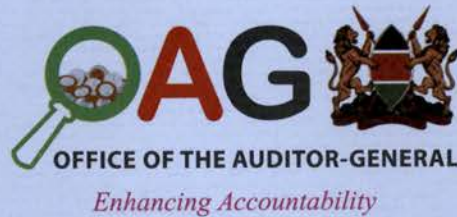


REPUBLIC OF KENYA

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



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

Ref.: OAG/NCLR/2021-2022/18

18 May, 2023

Prof. Busalile Jack Mwimali,
The Editor/Chief Executive Officer
National Council for Law Reporting
ACK Gardens Annex – 1st Ngong Avenue
P. O. Box 10443-00100
NAIROBI

Dear Sir,

REPORT OF THE AUDITOR-GENERAL ON NATIONAL COUNCIL FOR LAW REPORTING FOR THE YEAR ENDED 30 JUNE, 2022

Your responses dated 30 March, 2023 in respect of the draft audit report for the financial year ended 30 June, 2022 refers.

The additional information and evidence provided in the responses have been examined and issues that have not been satisfactorily explained and (or) supported are now included in the audit report.

Enclosed herewith please find two (2) sets of the Report of the Auditor-General on National Council for Law Reporting for the year ended 30 June, 2022 duly certified and with the seal affixed thereon for your use and retention.

Yours faithfully,

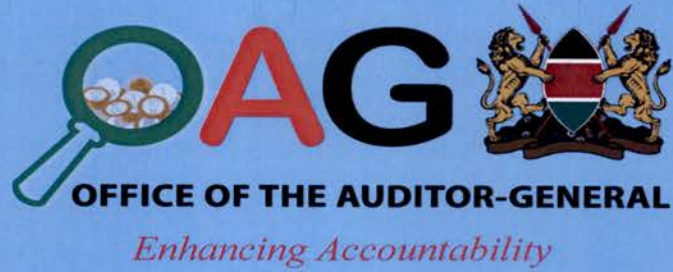
Stephen M. Taiku
For: AUDITOR-GENERAL

*Passed and Bonfide to
note*

22/5/2023



REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

**NATIONAL COUNCIL FOR LAW
REPORTING**

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



KENYA LAW

Where Legal Information is Public Knowledge

NATIONAL COUNCIL FOR LAW REPORTING

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED JUNE 30th JUNE 2022

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



TABLE OF CONTENTS

1. KEY ENTITY INFORMATION AND MANAGEMENT.....	ii
2. COUNCIL MEMBERS.....	viii
3. KEY MANAGEMENT.....	xiv
4. CHAIRPERSON'S STATEMENT.....	xviii
5. REPORT OF THE CHIEF EXECUTIVE OFFICER.....	xx
6. STATEMENT OF NATIONAL COUNCIL FOR LAW REPORTING'S PERFORMANCE FY 2021/2022	xxi
7. CORPORATE GOVERNANCE STATEMENT.....	xxvi
8. MANAGEMENT DISCUSSION AND ANALYSIS.....	xxix
9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING.....	xli
10. REPORT OF COUNCIL MEMBERS.....	xlvi
11. STATEMENT OF DIRECTORS' RESPONSIBILITIES.....	xlvi
12. REPORT OF THE INDEPENDENT AUDITORS ON THE NATIONAL COUNCIL FOR LAW REPORTING.....	xlvii
13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 th JUNE 2022.....	1
14. STATEMENT OF FINANCIAL POSITION AS AT 30 th JUNE 2022.....	2
15. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 th JUNE 2022.....	3
16. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 th JUNE 2022.....	4
17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE QUARTER ENDED 30 th JUNE 2022.....	5
NOTES TO THE FINANCIAL STATEMENTS.....	7
APPENDICES.....	33
APPENDIX II: INTER - ENTITY TRANSFERS.....	34

1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The National Council for Law Reporting (NCLR) is a state corporation in the Office of the Attorney General and Department of Justice. The brand name of the National Council for Law Reporting is Kenya Law. Kenya Law was established under the National Council for Law Reporting Act (Act No. 11 of 1994). It is domiciled in Kenya and is based in Nairobi with no other branches in the Country. Kenya Law is governed by a Council; the body that is responsible for the general policy and strategic direction of the institution. The Council has 12 statutory and 2 Co-opted members. It is chaired by the Chief Justice of the Republic of Kenya.

