

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

THE JUDICIARY FUND

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

THE NATIONAL ASSEMBLY
PAPERS PAID

DATE: 05 MAR 2024

DAY: TUESDAY

Hon. Owen Baya, MP
Deputy Leader, Majority Party

Inzgn mwale





THE JUDICIARY



OFFICE OF THE AUDITOR GENERAL
 P. O. Box 30084 - 00100, NAIROBI
 REGISTRY
 30 JAN 2024
RECEIVED

THE NATIONAL ASSEMBLY
 PAPERS LAID

DATE: 05 MAR 2024	DAY:
TABLED BY:	

JUDICIARY FUND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30 JUNE 2023

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



**THE JUDICIARY FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
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I. ACRONYM AND GLOSSARY OF TERMS

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

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II. KEY ENTITY INFORMATION AND MANAGEMENT

THE JUDICIARY FUND

The Judiciary Fund is established under Article 173 of the Constitution of Kenya 2010 which states that:

- a) There is established a fund to be known as the Judiciary Fund which shall be administered by the Chief Registrar of the Judiciary.
- b) The Fund shall be used for administrative expenses of the Judiciary and such other purposes as may be necessary for the discharge of the functions of the Judiciary.
- c) Each financial year, the Chief Registrar shall prepare estimates of expenditure for the following year, and submit them to the National Assembly for approval.
- d) Upon approval by the National Assembly, the expenditure of the Judiciary shall be a charge on the Consolidated Fund and the funds shall be paid directly into the Judiciary Fund.

Enactment of the Judiciary Fund Act, 2016 and its regulations in 2019, laid the foundation for operationalization of the Fund.

The Circular on Operationalisation of the Judiciary Fund issued by the Cabinet Secretary National Treasury and Planning on 24th May, 2022 provided the initial legal framework on the Fund operations.

Expenditure operations under the Judiciary Fund (JF) took effect from July 1, 2022, after all implementation instruments were actualized and the establishment of an operational framework. In line with Article 173(1) of the Constitution, the Judiciary Fund is administered by the Chief Registrar.

(a) Key Management

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

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

(b) Fiduciary Management

The key management personnel who held office during and upto the Year ended 30 June 2023 and who had direct fiduciary responsibility were:

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No	Designation	Name
1.	Hon. Chief Justice and President of the Supreme Court, The Head of Judiciary and Chair of: :Judicial Service Commission, :National Council of Law Reporting, and :National Council on Administration of Justice.	Hon. Lady Justice Martha Koome
2.	Chief Registrar of the Judiciary	Hon. Anne A. Amadi, CBS
3.	Deputy Chief Registrar of the Judiciary	Hon. Paul N. Maina, OGW
4.	Director Finance	Ms. Beatrice Kamau
5.	Director Accounts	CPA Wycliffe Wanga
6.	Director Supply Chain Management	Mr. Jeremiah Nthusi
7.	Director Human Resource & Administration	Dr. Elizabeth Kalei
8.	Deputy Director Public Affairs & Communication	Ms. Catherine Wambui
9.	Director Planning & Organisation Performance	Dr. Paul Kimalu
10.	Director Audit and Risk Management	CPA Ronald Wanyama
11.	Director ICT	Mr. Peter Kyalo
12.	Deputy Director, Building Services Unit	Architect Maxwell Suero
13.	Registrar Supreme Court	Hon. Letizia Wachira
14.	Registrar Court of appeal	Hon. Moses Serem
15.	Registrar High Court	Hon. Clara Otieno
16.	Registrar Employment & Labour Relations Court	Hon. Kennedy Kandet
17.	Registrar Environment and Land Court	Hon. Rose Makungu
18.	Registrar Magistrate Court	Hon. Caroline Kabucho
19.	Registrar Tribunals	Hon. Anne Asugah

(c) Judiciary Headquarters

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

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(d) The Judiciary of Kenya Contacts

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E-mail: info@judiciary.go.ke

Website: www.judiciary.go.ke

(e) Independent Auditors

Auditor General

Kenya National Audit Office

Anniversary Towers, University Way

P. O. Box 30084 - 00100

Nairobi, Kenya

(f) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112 - 00200

Nairobi, Kenya.

(g) Bankers

i. Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000 - 00200

Nairobi, Kenya

ii. Kenya Commercial Bank Ltd

Kencom House

P.O. Box 60000 - 00200

Nairobi, Kenya 00200

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III. MANAGEMENT OF THE FUND

Section 5 of the Judiciary Fund Act stipulates that the Chief Registrar of the Judiciary shall, in the management of the Fund, ensure compliance with the Public Finance Management Act, 2012. The Chief Registrar of the Judiciary is required to ensure that a Judiciary Fund Management Committee (JFMC) is constituted. The committee will comprise of members from various Departments of the Judiciary. The Committees' key responsibilities will be, to oversee budget implementation and regularly advise the Chief Registrar of the Judiciary on the performance of the Judiciary Fund to ensure efficient implementation of Section 5 of the Judiciary Fund Act.

The specific terms of reference of the JFMC shall include the following:

- (i) To ensure implementation of Treasury Circulars issued in line with the Public Finance Management Act, 2012;
- (ii) To ensure effective implementation of the Judiciary Fund;
- (iii) To review and consider the budgets, work plans, procurement plans and cash flow plans and advise the Chief Registrar of the Judiciary appropriately. This will also involve a regular review of cash plan and approval of any changes to the initial cash flow plan to be communicated to the National Treasury;
- (iv) To review the utilization of cash limits and consider any changes as may be required;
- (v) To regularly review the implementation status of projects and utilization of donor funds appropriated for the Judiciary to aid in key decision making;
- (vi) To advise the Chief Registrar of the Judiciary on any challenges related to the budget implementation;
- (vii) To review and recommend reallocation of expenditures in adherence to Section 43 of the Public Finance Management Act, 2012; and
- (viii) To review and approve the submission of the expenditure returns, Payroll, pending bills and Appropriations - in - Aid (A-I-A) returns for the Judiciary and recommend actions to be taken.

