29,326,152	14,302,629
Hospitality supplies and services	534,104,447	374,031,517
Insurance costs	1,317,690,180	1,291,000,617
Specialized materials and services	65,712,425	57,439,128
Office and general supplies and services	238,615,323	257,094,432
Fuel Oil and Lubricants	152,026,824	111,316,745
Other operating expenses	722,099,622	545,785,504
Routine maintenance - vehicles and other transport equipment	171,717,934	160,176,664
Routine maintenance - other assets	102,183,433	87,259,386
Total	5,212,320,489	4,256,695,803

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

5) ACQUISITION OF ASSETS

Non-Financial Assets			FY2021-2022	FY2020-2021
			KShs	KShs
Construction of Buildings			316,701,926	220,875,184
Refurbishment of Buildings			55,179,718	17,902,910
Purchase of Vehicles and Other Transport Equipment			84,769,600	368,586,800
Purchase of Office Furniture and General Equipment			53,253,898	58,773,001
Purchase of Specialized Plant, Equipment and Machinery			543,349,671	29,264,571
Research, Feasibility studies, project preparation and design			5,330,117	-
Domestic Lending and On-lending - JPIP			<u>813,849,074</u>	<u>1,201,667,440</u>
Total			<u>1,872,434,004</u>	<u>1,897,069,906</u>

6) OTHER EXPENSES

Purchase of goods and services - JPIP				
Housing Loans to public servants			272,000,000	350,000,000
Car loans to public servants				
			<u>272,000,000</u>	<u>350,000,000</u>

**During the year there was no transfers to the Car Loan Scheme and JPIP project procurement of goods and services

7) (DEFICIT)/SURPLUS

The net deficit for the year arose from JPIP project expenditure. The project expenditure for the period were more compared to exchequer received during the year. However, the project utilized cash balance brought forward from FY2020/2021 of **KShs 108,234,680**. The project deficit for the year was **KShs 108,794,108** against the Judiciary surplus of **KShs 57,599,937** hence the net deficit of **KShs 51,194,171**.

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

8) BANK ACCOUNTS

		FY2021-2022	FY2020-2021
		KShs	KShs
Name of Bank, Account No. & currency	Type		
Central Bank of Kenya: 1000181915 - KES	Recurrent	18,038,211	161,177,110
Central Bank of Kenya: 1000182048 - KES	Development	5,042,343	13,022
Central Bank of Kenya: 1000182342 - KES	Deposits	581,300,657	580,994,217
Central Bank of Kenya: 1000187441 - KES	JPIP	119,792	108,234,680
Various Commercial Banks		<u>6,113,568,283</u>	<u>6,268,178,077</u>
Total		<u>6,718,069,286</u>	<u>7,118,597,106</u>

9) ACCOUNTS RECEIVABLE

Government Imprests		14,180,234	14,481,010
Government Imprests - JPIP			399,170
Salary advances		250,082	507,996
District suspense & Clearance accounts		<u>49,669,434</u>	<u>26,306,566</u>
Total		<u>64,099,750</u>	<u>41,694,742</u>

10) ACCOUNTS PAYABLE

General Deposits - HQs		581,300,657	580,994,217
General Deposits - Stations		<u>6,113,568,283</u>	<u>6,268,178,076</u>
Total		<u>6,694,868,940</u>	<u>6,849,172,293</u>

11) BALANCES BROUGHT FORWARD

Bank Accounts	8	7,118,597,106	6,910,868,419
Accounts Receivable	9	41,694,742	309,756,847
Accounts Payable	10	<u>(6,849,172,293)</u>	<u>(6,715,511,638)</u>
Total		<u>311,119,555</u>	<u>505,113,628</u>

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

12) (INCREASE)/DECREASE IN RECEIVABLES

		FY2021-2022	FY2020-2021
		KShs	KShs
Receivables as at 1 st July (a)		(41,694,742)	309,756,847
Receivables as at 30 th June (b)	9	<u>64,099,750</u>	<u>(41,694,742)</u>
(Increase)/Decrease in Receivables (b-a)		<u>22,405,008</u>	<u>268,062,105</u>