(b) Principal Activities

The principal mandate of the National Council for Law Reporting (NCLR) is as follows;

The Council shall;

- i) Be responsible for the preparation and publication of the reports to be known as the Kenya Law Reports, which shall contain judgments, rulings and opinions of the superior courts of record;
- ii) Undertake such other publications as in the opinion of the Council are reasonably related to or connected with the preparation and publication of the Kenya Law Reports; and
- iii) Perform any other functions conferred on the Council by or under the provisions of any other written law.

The overall mandate of Kenya Law is:

- i) To monitor and report on the development of Kenyan jurisprudence through the publication of the Kenya Law Reports;
- ii) Revise, consolidate and publish the Laws of Kenya, a mandate delegated to NCLR by the Attorney General through Legal Notice No. 29 of 2009, in line with sections 7 and 8 of the Revision of Laws Act; and
- iii) To undertake such other related publications and perform such other functions as may be conferred by law.

On the Council's website - www.kenyalaw.org- you will find Case Law, the Laws of Kenya, the Parliamentary Hansards, the Kenya Gazette, and the Daily Cause List from various courts, Legal Notices and other publications.

Kenya Law's vision is to be the lead provider of public legal information towards an enlightened society.

Kenya Law's mission is to provide universal access to public legal information by monitoring and reporting on the development of jurisprudence for the promotion of the rule of law.

Kenya Law's core values are Integrity, Professionalism, Transparency and Accountability, Innovation and creativity, Reliability and Citizen/Customer Focus.

Kenya Law is focusing on three (3) strategic themes / core objectives as indicated below:

- i) Access to public legal information
- ii) Organizational sustainability
- iii) Corporate identity and Brand visibility

(c) Key Management

Kenya Law's day-to-day management is executed by the following key organs:

- i) Council Members
- ii) Editor / CEO/ Accounting Officer
- iii) Key Management

Fiduciary Management

The key management personnel who held office during the financial period ended 30th June 2022 and who had direct fiduciary responsibility were:

	Name of the Officer	Responsibility
1	Editor/CEO	Prof. Busalile Jack Mwimali
2	Snr. Assistant Editor/ DCEO	Ms. Janet Munywoki
3	Head of Human Resource and Administration	Ms. Janette Watila
4	Head of Finance	Mr. Pascal Othieno
5	Head of Laws of Kenya	Ms. Wambui Kamau
6	Head of Law Reporting	Ms. Njeri Githanga
7	Head of Research and Development	Mr. Andrew Halonyere
8	Head of Strategy, Quality and Assurance and Performance Evaluation	Ms. Edna Muthaura
9	Head of Sales Marketing and Customer Care	Ms. Emily Nakhungu
10	Head of Information Communications and Technology (ICT)	Mr. Martin Andago
11	Head of Internal Audit	Mr. Bornface Odero
12	Head of Procurement	Mr. John Paul Mutugi

d) Fiduciary Oversight Arrangements

The oversight responsibility of the Council is delivered through various Committee activities. The Council has four (4) committees through which various oversight roles are executed as shown below:

Audit & Risk Management Committee activities;

- i) To monitor and report on the effectiveness of Kenya Law’s internal financial controls and risk managementsystems.
- ii) To monitor and review the effectiveness of Kenya Law’s internal audit function and follow up on theimplementation of audit recommendations.
- iii) To monitor compliance with the legal framework in Kenya Law’s procurement and financial managementpractices.
- iv) To review and monitor the external auditor’s independence and objectivity and the effectiveness of audits, taking into account relevant professional and regulatory requirements.
- v) To develop and implement a policy on Kenya Law’s engagement with the office of the Auditor General.

Membership of the Audit & Risk Management Committee of the Council includes:

Name of the Committee	Members
Audit and Risk Management Committee	<ul style="list-style-type: none"> i) Ms. Jennifer Gitiri - Chairperson ii) Prof. Winifred Kamau iii) Hon. Justice James Rika iv) Mr. Dudley Ochiel

Finance & General Purposes (F&GP) Committee activities;

- i) To guide in the development and approval of Kenya Law’s finance policies and procedures.
- ii) To guide in the development and periodic reviews of adequate internal controls in Kenya Law’s finance andaccounting systems.
- iii) To monitor the integrity and reliability of Kenya Law’s periodic Financial Reports and Annual Financial statements in reporting of Kenya Law’s financial performance.
- iv) To review significant judgments made by management in the financial statements.
- v) To review and approve Kenya Law’s Quarterly / Annual Reports and Financial Statements.
- vi) To guide in the preparation and approval of Kenya Law’s budget, Annual work plan and procurement plan to promote timely delivery of the Kenya Law strategic plan.