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Financial Reporting

In terms of financial reporting, the Judiciary Fund will comply with both Fund requirements as well as Ministries Departments and Agencies (MDA)/Vote requirements as per the Public Finance Management Act 2012. Under Section 81 of the PFM Act, the Judiciary is required to prepare an Annual Report at the end of each financial year in a form that complies with the relevant accounting standards prescribed and published by the Accounting Standards Board from time to time and submit the financial statements to the Auditor-General and a copy of the statement to the Controller of Budget, the National Treasury and the Commission on Revenue Allocation; and publish and publicise the financial statements.

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IV. STATEMENT BY THE CHIEF REGISTRAR OF THE JUDICIARY

The Judiciary Fund Report for the Financial Year 2022/2023 has been prepared pursuant to section 11 of the Judiciary Fund Act 2016, and section 81 of the Public Finance Management Act 2012. The Judiciary is funded from the Consolidated Fund through appropriations by the National Assembly. Though the financing gaps still persists, the Judiciary's FY2022/23 annual budget was revised upwards during supplementary from **KShs 18.23 billion** to **KShs 21.13 billion**.

The annual results indicate a 96% funding of the annual budget where exchequer received totaled **KShs 20,235,193,180**. This comprised recurrent and development exchequer amounts of **KShs 18,739,227,493** and **KShs 1,495,965,687** respectively. The overall absorption for the year was 95%. Recurrent budget absorption was at 97% while development budget absorption was at 78%.

The Judiciary Fund enables the implementation of Judiciary's strategic focus that is primarily guided by the Strategic Plan 2019-2023 and the Blueprint on Social Transformation through Access to Justice (STAJ) and other policy documents as well as the environmental scan.

Case clearance rate improved from 94 % registered in the Financial Year 2021/22 to a high of 99% at the end of Financial Year 2022/23. The overall case backlog has also reduced by 19% while that of cases aged more than three years went down by 2.75% in the Financial Year 2022/23

To enhance expeditious dispensation of justice, especially for low value commercial matters, the Judiciary, in the FY 2022/23, established additional Small Claims Courts bringing the operationalized Small Claims Courts to 12. During the period under review, a total of 27,161 matters were registered in the Small Claims Court out of which 21,210 matters were heard and concluded.

During the reporting period, there were 4,708 cases referred to Court Annexed Mediation (CAM). This was an increase of 93 per cent compared to the previous year where 2,445 cases were referred. In the same period, 4,451 cases were concluded. This represented a conclusion rate of 95 per cent.

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The Judiciary has also established Alternative Justice Systems (AJS) suites in Mpeketono, Isiolo, Kajiado, Nakuru, and Nyeri to further aid in the resolution of disputes and establish a people-centred justice system by deepening access to justice for all, especially vulnerable groups.

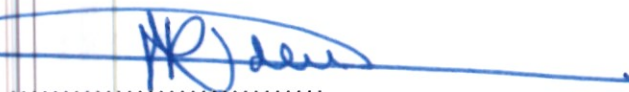
The Judiciary is committed to take the necessary measures to reduce the hindrances to access to Justice, improve proximity and physical access to courts, as well as simplify court procedures for litigants to understand and effectively participate in court processes. This has been realized through continuous establishment and construction of new courts, sub-registries, circuits, mobile courts, and refurbishment and rehabilitation of existing amenities.

The Operationalisation of the Judiciary Fund became a reality in the FY 2022/23 more than a decade after promulgation of the Constitution in the 2010. 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.

The JF operations have progressed well albeit with some teething problems especially exchequer delays under the two-stage withdrawal of funds' procedure. These challenges have however continued to be addressed by the Technical Committee on the Operationalization of the Judiciary Fund (TCOJF) under the leadership of the Steering Committee.

Conclusion

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



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Paul N. Maina, OGW, 'ndc' (K)
Ag. Chief Registrar of the Judiciary

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**V. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES
FOR THE FY2022/23**

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.

Periodic review of the implementation of judicial policies and programs is an integral part of the monitoring, feedback, and accountability that is embedded in the Judiciary blueprints. This is to ensure that the implementation of policies and programs is undertaken according to schedule and take any corrective actions or interventions in the event of any deviation. The financial year 2022/23 annual Report, covering the period from July 1, 2022, to June 30, 2023, documents progress made by the Judiciary administrative units including the Office of the Chief Justice, the Office of the Chief Registrar, Registrars, Directorates, and units, in implementing various activities during the reporting period.