13) INCREASE/(DECREASE) IN PAYABLES

Payables as at 1 st July (a)		6,849,172,293	6,715,511,638
Payables as at 30 th June (b)		<u>6,694,868,940</u>	<u>6,849,172,293</u>
Increase/(Decrease) in Payables (b-a)		<u>(154,303,353)</u>	<u>(133,660,655)</u>

14) ADJUSTMENTS DURING THE YEAR

Bank Account		161,190,132	9,431,520
Accounts Receivables		5,897,156	46,198,060
Clearance Accounts		<u>5,538,000</u>	<u>248,246,084</u>
Total		<u>172,625,288</u>	<u>303,875,664</u>

15) OTHER IMPORTANT DISCLOSURES

15.1 PENDING ACCOUNTS PAYABLE (See Annex 1a for detailed listing)

	Balance b/f FY 2020/2021	Additions for the period	Paid during the year	Balance c/f FY 2021/2022
Description	KShs	KShs	KShs	KShs
Construction of buildings	332,483,560	113,095,261	332,483,560	113,095,261
Construction of Civil Works	-			
Supply of goods	136,328,603	9,788,948	136,328,603	9,788,948
Supply of services	<u>28,548,730</u>	<u>85,062,581</u>	<u>28,548,730</u>	<u>85,062,581</u>
Total	<u>497,360,893</u>	<u>207,946,790</u>	<u>497,360,892</u>	<u>207,946,790</u>

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

	Balance b/f FY 2020/2021	Additions for the period	Paid during the year	Balance c/f FY 2021/2022
15.2 PENDING STAFF PAYABLES (See Annex 1b for detailed listing)				
Staff Payables	<u>42,062,934</u>	<u>15,288,384</u>	<u>42,062,934</u>	<u>15,288,384</u>
TOTAL	<u>539,423,826</u>	<u>223,235,174</u>	<u>539,423,826</u>	<u>223,235,174</u>
15.3 PENDING CONTINGENT LIABILITIES				
			FY2021-2022	FY2020-2021
			KShs	KShs
Court & Arbitration Awards			<u>1,088,021,644</u>	<u>1,138,713,450</u>

The Judiciary entered into contracts with various contractors for construction of court buildings which were initially supervised by the Ministry of Works. Due to budget constraints, the projects were not completed within contract period and also there were delays in payment to contractors. The Judiciary has requested the National Treasury for budget allocation to pay the awards granted by the Court.

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

PROGRESS ON THE FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

FY2020/2021						
REF:	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
1.	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	HAU	Unresolved	June, 2023

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

FY2020/2021						
REF:	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
			receipts in cashbook not in bank 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. The amount of KShs 87,051,557.08 related to payments in bank statements that had not been posted in the cashbook except KShs 34,074,235.50 in Molo Law Courts. This payment was as result of fraud where staff involved were disciplined and case forwarded to			

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

FY2020/2021						
REF:	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
1.2	Loss of Cash Deposits		<p>The DCI and Asset Recovery. The courts have continued to update cashbooks and reconciliations to clear long outstanding balances in subsequent bank reconciliations.</p> <p>The losses of KShs 2,682,152 million in Embu and KShs 1,455,800 were fraud matters investigated in FY2016/2017 and matters are active in Runyenjes and Malindi law Courts respectively.</p> <p>The KShs 84,588,258 noted in Nakuru Law Courts was not a loss but an amount expected from the National Treasury for deposits balances not</p>	HAU	Unresolved	

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

FY2020/2021						
REF:	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
			transferred upon de-linking. Subsequently upon reconciliation, it was established the funds not transferred amounted to KShs 52,427,008.06 The KShs 1,455,800 loss in Malindi was reported in a loss report and matter is active in Malindi Law Courts. The above matters have been responded to before Parliamentary Accounts Committee (PAC) and awaiting resolution.			
2.	Accounts Receivables					
2.1	Unanalysed long outstanding district suspense	Awaiting PAC Recommendation on	The KShs 26,306,566 related to unspent AIEs to court stations that	HAU	Resolved	

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

FY2020/2021						
REF:	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
	and clearance Accounts		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 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	HAU	Unresolved	June, 2023

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

FY2020/2021						
REF:	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
			government and some are deceased. The Accounting Officer has approved recovery in compliance with PFM Act 2012.			
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. This is evidenced by joint sign off on the summary reports from the reconciliation exercise by officers from the Judiciary and the National Treasury.	HAU	Unresolved	June, 2023