Membership of the Finance & General Purposes Committee of the Council includes:

Name of the Committee	Members
Finance and General Purposes Committee	<ul style="list-style-type: none"> i) Ms. Eva Kimeiywo - Chairperson ii) Hon. Lady Justice Fatuma Sichale iii) Ms. Linda Murila iv) Ms. Sarah Nyoike v) Mr. Jona Wala

Technical Committee activities;

- i) To guide in the development, approval and evaluation of the level of implementation of Kenya Law's Strategic plan.
- ii) To guide in the development and approval of policies and procedures of workflows for the technical / core departments.
- iii) To monitor the quality and timeliness of Kenya Law's publications and the provision of Public legal information to the public.
- iv) To monitor the level of accessibility to public legal information by the public and advice on continuous improvement.

Membership of the Technical Committee of the Council includes:

Name of the Committee	Members
Technical Committee	<ol style="list-style-type: none"> i) Ms. Linda Murila - Chairperson ii) Hon. Justice James Rika iii) Ms. Eva Kimeiywo iv) Mr. Dudley Ochiel v) Mr. Samuel Njoroge

Human Resources Committee activities;

- i) To guide in the development and approval of Kenya Law's Human resource instruments.
- ii) To guide in the development and approval of Kenya Law's remuneration, compensation and benefits structure;
- iii) To guide in the development and approval of policies and procedures for management of Kenya Law's Human resources.
- iv) To guide in the development and approval of policies and procedures for Kenya Law staff development and motivation programmes.
- v) To guide in the development and approval of policies and procedures for Kenya Law staff welfare programmes.
- vi) To guide in the development and approval of policies and procedures for Kenya Law staff relations, discipline and dispute resolution.

Membership of the Human Resources Committee of the Council includes:

Name of the Committee	Members
Human Resources Committee	<ol style="list-style-type: none"> i) Hon. Lady Justice Fatuma Sichale - Chairperson ii) Prof. Winifred Kamau iii) Ms. Jennifer Gitiri iv) Ms. Sarah Nyoike

In addition to internal oversight structures executed by the Council, the National Assembly also exercises oversight over Ministries Departments and Agencies (MDAs) as follows;

- i) Parliamentary committees investigate specific matters of national policy, government administration, budget execution, government performance of all Ministries Departments and Agencies (MDAs).
- ii) The Parliamentary Committees execute assignments that parliament would not be able to undertake in the large, formal environment of house sittings, such as finding out the facts of a case or issue, gathering evidence from expert groups or individuals, sifting through evidence and drawing up reasoned conclusions.
- iii) The Budget and Appropriations Committee provides oversight in the Medium Term Expenditure Framework (MTEF) budget process especially in the appropriation of budgets to Ministries Departments and Agencies (MDAs). The Council being a government agency therefore is subject to this budget process and oversight.
- iv) The Public Accounts and the Public Investment Committees specifically provide oversight (watchdogs) into the use of public funds by scrutinizing audited financial statements and specifically audit queries flagged by the Office of the Auditor General. The Council, being a State Corporation, is therefore subject to these oversight arrangements.

Kenya Law also receives conditional grants from various development partners to fund specific activities from time to time. The utilization of these funds is always subject to specific conditions from the partners. In such cases, development partners provide the following oversight activities;

- i) To Monitor and review progress of projects in relation to the pre-set performance agreements, contracts or expected outputs.
- ii) To provide recommendations regarding strategic directions, new opportunities for investment/collaborations and efficiency in performance.
- iii) To approve the budget proposals for development projects and interrogate the periodic performance reports for the same.
- iv) To provide projects monitoring and evaluation arrangements, both operational and financial.

(d) Kenya Law's Head Office

ACK Garden Annex, Fifth
Floor

1st Ngong Avenue,
P.O. Box 10443 – 00100,
Nairobi, Kenya.

(e) Kenya Law's Contacts

Telephone: 020 2712767

E-mail: info@kenyalaw.org

Website: www.kenyalaw.org

(f) Kenya Law's Bankers

i) Kenya Commercial Bank,
Capitol Hill Branch,
P.O Box 69695 – 00400,
Nairobi, Kenya.

ii) ABSA Bank Kenya Limited,
Hurlingham Branch,
P.O Box 34974 – 00100,
Nairobi, Kenya.