JUDICIARY STRATEGIC FOCUS

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

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

- a) Accessibility and Efficiency

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

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A. ACHIEVEMENTS AGAINST KEY STRATEGIC OBJECTIVES

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

S/N	KRA	OUTCOME	ACHIEVEMENT/OUTPUT
1.	Enhanced Access to Justice	a) Make justice Accessible to all	Establishment of new courts; Tinderet and Kabaiyet, Installation of braille at the Family Division; Kapsabet High Court was established. Additionally, Lamu High Court Sub-Registry was established via Gazette Notice 5471, of April 2023.
		b) Launch of Judiciary Desks at Huduma Centres	The office set out to launch Judiciary Desks at Huduma Centres countrywide and manages to set up desks at Eastleigh, Kibera, GPO and City Square. This process shall enable citizens to file their cases electronically, access Registry Services, Customer Care, Information and Virtual Court Sessions
		c) Establishment of Employment and Labour Relations Court sub-registries	Kakamega was elevated to a full-fledged Court station, and a Judge from the ELRC in Bungoma was assigned to the station.
		d) Environment and Land Court and Sub-registries	Voi ELC Court was gazetted in June 2023. Further, ELC established two divisions, namely, the Environment and Planning Division and the Land Division. Further, In June 2023 two sub registries were established in Kabarnet and Lamu.
		e) Framework for Transitioning Tribunals	Tax Appeal Tribunal transited to the Judiciary. Further, Financial Centre Tribunals and Land Acquisition Tribunals were established, and their operationalization is ongoing. This brings the total to 23 tribunals that have transited to Judiciary.

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S/N	KRA	OUTCOME	ACHIEVEMENT/OUTPUT
		f) Establish and Operationalise Small Claims Courts:	The Meru Small Claims Courts was operationalized while Siaya Small Claims was established during the review period, bringing the total number of operational courts and sub registries to fourteen. Further, Surveys to determine the viability of implementing Small Claims Courts were conducted in Kerugoya, Chuka, Nanyuki, Nyahururu, Makindu, Kitui and Mavoko Law Courts.
		g) Operationalize virtual mediation services:	A Smart Mediator Application was developed, operationalised, and mediators sensitised. Further, pilot testing on the use of artificial intelligence to assign mediators to cases is ongoing at Millimani. Additionally, the process of improving and integrating Mediation Management System (Cadaster) into CTS has been initiated, and virtual sessions have been held in all mediation registries.
2.	Expeditious Delivery of Justice	a) E-Filing Launch	The office facilitated the e-filing launch in Mombasa, Siaya, Kisumu, Homa Bay in the FY2022-2023. The e-filing initiative is a strategy towards utilisation of technology to enhance expeditious delivery of justice through efficiency. e-filing was fully operationalised in three Small Claims courts (Millimani, Mombasa and Kisumu). Additionally, the end to end processing of cases was fully automated at Millimani Small Claims
		b) Court Annexed Mediation (CAM)	17 mediation registries were established in Kikuyu, Limuru, Thika, Mavoko, Kajiado, Muranga, Bungoma, Iten, Vihiga, Migori, Gatundu, Webuye, Runyenjes, Siakago, Busia,

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S/N	KRA	OUTCOME	ACHIEVEMENT/OUTPUT
			<p>Kangundo, Murang'a, Iten and Gichugu. All LMTs in the respective courts were trained and sensitized on the policy and the mediation process.</p> <p>During the financial year, a total of 4,690 matters were referred to mediation, out of which 395 were Non-compliant, 245 were terminated, and total of 2,242 were settled successfully. value of matters referred to mediation during the financial year was Kshs. 33,760,340,720, while the total value of settled matters was Kshs. 8,488,698,940. The overall annual settlement rate for matters referred to CAM was 51.32%.</p>
		c) Court Recording and Transcription System (CRTS).	<p>This initiative has ensured court proceedings are timely availed to all courts and Tribunals.</p> <p>Three CTS modules, E-registration, E-assessment, and E-payment, were implemented in all thirteen SCCs and were undergoing customization and improvement.</p>
		d) Recruitment of Judges:	<p>Twenty High Court Judges were recruited in the period under review. The judges were gazetted on 5th December 2022 via gazette notice Vol. CXXIV- No. 263 and sworn in on 7th December 2022. They were subsequently deployed to various courts.</p>
		e) Election Dispute Resolution	<p>A total of 222 petitions relating to the election results were filed. In the High Court, these included 12 gubernatorial petitions, 28 petitions for Members of the National Assembly, 2 Senatorial petitions, 4 petitions for Woman</p>

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S/N	KRA	OUTCOME	ACHIEVEMENT/OUTPUT
			Representative and 3 party list petitions.
		f) Case backlog reduction	The newly recruited Judges aided in handling 12,609 cases in 32 high court stations, of which 2,852 were concluded. Further, from June 18 to 22, 2023, the Criminal Appeals Committee developed a curriculum and data collection tool for scheduled prison visits that will assist in decongestion and speedy resolution of cases.
		g) Virtual Courts	Several Courts and Tribunals initiated virtual court sessions using the Microsoft Teams platform. All Small Claims Courts across the country have adopted virtual courts, with Millimani Small Claims conducting its sessions virtually while courts outside Nairobi adopt a hybrid system of both virtual and physical sessions. This has improved access to the Small Claims Court Services.
3.	Growth of Jurisprudence and Knowledge Management	a) Improve accessibility to court decisions	The Supreme Court disseminates all its decisions promptly to the various parties as well as posting them on the NCLR website. A total of 19 decisions were delivered and published for the period under review. In addition, the Supreme Court's yet-to-be-launched website will feature all court decisions issued during the reporting period.
		b) Conduct visits to other jurisdictions	The Supreme Court Justices visited the Supreme Court of India for benchmarking between March 6th and March 13th, 2023, on the use of artificial intelligence to translate court judgments/proceedings into vernacular languages, cloud hosting of the court website to enable dissemination of information on a real-time basis, and the use of an electronic Supreme Court reporter (eSCR) that