THE JUDICIARY
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

FY2020/2021						
REF:	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
4.	Foreign Charged Domestic Subsistence Travel to and from	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 in the local travel budget item. The Accounting Officer wrote to the PS National on the effect of the unilateral budget cut.	HAU	<i>Unresolved</i>	

THE JUDICIARY
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

FY2020/2021						
REF:	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
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.	HAU	Unresolved	
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.	HAU	Unresolved	June, 2023
7.	Judiciary Mortgage Scheme	Awaiting PAC Recommendation	The Judicial Service (Judiciary Mortgages Scheme Fund) Regulations, 2012 are draft regulations yet to be presented to the National Assembly for approval. However, Judiciary has an Agreement with KCB Bank that	HAU	Unresolved	June, 2022

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

FY2020/2021

REF:	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
			provides in clause 13 for Maintenance of Proper records and Accounts.			
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 unavailability of funds, the project gets delayed and hence the contractors impose charges on delayed payment(s).	HAU	Unresolved	

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

FY2019/2020						
REF:	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
1701	Cash and Cash Equivalents					
1701.1 (5470)	Unsupported Adjustments	<p>1) Within sixty days upon adoption of this report, the Auditor-General should review the transfer of the funds to the Judiciary and report the findings to the National Assembly.</p> <p>2) The Accounting Officer should ensure that the entity keeps up-to-date and reconciled financial and accounting records that comply with provisions of Section 68(2) of the PFM Act 2012 and that complete financial and accounting records are presented within three (3)</p>	<p>This was an adjustment in Nakuru Law Courts deposit cashbook to correct an understatement of deposit balances. The approved journal was used to correct the adjustment.</p> <p>The Judiciary has automated accounting processes at court stations which has helped to keep up-to-date and reconciled financial and accounting records in compliance with the PFM. The financial records are</p>	HAU	Unresolved	30 June 2023

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

FY2019/2020

REF:	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
1701.2	Unexplained Loss of Cash Deposits	after the close of the financial year in line with Article 229 of the Constitution.	<p><i>audited annually by the Auditor General. The Judiciary also prepares quarterly financial statements submitted to the National Treasury. Further the Judiciary has a JSC Audit committee which review the financial operations.</i></p> <p><i>The matter was referred to the DCI and Assets Recovery Agency on 8th January 2021.</i></p> <p><i>These were matters investigated in FY2016/2017 and are active in Malindi and</i></p>		Unresolved	

THE JUDICIARY
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

FY2019/2020						
REF:	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
		and report on his findings in relation to the matters that were active in Embu and in Malindi law courts to the National Assembly. 3) Within three months of tabling and adoption of this report, the DCI should initiate an investigation into the KShs.52,427,008.06 not transferred to the Judiciary and take appropriate action in accordance with the law.	<i>Runyenjes law Courts respectively.</i> <i>The amount noted in Nakuru Law Courts was not a loss but amount expected from the National Treasury for deposits balances not transferred upon de-linking. During reconciliation, it was established the funds not transferred was KShs.52,427,008.06.</i>			
5482	Unreconciled Variances in Accounts Payables	1) Within three months of tabling and adoption of this report, the DCI should	<i>A Joint reconciliation by the Judiciary and National</i>			<i>June, 2023</i>

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

FY2019/2020

REF:	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
1702	Delayed Completion of Construction of Thirty-Nine Courts	2) The Accounting Officer must ensure that the construction of the courts is undertaken following the right standards and any poor workmanship corrected to avoid possible occupational safety hazards. 3) The Ministry of Public Works should inspect all the Law Courts building.	<i>Treasury was done and a total amount KShs 353,655,788.73 established as not transferred funds. The Judiciary has written to the National Treasury from where the funding is expected.</i> <i>At the time of audit, 39 projects had delayed in completion. However, (11) projects were subsequently complete namely Butali, Embu, Eldoret (Fence), Garsen, Rungyes, Tarua, Mombasa Court of Appeal, Mombasa Law Courts</i>	BSU	Unresolved	June, 2023