(g) Kenya Law's Independent Auditors

The Auditor General,
Office of the Auditor General,
Anniversary Towers,
University Way
P.O Box 30084- 00100
Nairobi, Kenya.

(h) Kenya Law's Principal Legal Adviser

The Attorney General,
Office of the Attorney General & Department of Justice,
Harambee Avenue,
P.O. Box 40112 - 00200
Nairobi, Kenya.

2. COUNCIL MEMBERS



Hon. Chief Justice Martha Karambu Koome

The Chief Justice & President of the Supreme Court of Kenya.

Chairperson, National Council for Law Reporting

Date of Appointment - May 2021

Hon. Justice Martha Karambu

Koome is the Chief Justice, President of the Supreme Court of Kenya and the Chairperson of the National Council for Law Reporting.

She is also the Chairperson of the National Council on the Administration of Justice (NCAJ). Prior to her appointment as Chief Justice, Hon. Justice Koome was a Judge of the Court of Appeal for over nine years. Prior to which she had worked in various divisions of the High Court of Kenya for over eight years where she headed the Environment and Land Division; was the Resident Judge at Kitale Law Courts; a Judge at the Milimani Commercial Court; a Resident Judge at Nakuru Law Courts and a Judge at the Family Division.

The Hon. Chief Justice has also been the chairperson of; the NCAJ special taskforce on Children matters; the Kenya Magistrate and Judges Association (KMJA); Federation of Women Lawyers (FIDA) and is a founding member of the League of Women voters. Before joining the Judiciary, the Hon. Chief Justice was a legal practitioner for fifteen (15) years in the areas of Family Law and public interest litigation.

The Hon. Chief Justice, holds a Master of Laws (LLM) Degree from the University of London; a Bachelor of Laws (LLB) Degree from the University of Nairobi and a Post Graduate Diploma in Legal practice. She is a member of the Law Society of Kenya.



Hon. Justice (Rtd) Kihara Kariuki, CBS

The Attorney General

Date of Appointment - February 2018

Hon. Justice (Rtd) Kihara Kariuki is the Attorney General of the Republic of Kenya. Justice (Rtd) Kihara Kariuki was admitted to the Bar in 1978 after completing his post-graduate diploma in law at the Kenya School of Law, Nairobi. He practiced law with several legal establishments including Ndung'u Njoroge and Kwach Advocates and Hamilton Harrison and Mathews Advocates in Nairobi.

In 2003, he was appointed Judge of the High Court where he served in both the civil and commercial divisions of the Court for several years. Justice (Rtd) Kihara Kariuki served as the first Director at the Judiciary Training Institute.

In 2013 he was appointed the President of the Court of Appeal where he served until June 2018 when he was appointed Attorney General of the Republic of Kenya.



Hon. Lady Justice Fatuma Sichale
Judge - Court of Appeal

Date of Re-appointment - April 2021

Hon. Lady Justice Fatuma Sichale was admitted to the Roll of Advocates in 1983 and subsequently worked as a magistrate. She was later promoted to resident magistrate until 1987 when she went into private practice in Kitale and Nairobi. In 1997, she was appointed to the board of the now defunct Kenya Anti-Corruption Authority (KACA). In August 2004, she was appointed an Assistant Director in the Kenya Anti-Corruption Authority (KACA), rising to the position of Deputy Director in 2005 till October 2009. She was appointed as Judge of the Court of Appeal in 2012. Prior to this appointment, Justice Sichale served as a council member of the Law Society of Kenya, as well as on the Council of FIDA (K). Justice Sichale holds a Bachelor of Laws (LLB) degree from the University of Nairobi, a Post-Graduate Diploma in Law from the Kenya School of Law.



Prof. Winifred Kamau
Dean, School of Law, University of Nairobi
Date of Appointment - June 2021

Prof. Winifred Kamau is the Dean, School of Law University of Nairobi. She holds a Bachelor of Laws (LLB) degree, an LLM from the University of Nairobi and a PhD from Osgoode Hall Law School, York University in Canada.

Prof. Winifred Kamau has extensive experience as a law lecturer, trainer and researcher, with teaching experience at universities in Kenya and Canada. Between 2011 and 2013, she served at the Kenya School of Law as Assistant Director in charge of Continuing Professional Development, Projects and Research.