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S/N	KRA	OUTCOME	ACHIEVEMENT/OUTPUT
			enables decisions/judgments to be online and accessible to all at no cost.
		c) Publish court decisions through NCLR	Decisions of the court are forwarded after judgments are delivered to National Council for Law Reporting (NCLR) twice in a month to be published on their website.
		d) Training on emerging areas of jurisprudence:	A webinar on Asset Recovery and Transnational Corruption, Cybercrimes and Cryptocurrencies, and Non-Conviction Assets was done on May 15th and June 15th, 2023, respectively. Further, EDR Symposium for Court of Appeal Judges was held from February 22 25, 2023, where the training covered the emerging jurisprudence on Electoral Dispute Resolution. Additionally, a webinar for judges was held on February 16, 2023, on the use of social media by judges.
		e) Colloquiums for Judges and Judicial Officers:	High court leaders held a meeting from June 6 to 10, 2023, in Mombasa. The purpose of this forum, which brought together all judges and deputy registrars, was to improve performance and foster teamwork.
		f) Engage Justice Sector experts and stakeholders:	An Inns of Court was held on June 27, Social Transformation through Access to Justice in Kenya. Participants were sensitised on STAJ and the role that the ELRC would play in the judicial strategy to achieve its goals.
		g) Heads of station forum	A heads of station meeting under the theme "Building a Legacy of Excellence in Court Governance and Administration" was held in Nanyuki and the following topics were discussed; Ensuring excellent leadership in public service; Proposed solutions to supply chain challenges at court stations, Concurrent jurisdiction of Tribunals and Courts; Common Audit findings, responses, and resolutions; Practical Tips in Court

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S/N	KRA	OUTCOME	ACHIEVEMENT/OUTPUT
			Governance Administration; Briefing and sensitization on the following topics; Sexual Offenders Registry; ISO Process, Unclaimed Deposits and UFAA Case Audit, and Adoption of the Guide for Station Heads.
		h) Robust legal CAM Framework	The Court Annexed Mediation Rules were reviewed to entrench Private mediation and Gazetted on August 18, 2022, vide Gazette No. 132. Additionally, a Draft National ADR Policy developed in collaboration with the Nairobi Centre for International Arbitration and the Attorney General Working Group, was submitted to Cabinet and approved on March 21, 2023. In addition, the President of the Court of Appeal established a working group to strategize on the implementation of mediation, and a forum was held at Lake Naivasha Resort between December 7 and 9 to draft the Court of Appeal Mediation Rules.
4.	Improved Governance and Transformational Leadership	a) Compliance with national values, gender and diversity	The Office launched the Heads of Station manual with the main aim of mainstreaming national values in Judiciary programs. Additionally, to comply with national values, gender, and diversity, the office held a brand awareness activity for the Judiciary Vision across court stations.
		b) Implementation of the Judiciary anti-corruption strategy:	The office engaged the Judiciary Ombudsman to conduct sensitization on the prevention and eradication of corruption as well as complaint management on March 31, 2023.
		c) Performance management and Review	The office facilitated PMMU negotiations and goal setting for each of the thirteen Small Claims courts for FY 2022-2023. Held two (2) retreats for the ORSCC between the 16th - to the 19th of May 2023 and the 27th - to the 30th of June 2023 to review the

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S/N	KRA	OUTCOME	ACHIEVEMENT/OUTPUT
			performance of the various registries for the year and to develop strategies to improve service delivery in 2023-2024.
		d) Implement corruption mapping report recommendations	Reports on corruption mapping for the compliance checks were finalized with recommendations and submitted to the JSC for review, guidance, approval and implementation.
		e) Development of Strategic Documents	Conceptualization of the STAJ Blue Print Outline and drafting of the STAJ Chapters; evaluation of the Kenya Law Strategic Plan 2018-2022; input of stakeholders' comments into the Judiciary Election Committee SP; Preparation of the evaluation of the Judiciary ICT Master Plan, and conceptualization of a new master plan. Provided technical support in the development of draft Small Claims Court Action Plan and drafting of the Judiciary Committee on Elections (JCE) Annual Report.
		f) National Development Agenda	The directorates submitted the judiciary's priorities for inclusion in the Vision 2030 Medium Term Plan IV, the MTEF report to the State Department of Planning as well as three reports to the Directorate of Finance.
5.	Improved Human Capital Management and Organizational Development	a) Review of Organisational structure	Organisational Structures/ Governance documents for The Small Claims Court, Office of the Chief Justice, Directorate of Building Services, staffing for fifteen (15) gazetted Subordinate Courts, National Council for Administration of Justice (NCAJ) and Tribunals.
		b) Developed Training Policy	The Training and Development Policy was approved for implementation by the JSC on April 6, 2023. The Judicial Service Commission is in the process of publishing the policy for dissemination to employees.

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S/N	KRA	OUTCOME	ACHIEVEMENT/OUTPUT
		c) Training and capacity-building programs for staff	Staff training were approved and implemented as follows; thirty-four (34) academic courses and one (1) study leave. Orientation for two hundred and forty-one (241) newly appointed Court Assistants and Legal Researchers was conducted on June 15, 2023.
6.	Modernized Registry Operations for Operational Efficiency	a) Case Tracking System in Courts	The Judiciary continued to hold in-house training for staff members. The ORSC implemented a case management system with tracking and reporting mechanisms. This was accomplished by creating a duty rota in advance for the Supreme Court Justices and synchronizing the court calendar with the master diary.
		b) Standardized Registry operations:	The reviewed registry handbook was made available to Deputy Registrars.
		c) One-stop shop registries	The shared services model was enhanced and the Land Acquisition Tribunal, the Financial Center Tribunal, and the Sports Dispute Tribunal were brought under it to increase service delivery efficiency.
7.	Enhanced Public Confidence, Awareness and Image of Judiciary	a) Dissemination of IEC material:	The court distributed the litigants charter, Bail and Bond Administration FAQs, Direction on Traffic Cases, Succession Steps and Diversion Guidelines.
		b) Customer feedback mechanism	The office developed the customer feedback form from an in-house workshop held between April 5 and 6, 2023, and conducted an online survey on court user feedback from their experience with the various SCCs. Highlighting notable successes, challenges faced, and areas for improvement from the registries. A total of 150 respondents from various regions took part in the online survey.