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

FY2019/2020						
REF:	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
		<p>projects for defects and possible occupational safety hazards and table their comprehensive report to National Assembly within sixty days of the adoption of this report.</p>	<p>(Renovations), Hamisi, Iten and Nkubu. The remaining construction works in 28 court stations have been repackaged and re-tendered and works are ongoing and their budgets have been proposed in FY 2022/2023 budget.</p> <p>The Judiciary projects are supervised by a project implementation committee established by the Accounting Officer composing of engineers and architects employed by the Judiciary to ensure buildings</p>			

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

FY2019/2020						
REF:	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
1703	Pending Bills	1) The Accounting Officer should speed up the arbitration process and within sixty days upon adoption of this report provide the status report to the National Assembly. 2) The Accounting Officer should ensure that pending bills in any financial year are avoided. Where pending bills are unavoidable, they should form the first charge in the budget of the subsequent year.	<i>are constructed using the right standards and are safe for occupation. Court & Arbitration award for Riley Security services was completed and the awarded amount has been factored in the FY2022/23 budget for settlement. The rent pending for HAT was due to lack of a valid lease contract which has since been resolved. A substantial amount was settled in FY 2021/2022 and the balance of</i>	CRI	Unresolved	June, 2023

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

FY2019/2020						
REF:	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
1704	Failure to Prioritize Budgeting for Older and Stalled Projects	1) The Accounting Committee recommended that the Accounting Officer should within sixty days of the adoption of the report, ensure that all previous projects are completed before embarking on establishment of new ones	<p>KShs 6million was been factored in FY2022/2023 for settlement.</p> <p>Pending bills at financial year end have significantly reduced by ensuring bills are paid on time and they usually form the first charge in the budget of the subsequent year.</p> <p>The Judiciary projects are supervised by a Project Implementation Committee established by the Accounting Officer composing of engineers and architects employed by the</p>	BMU	Unresolved	June, 2023

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

FY2019/2020						
REF:	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
		and forward completion certificates to the Auditor General for audit verification.	Judiciary to ensure buildings are constructed using the right standards and are safe for occupation. In addition, the committee evaluates and prioritizes projects to avoid stalling.			
1705	Unresolved Prior Year Audit Matters	Resolved	N/A			
1706	Failure to have a Valid Lease Agreement for HIV and AIDS Tribunal	Resolved 1) Accounting Officers must at all times ensure that they have supporting documentation to the financial statements within (3) three months after the end of the financial year pursuant to section 68 (2) (k) of the PFM Act 2012;	N/A <i>The Judiciary keeps up-to-date and reconciled financial and accounting records in compliance with the PFM and are audited annually by the</i>		<i>Resolved</i>	

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

FY2019/2020						
REF:	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
1707	Failure to Withhold Performance Bonds	<p>2) Accounting Officers must at all times ensure that they prepare and keep proper accounting records in line with the provisions of Section 68 (2) (b) of the PFM Act, 2012; and</p> <p>3) The Accounting Officer must at all times ensure that he/she provides accurate records and other supporting documents pursuant to Section 9 (1) (e) of the Public Audit Act, 2015.</p> <p>Within sixty days upon adoption of this report, the Accounting Officer should provide the terminations agreement, the completion and hand over certificates for all the completed projects.</p>	<p>Auditor General. The Judiciary also prepares quarterly financial statements submitted to the National Treasury.</p> <p>The projects were evaluated and where contractors were found not to adhere to contract terms, such contracts were terminated, repackaged and re-advertised. New contracts</p>	BSU	Unresolved	June, 2023

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

FY2019/2020

REF:	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
1708	Stalled Construction of Turkana High Court	1) The Accounting officer fast-track the process of completing the stalled project and settlement of the arbitral award to avoid further penalties.	<i>were issued and contractors are on site.</i> <i>Construction of Lodwar commenced but was stopped following the directive of the Parliamentary Accounts Committee (PAC) which queried the cost of the project. The contractor filed for arbitral proceedings and on 11th March 2019, the Arbitrator made the award. The Accounting Officer established a project Implementation Committee to ensure that all projects are</i>	BSU	Unresolved	June, 2023