She is an Advocate of the High Court of Kenya of more than twenty years' standing, is a Certified Public Secretary (CS) and qualified for Associate of the Chartered Institute of Arbitrators (ACI Arb).

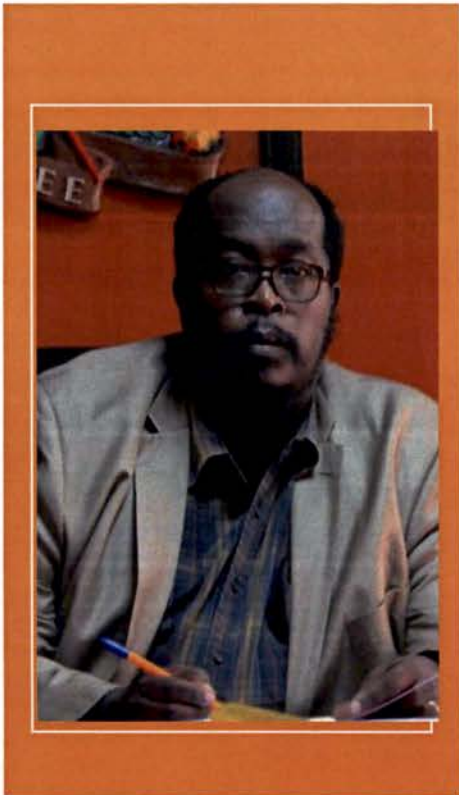


Ms. Jennifer Gitiri

Senior State Counsel, OAG&DOJ
Date of Appointment- January 2016

Ms. Jennifer Gitiri is an Advocate of the High Court of Kenya and a Senior State Counsel at the Office of the Attorney General and Department of Justice. Previously, she was the Global Networking Officer at Norwegian Church Aid.

Ms. Gitiri holds two (2) Master of Laws (LL.M) degrees from the University of Nairobi and the Central European University, a Bachelor of Laws (LLB) degree from the University of Nairobi and a Post Graduate Diploma in Law from the Kenya School of Law. She's a member of the Law Society of Kenya.



Hon Justice James Rika

Judge - High Court of Kenya
Date of Appointment - November 2021

Hon Justice James Rika is a Judge at the Employment & Labour Relations Court. He has served the Court at Nairobi and Mombasa. He was awarded for exceptional judicial service by Mombasa Law Society December 2017.

Hon Justice James Rika joined the Industrial Court of Kenya as Judge in 2006 and was reappointed as a Judge in 2012 when the Court moved from Ministry of Labour to the Judiciary. He has served in various committees including; the committee that operationalized Labour laws of 2007/ 2008 and was a member of the Kenyan Delegation to ILO 100th session which adopted 189th ILO Convention (2011) Concerning Decent Work for Domestic Servants at Geneva Switzerland and has participated in other initiatives of the ILO regionally at Dar es Salaam and Arusha.

Hon Justice James Rika holds and a Bachelor of Laws (LLB) from UoN, an LL.M from the University of London, specializing in international dispute resolution and a Post Graduate Diploma in Law from the Kenya School of Law.



Hon. Ann Amadi
Chief Registrar of the Judiciary
Date of appointment- 2014

Anne Atieno Amadi is an advocate of the High Court of Kenya, she holds a degree from the University of Nairobi and a Post Graduate Diploma from the Kenya School of Law. She holds two other Post Graduate Diplomas, one in Alternative Dispute Resolution and another in Law of Internal Displacement San Remo, Italy. She joined the judicial service as a District Magistrate II in 1990 and rose through the ranks to become a Resident Magistrate before joining private legal practice. Mrs Amadi served at Federation of Women Lawyers Legal Aid and Awareness Programme (NALEAP), Ministry of Justice National Cohesion and Constitutional Affairs, between 2008 and 2011. Until her appointment as the Chief Registrar of the Judiciary, Ms. Amadi worked as a legal Consultant.



Mr. Mwenda Njoka
Government Printer
Date of Appointment- December 2019

Mr. Mwenda Njoka is a distinguished media personality and the Government Printer. He joined the Council in December 2019. Mr. Njoka also serves on the Board of the Competition Authority of Kenya as an alternate Director to the Principal Secretary, State Department for Interior, Ministry of Interior and Coordination of National Government.