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S/N	KRA	OUTCOME	ACHIEVEMENT/OUTPUT
		c) Stakeholder engagement plan:	Summit on CAM hosting over 700 participants was held between in June 2023 at Strathmore University. In addition, 50 individuals were educated on CAM procedures and processes during the High Court Family Bar-Bench Capacity Building Workshop held in Kisumu in March, 2023. 15 sensitizations were conducted within judicial forums, Bar-Bench, virtual meetings, electronic media, and the general populace. A policy on private mediation was developed and operationalized in all mediation registries, while Mediation payment guidelines were developed and disseminated.
		d) Partnerships with training institutions, government entities, and non-governmental organizations:	There were engagements with Strathmore University, Kenya Judiciary Academy, and Kenya Bankers Association. The forums brought together various stakeholders drawn from the Law Society of Kenya, Mediators, Kenya Bankers Association (KBA), Academia, and Court Users Committees. Further, a partnership between CAM and the Chartered Institute of Arbitrators (CIARB) was formed to enhance collaboration and for the CIARB to be included as a mediator.
8.	Resource Mobilisation, Utilisation and Stakeholder Engagement	a) Budget Public Hearings	The annual budget public hearings were carried out in various court stations, including Kisumu, Eldoret, Butali, and Port Victoria.
		b) Judiciary Fund	The Judiciary Fund was operationalized effective July 1, 2022.
		c) Regional Budget Public Hearing Forums	Public hearing forums were held in four regions: Rift Valley; Coast; Western/Nyanza; and Nairobi

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VI. MANAGEMENT DISCUSSION AND ANALYSIS

a) Budget execution Historical Performance and Outlook:

(i) The Judiciary Fund

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

The Judiciary Fund has now been operational for one year. Key achievements include: Set-up of the Judiciary Financial Management System at Vote 9011; Establishment of the Judiciary Fund Management Committee; Publication and distribution of the Standard Operations Procedures (SOPs) and Judiciary Monitoring and Evaluation Framework; establishment of the Judiciary Fund Support Team (comprised of officers from NT-IFMIS, Judiciary's Finance, Accounts, Procurement & ICT directorates.

(ii) Budget Execution

The Judiciary budget is released on half year basis for both recurrent and development. The annual budget was revised upwards during supplementary from **KShs 18,297,400,000** to **KShs 21,132,400,00**. This comprised recurrent budget of **KShs 19,232,400,000** and development budget of **Kshs 1,900,000,000**

The annual results indicate a 96% funding of the annual budget where exchequer received totalled **KShs 20,235,193,180**. This comprised recurrent and development exchequer amounts of **KShs 18,739,227,493** and **KShs 1,495,965,687** respectively.

All the funds received in the Judiciary fund were transferred to Judiciary Fund operations under vote 9011.

VII. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

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

(a) Sustainability Strategy and Profile

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

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

There has been a continuous and incremental enhancement of Judiciary budget and disbursements from the exchequer each year. The Judiciary's budget has increased from **Kshs 16.095 Billion** to **Kshs 21.132 Billion** between FY2018/2019 and FY2022/2023. This indicates the government's commitments to sustain the Judiciary. Further, the Government has taken note of the resource gap and committed to upscale the Judiciary's budget over the next 5 years in order to enhance the Judiciary's budget and reduce the resource gap to ensure optimal service delivery. Further development partners have been participating by offering both operational and technical support.