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

FY2019/2020						
REF:	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
		2) The National Assembly should amend the PFM Act 2012 and the accompanying regulations to cap the penalties and interest from escalation beyond certain limit.	<i>evaluated and prioritized afresh to avoid project stalling.</i> <i>The Judiciary awaits legal reforms by the National Assembly in respect of the PFM Act.</i>			

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

FY2018/2019						
REF	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
1638	Inaccurate Cash and Bank Balances					
1638.1	Unsupported Third-Party Deposits	Matter Marked resolved	N/A			
1638.2	Unreconciled Receipts and Payments	Matter Marked resolved	N/A			
1638.2.1	Unreconciled Receipts	Matter Marked resolved	N/A			
1638.2.2	Unreconciled Refunds and Forfeitures	Matter Marked resolved	N/A			
1638.2.3	Long Outstanding Items in Bank Reconciliation Statements	Within three (3) months after the tabling and adoption of this report the Accounting Officer must recover KShs, 55,353,439.81 in full from those involved in the loss of the funds.	<i>Judiciary wrote to the central bank of Kenya to recover the amounts fraudulent paid by banks. An amount of KShs 16 million has been recovered and Judiciary expected to receive the balance upon recovery by CBK. The Judiciary has further written to the Attorney General</i>	<i>HAU</i>	<i>Unresolved</i>	<i>June, 2023</i>

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

FY2018/2019						
REF	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
		<p>The Accounting Officer must at all times ensure that he/she prepares and keeps proper accounting records in line with the provisions of Section 68 (2) (b) of the PFM Act, 2012</p>	<p>to seek recovery of the same from the concerned banks.</p> <p>The Judiciary has automated accounting processes at court stations and this has helped to keep up-to-date and reconciled financial and accounting records in compliance with the PFM. The financial records are audited annually by the Auditor General. The Judiciary also prepares quarterly financial statements submitted to the National Treasury.</p>			

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

FY2018/2019						
REF	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
1639	Unsupported Expenditure on Use of Goods and Services	Matter Marked resolved	N/A			
1640	Unsupported Pending Bills	Matter Marked resolved	N/A			
1641	Accounts Payables - Deposits	Within three (3) months upon adoption of this report, the Accounting Officer should ensure that the records are reconciled and analyzed with necessary supporting documents and submitted to the Auditor-General in compliance with provisions of Section 68(2) of the PFM Act 2012 and that complete financial and accounting records are presented to the Auditor-General pursuant to the provisions of Article 229 of the Constitution of Kenya 2010.	<i>A joint reconciliation by the Judiciary and National Treasury was done and a total amount KShs 353,655,788.73 established as not transferred at the time of de-linking. The Judiciary has written to the National Treasury from where the funding is expected.</i>		<i>Unresolved</i>	<i>June, 2023.</i>

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

FY2018/2019

REF	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
1642	Delayed Completion of Thirty-Nine (39) Courts	The Accounting Officer must ensure that the construction of the office complex is undertaken following the right standards and any poor workmanship corrected to avoid possible occupational safety hazards; and overpaid certificate at Molo Law courts of kshs.3.2 million recovered from the contractor.	At the time of audit, 39 projects had delayed in completion. However, (11) projects were subsequently complete namely Butali, Embu, Eldoret (Fence), Garsen, Ruyenyjes, Tawa, Mombasa Court of Appeal, Mombasa Law Courts (Renovations), Hamisi, Iten and Nkubu. The remaining construction works in 28 court stations have been repackaged and re-tendered and works are ongoing and their budgets have been proposed in FY 2022/2023 budget.	BSU	Unresolved	June, 2023

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

FY2018/2019						
REF	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
			<p>The Judiciary projects are supervised by a project implementation committee established by the Accounting Officer composing of engineers and architects employed by the Judiciary to ensure buildings are constructed using the right standards and are safe for occupation.</p> <p>A joint inspection team composing of Judiciary and Ministry of Public Works members reviewed the 11 GoK projects. The ministry is</p>			
		<p>The Ministry of Public Works should inspect the 11 GoK building projects and table their report to Parliament within a period of three (3) months of the adoption of this report.</p>				