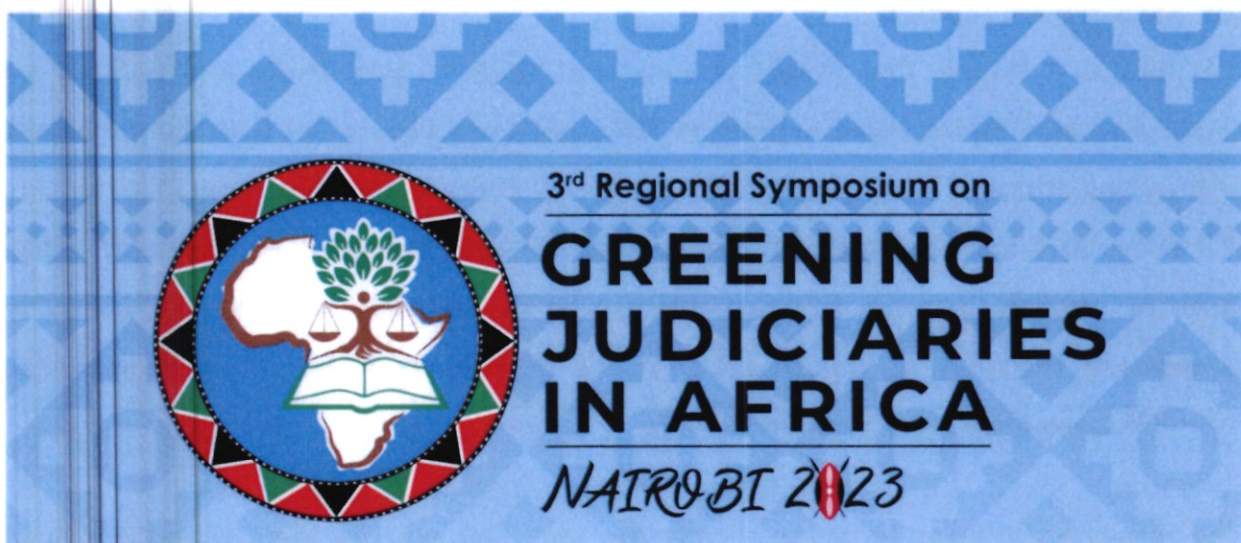
(b) Environmental Performance

As part of its internal processes, the Judiciary has mandated the performance of environmental impact assessments before the commencement of all major construction projects. This ensured adherence to the Environmental and Social Policy that aims to ensure that the people and the environment are protected from potential adverse impacts. As such all projects are subjected to the National Environment Management Agency requirements on

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Environmental and Social management Plan (ESMP) was conducted for projects in consultation with affected communities.

The 3rd Regional Symposium on Greening Judiciaries in Africa hosted by the Judiciary of Kenya, the Kenya Judiciary Academy (KJA) and the Africa Judicial Educators Network on Environmental Law (AJENEL) was held in Nairobi from 3rd - 5th April 2023 under the theme, 'Strengthening the Role of the Judiciaries in Addressing Climate Change in Africa. The Symposium was anchored on the role of the courts in combating climate change and its impacts in Africa and provided actionable policy direction from Chief Justices and judicial training institutes across Africa on the enhancement of environmental justice, particularly in disputes arising from climate change and its impacts.



(c) Employee Welfare

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

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medical fund. The Judiciary medical ex-gratia allocation will be enhanced to support our employee with various medical challenges.

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

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

(d) Market Place Practices

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

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

(e) Community Engagements

The Judiciary's corporate social responsibility is based on the recognition that, as part of the Kenyan society, we have responsibilities that go beyond our dispensation of Justice

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obligations for the benefit of the society. Judiciary corporate social responsibility entails community engagement, supporting community activities, responding to emerging challenges, donating to charities, helping the needy and application of ethical conduct and participating in matters of topical national interest in the republic. The following are illustration of various corporate social responsibilities.



Hon. Chief Justice Martha Koome takes part in tree planting organised by the National Council for Law Reporting (Kenya Law) at the Supreme Court grounds



Kisumu Court of Appeal Judge Prof. Joel Ngugi led Judicial Officers & staff in a CSR activity at Siaya Female Probation Hostel where they donated assorted items for the institution that provides abode for expectant probationers & those accompanied by children below 4 years of age



Hon. Deputy Chief Justice at Kenyatta National Hospital for a CSR activity



Building a greener Future: *Presiding Judge Oscar Angote led the Environment & Land Court in a tree planting exercise at Karimenu II Dam in Gatundu North. The exercise organised by Athi Water Works brought together various stakeholders.*

VIII. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the Judiciary is responsible for the preparation and presentation of the Judiciary's financial statements, which give a true and fair view of the state of affairs of the Judiciary for and as at the end of the year ended on 30th June 2023. This responsibility includes:

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

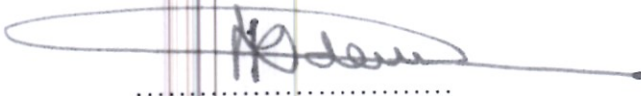
The Accounting Officer in charge of the Judiciary accepts responsibility for the Judiciary Fund's financial statements, which have been prepared on the accrual method of Financial Reporting, using appropriate accounting policies in accordance with IPSAS. The Accounting Officer is of the opinion that the Judiciary's financial statements give a true and fair view of the state of Judiciary's transactions during the year ended 30th June 2023, and of the Judiciary's financial position as at that date. The Accounting Officer in charge of Judiciary further confirms the completeness of the accounting records maintained for the Judiciary, which have been relied upon in the preparation of the Judiciary's financial statements as well as the adequacy of the systems of internal financial control.

**THE JUDICIARY FUND
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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
..... 28/01/.....2024.



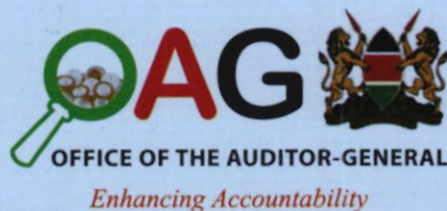
**Paul N. Maina, OGW, 'ndc' (K)
Ag. Chief Registrar of the Judiciary**



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

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON THE JUDICIARY FUND FOR THE YEAR ENDED 30 JUNE, 2023

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 that the Government achieves value for money and that such funds are applied for the 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

Opinion

I have audited the accompanying financial statements of The Judiciary Fund set out on pages 24 to 32, which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in fund balance,

Report of the Auditor-General on The Judiciary Fund for the year ended 30 June, 2023

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Judiciary Fund as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Judiciary Fund Act, 2016, Judiciary Fund Regulations, and the Public Finance Management Act, 2012.

Basis for Opinion

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Preparation of Financial Statements

The Judiciary Fund was established by Article 173 of the Constitution and was operationalized in the FY 2022/2023 as per the Judiciary Fund Act, 2016 and Judiciary Fund Regulations, 2019. During the year under review, the Judiciary Fund received Exchequer receipts totalling Kshs.20,235,193,180 and transferred the same amount to The Judiciary to fund its operations. According to Section 6 of the Judiciary Fund Act, 2016, the Fund shall be used to defray the administrative expenses of the Judiciary and for the acquisition and proper maintenance of buildings, grounds and other assets of the Judiciary.

However, no explanation was provided on why the Judiciary prepared and submitted for audit separate financial statements for the year ended 30 June, 2023 instead of preparing

one set of financial statements for the Judiciary Fund as required by Section 10 of the Judiciary Fund Act, 2016.

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

2.0 Late Submission of Financial Statements

The Judiciary Fund financial statements for the year ended 30 June, 2023 were submitted for audit on 15 December, 2023 which was two and half months after the deadline of 30 September, 2023. This was contrary to Section 68 (2) (k) of the Public Finance Management Act, 2012 which requires Accounting Officers to prepare and submit the annual financial statements for each financial year to the Auditor-General within three months after the end of the financial year for audit.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 (Accrual 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 Fund's ability to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund 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 Fund'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 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 Fund'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 Fund 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 Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 February, 2024

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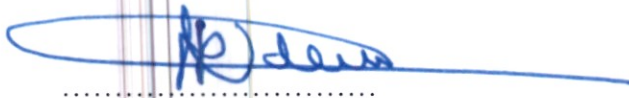


**THE JUDICIARY FUND
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X. STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

	Note	30-Jun-2023
		KShs
RECEIPTS		
Exchequer Receipts	1	20,235,193,180
WITHDRAWALS FROM JUDICIARY FUND		
Withdrawals to Judiciary Operations	2	(20,235,193,180)
SURPLUS/DEFICIT		
		-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Judiciary Fund's financial statements were approved on 26/01/2024 and signed by:



Paul N. Maina, OGW, 'ndc' (K)
Ag. Chief Registrar of the Judiciary



CPA Wycliffe Wanga - ICPAK No:
3209
Director Accounting Services

**THE JUDICIARY FUND
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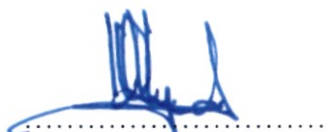
XI. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2023

	Note	30-Jun-2023
FINANCIAL ASSETS		KShs
Cash and Cash Equivalents		
Bank Balances	4	_____ -
TOTAL FINANCIAL ASSETS		_____ -
LESS: FINANCIAL LIABILITIES		
Third party deposits and retention		_____ -
NET FINANCIAL ASSETS		===== -
REPRESENTED BY		
Fund balance b/fwd		_____ -
Surplus for the year		_____ -
NET FINANCIAL POSITION		===== -

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Judiciary Fund's financial statements were approved on 26/01/2024 and signed by:



Paul N. Maina, OGW, 'ndc' (K)
Ag. Chief Registrar of the Judiciary





CPA Wycliffe Wanga - ICPAK No:
3209
Director Accounting Services

**THE JUDICIARY FUND
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**XII. STATEMENT OF CHANGES IN FUND BALANCE FOR THE YEAR ENDED 30TH
JUNE 2023**

Description	Judiciary Fund Kshs.
As at 1 July 2022	-
Exchequer Receipts from CFS	20,235,193,180
Transfers to Operations	(20,235,193,180)
Unspent Balances surrendered	-
As at 30 June 2023	-


.....
Paul N. Maina, OGW, 'ndc' (K)
Ag. Chief Registrar of the Judiciary


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

**THE JUDICIARY FUND
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XIII. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2023

	Note	30-Jun-2023
		KShs
CASH FLOW FROM OPERATING ACTIVITIES		
Total Exchequer Receipts	1	20,235,193,180
Transfer/Withdrawal to Judiciary Operations	2	(20,235,193,180)
Net Cash Flow from Operating Activities		_____ -
Cash flow from Investing Activities		-
Cash Flow from Financing/borrowing Activities		-
NET INCREASE IN CASH AND CASH EQUIVALENT		
Cash and Cash Equivalent at Beginning of the Year		_____ -
Cash and cash equivalent at the end of the Year		===== -

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Judiciary Fund's financial statements were approved on 26/01/2024 and signed by:



Paul N. Maina, OGW, 'ndc' (K)
Ag. Chief Registrar of the Judiciary



CPA Wycliffe Wanga - ICPAK No:
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Director Accounting Services

**THE JUDICIARY FUND
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**XIV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR
FY2022/23**

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget Utilization Difference	% of Utilisation
	a	b	c=b+a	d	e	f=d/c %
RECEIPTS						
Opening Balance						
	KShs	KShs	KShs	KShs	KShs	
Exchequer Receipts	18,297,400,000	2,835,000,000	21,132,400,000	20,235,193,180	897,206,820	96%
PAYMENTS						
Transfer to Judiciary Operations	18,297,400,000	2,835,000,000	21,132,400,000	20,235,193,180	897,206,820	96%

The Judiciary's financial statements were approved on 2024 and signed by:



.....
Paul N. Maina, OGW, 'ndc' (K)
Ag. Chief Registrar of the Judiciary



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

**THE JUDICIARY FUND
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XV. SIGNIFICANT 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 the accrual basis of the International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) in Kenya.

2. Reporting Entity

This report relates to financial operations of the Judiciary Fund Account maintained at the Central Bank of Kenya. The reporting entity is the Judiciary.

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. Recognition of revenue and expenses

Revenues consist of Exchequer Releases from the Consolidated Fund pursuant to Article 173 of the Constitution of Kenya.

i) Transfers from the Exchequer

Exchequer Releases are based on the National Government Appropriation Acts. The exchequer requests are submitted to the National Treasury, which fund the Judiciary Fund Account held at the CBK. Based on the available balance, the Judiciary send requests to the Controller of Budget (COB) for approval. Once the approval of COB is obtained, the funds are transferred to either the recurrent or development accounts of Judiciary Fund maintained at CBK.