THE JUDICIARY
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

FY2018/2019

REF	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
1643	Management of the Tribunals	The Accounting Officer should ensure enactment of Tribunal Transitional Bill 2019 that seeks to provide for a governance framework for tribunals in order to harmonize the operations of tribunals.	<i>The bill was drafted and forwarded to the attorney General for review and submission to the National Assembly.</i>	CRJ	Unresolved	June, 2023
1644	Irregular Acting Appointments	The Accounting Officer should uphold the Judiciary Human Resource Policies and Procedures Manual to forestall court actions by employees and mitigate potential financial losses arising from court awards.	<i>The positions held on an acting capacity were filled in FY2019/2020. The position of the Director Finance which is a matter pending in court.</i>		Unresolved	
1645	Unapproved Reallocations	Matter Marked resolved	N/A			
1646	There were no material issues	N/A	N/A			

THE JUDICIARY
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2022

FY2018/2019						
REF	ISSUE	RECOMMENDATIONS BY PAC	MANAGEMENT COMMENT	FOCAL PERSON TO RESOLVE	STATUS	TIMEFRAME
	relating to effectiveness of internal controls, risk management and governance.					


 Anne A. Amadi, CBS
 CHIEF REGISTRAR OF THE JUDICIARY


 Wycliffe Wanga - ICPAK No: 3209
 ACCOUNTS CONTROLLER

THE JUDICIARY
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

ANNEX 2 - SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/fwd. (KShs) 2019/2020	Additions during the year (KShs)	Disposals during the year (KShs)	Transfers in/(out) during the year	Historical Cost c/fwd. (KShs) 2020/2021
	KShs	KShs	KShs	KShs	KShs
Land	7,297,599,999	-	-	-	7,297,599,999
Buildings and structures	16,238,579,354	1,185,730,721	-	-	17,424,310,075
Transport equipment	3,702,020,787	84,769,600	-	-	3,786,790,387
Office equipment, furniture and fittings	549,260,364	53,253,898	-	-	602,514,262
ICT Equipment	420,191,603	548,679,788	-	-	968,871,392
Machinery and Equipment	1,514,725,165	-	-	-	1,514,725,165
Biological assets		-	-	-	-
Infrastructure Assets- Roads, Rails		-	-	-	-
Heritage and cultural assets		-	-	-	-
Intangible assets		-	-	-	-
Work in Progress		-	-	-	-
Total	29,722,377,272	1,872,434,007	-	-	31,594,811,279

ANNEX 3 - LIST OF PROJECTS IMPLEMENTED BY THE JUDICIARY

Project Name	Judicial Performance Improvement Project (JPIP)
Principal activity of the project	<p>The strategic goals of the project as follows:</p> <ul style="list-style-type: none"> (i) To improve the performance of the judiciary to enable it provide services in a more effective, efficient and accountable (ii) To support and achieve the priority areas of the Judiciary Transformation (iii) To contribute to Kenya's vision 2030 development strategy for transforming Kenya into a middle income country
Accounting Officer	Anne. A Amadi, CBS
Project consolidated in these financial statements (yes/no)	Yes

THE JUDICIARY
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

**ANNEX 4 - LIST OF STATE CORPORATIONS AND SEMI-AUTONOMOUS
GOVERNMENT AGENCIES UNDER THE JUDICIARY.**


Ref	SC/SAGA
1.	HIV & AIDS Tribunal
2.	Political Parties Dispute Tribunal
3.	National Council for Administration of Justice

ANNEX 5- REPORTS GENERATED FROM IFMIS


The following financial Reports Generated from IFMIS should be generated and attached as appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. FO30 (Bank reconciliations) for all bank accounts
- iii. GOK IFMIS Receipts and Payments Statement
- iv. GOK IFMIS Statement of Financial Position
- v. GOK IFMIS Statement of Cash Flows
- vi. GOK IFMIS Notes to the Financial Statements
- vii. GOK IFMIS Statement of Budget Execution
- viii. GOK IFMIS Statement of Deposits
- ix. GOK IFMIS Budget Execution by Programme and Economic Classification
- x. GOK IFMIS Budget Execution by Heads and Programmes
- xi. GOK IFMIS Budget Execution by Programmes and Sub-programmes

ANNEX 6- REGISTER OF BANK ACCOUNTS



Chief Registrar of the Judiciary,
Supreme Court Building, Off City Hall Way, Nairobi,
P.o Box 30041 - 00100, Nairobi
Tel: 0730181600/ 700 /800



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