**THE JUDICIARY FUND
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5. Cash and cash equivalents

Cash and cash equivalents comprise bank balances.

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

7. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same Year as the financial statements. The original budget was approved by Parliament in June 2022 for the Year 1st July 2022 to 30th June 2023 as required by Law and there was one supplementary adjustment 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.

8. Comparative Figures

The comparative figures for the previous financial Year have not been included since this is the first year the Judiciary is reporting on Judiciary Fund Account.

9. Subsequent Events

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

10. Related Party Transactions

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

**THE JUDICIARY FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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

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

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XVI. NOTES TO THE FINANCIAL STATEMENTS

1) EXCHEQUER RELEASES TO THE JUDICIARY FUND

	30-Jun-23
	Kshs
Quarter 1	4,563,111,354
Quarter 2	3,954,852,220
Quarter 3	3,034,315,871
Quarter 4	<u>8,682,913,735</u>
Total	20,235,193,180

2) WITHDRAWALS TO JUDICIARY OPERATIONS

Quarter 1	3,599,786,644
Quarter 2	4,364,730,092
Quarter 3	3,587,732,765
Quarter 4	<u>8,682,943,680</u>
Total	20,235,193,180



REPUBLIC OF KENYA

JUDICIARY FUND ACCOUNT BANK RECONCILIATION STATEMENT

HeadQuarters: Supreme Court Of Kenya

As At 30TH JUNE 2023

JUDICIARY FUND CBK Account Number: 1000589396		Bank Name/Branch:CBK-HAILESELLASIE AVENUE
		Amount - KES
Closing Balance as per Bank Certificate		283,114,761.85
1 Less :-	Payments in Cash book not yet reflected in Bank Statement (Un-presented Cheques)	1,171,084,904.40
2	Receipts in Bank Statement not yet recorded in Cash Book	0.00
3 Add:-	Payments in Bank Statement not yet recorded in Cash Book	0.00
4	Receipts in Cash Book not yet reflected in Bank statement	887,970,142.55
Reconciled Bank Balance as per Cash Book		0.00
Bank Balance as per Cash Book		0.00
Control Check =====>		0.00

Certificate:

I certify that I have verified the Bank Balance in the Cash Book with the Bank Statement and that the Reconciliation is Correct.

Prepared By:	Accountant Bank Reconciliation	Signature	10.07.2023
Reviewed By:	Head of Financial Reporting Unit <i>P. Njiru</i>	Signature <i>[Signature]</i>	10.07.2023
Approved By:	Head of Accounting Unit <i>Philip Icarai</i>	Signature <i>[Signature]</i>	10.07.2023

SCHEDULE I

1. PAYMENTS IN CASHBOOK NOT YET REFLECTED IN BANK STATEMENT (UNPRESENTED CHEQUES)

DATE	PV. NO.	DETAILS	AMOUNT	COMMENTS
30.06.2023	0001	COB/JUD/003/1(85) DD 29062023	241,759,579.35	
30.06.2023	0002	COB/JUD/003/1(86) DD 30062023	402,500,455.35	
30.06.2023	0003	COB/JUD/003/1(87) DD 30062023	526,824,869.70	
TOTAL APPENDIX I			1,171,084,904.40	

SCHEDULE II

2. RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

DATE	PARTICULARS	AMOUNT	COMMENTS
TOTAL APPENDIX II		0.00	

SCHEDULE III

3. PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

DATE	DETAILS	AMOUNT	COMMENTS
TOTAL APPENDIX III		0.00	

APPENDIX IV

4. RECEIPTS IN CASH BOOK NOT YET REFLECTED IN BANK STATEMENT

DATE	MR. No.	DETAILS	AMOUNT	COMMENTS
30.06.2023	FT23185X01T6	Exchequer issue	440,988,738.00	
30.06.2023	FT23185SWWLY	Exchequer issue	442,500,000.00	
30.06.2023	FT231937N763	STD130123-TRANS	52,000.00	
30.06.2023	Various(Listed)	Unspent Imprest From Court Stations-FY. 2022-23	4,429,404.55	
TOTAL APPENDIX IV			887,970,142.55	



REPUBLIC OF KENYA

F.O. 51

Date 14/08/23

Report of the Board of Survey on the Cash and Bank Balances of Judiciary Fund

Amount: 1,000,529.79 KSh as at the close of

Business on 30th June 20 23

The Board consisting of - (Names and official titles)

- 1. CPA MARY MUMIRA
- 2. CPA OLYMPIA WANJA
- 3. CPA EUNICE COCHONDI

Assembled at the office of CASHIER
at 10:00 AM (time) on the 14th AUGUST 20 23 and

The following cash was produced:-

Notes	Sh.	<u>NIL</u>
Silver	Sh.	<u>NIL</u>
Copper	<u>N/A</u>	Sh.	<u>NIL</u>
Cheques (as per details on reverse)	Sh.	<u>NIL</u>

It was observed that cheques amounting to Sh. NIL Cts —

Had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes.

The Cash Book reflected the following balances as at the close of business on the

30th June 20 23

Cash on hand..... Sh. NIL

Bank Balance..... Sh. NIL

The Bank Certificate of Balance showed a sum of Sh. 223,114,761.85
Cts. 20th June 20 23

Standing to the credit of the account on 20th June 20 23

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.

Date 14/08/23

[Signature]
Chairman
[Signature]
Members of the Board