Previously, he was the Communications Director and advisor to the Cabinet Secretary in the Ministry of Interior and Co-ordination of National Government. Mr. Njoka is a graduate of the Kenya Institute of Mass Communications, Marquette University and is currently pursuing a Master of Arts in Intelligence and Security Studies.



Ms. Linda Musilivi Murila
Representing Hon. Justice (Rtd) Kihara Kariuki – Attorney General
Date of Appointment- January 2013

Ms. Linda Musilivi Murila, alternate member representing the Attorney General holds a Bachelor of Laws (LLB) degree from the University of Nairobi and a Post -Graduate Diploma in Law from the Kenya School of Law. Ms. Murila, a Chief State Counsel in the Office of the Attorney General and Department of Justice was admitted to the Bar in 1989.



Mr. Dudley Ochiel

Advocate of the High Court

Date of Appointment - February 2022

Mr. Ochiel Dudley is a public law jurist and a Supreme Court of Kenya regular with many landmark wins. He holds a Bachelor of Laws and a Master of Laws (Law, Governance, and Democracy) degree from the University of Nairobi. Admitted to the Roll of Advocates in 2012, Dudley began his career as a Legal Researcher at Kenya Law between 2013 and 2017.

Currently, he works with Katiba Institute as a Senior Litigation and Research Counsel and won the 2018 Public Interest Jurist of the Year Award. Dudley is a Certified Professional Mediator (MTI) and a Member of the Chartered Institute of Arbitrators (CI Arb) as well as the International Commission of Jurists (ICJ). Dudley has trained in trial advocacy by the Inns of Court College of Advocacy (UK) and the National Institute of Trial Advocacy (NITA, USA). He is a skilled legislative drafter and policy formulation expert. He is a member of the Law Society of Kenya



Mr. Samwel Njoroge

Representing Mr. Michael Sialai, Clerk of National Assembly

Date of appointment - July
2013

As the Director of Legislative and Procedural Services in the National Assembly, he is responsible for the coordination of the Three Departments of the Directorate: that is - The Table Office, Procedural Research & Journal and Inter-Houses & Overseas Affairs Department as well as Offering advice the Speaker, the Deputy Speaker, the rest of the Presidium, Political Leadership of the House, Chairpersons of Committees and Members of the National Assembly on procedural and legislative affairs of the House.

Mr. Njoroge holds Master of Business Administration (MBA), (Strategic Management) from the University of Nairobi and a Bachelor's degree in Environmental Studies, (Planning and Management), Kenyatta University.



Ms. Sarah Nyoike

Advocate of the High Court

Date of appointment- February 2022

Ms. Sarah W. Nyoike is an Advocate of the High Court of Kenya with twelve (12) years' worth of post admission experience. She has worked as a private practitioner and was also a Law Clerk for the Kenya Court of Appeal for five years. Besides her passion for the law and legal research. She has a passion in fine art and freelance writing.

Ms Nyoike is also a Member of the Law Society of Kenya



Ms. Eva Kimeiywo, Senior Printer

Representing Mr. Mwenda Njoka - Government Printer
Date of Appointment- January 2013

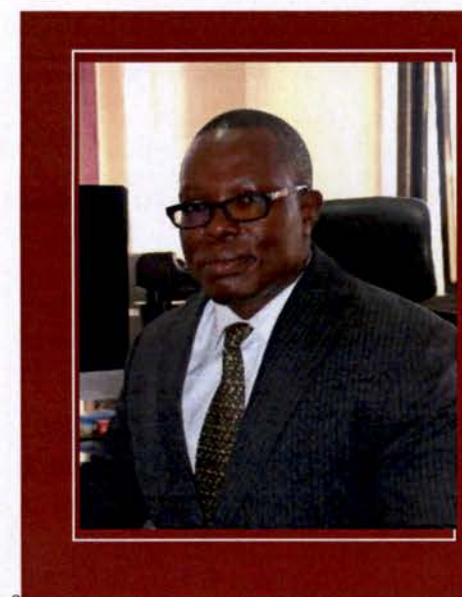
As the Principal Printer -Government Press, Ms Kimeiywo is in charge of Kenya Gazette and its Subsidiary Legislations.
She holds a Bachelor of Communications (Publishing) Dip. Printing Technology.



Mr. Jonah Wala

Representing: Cabinet Secretary, The National Treasury and Planning
Director, Accounting Services, National Treasury
Date of Appointment - 2016

Mr. Wala is the Acting Director Accounting Services at the National Treasury and represents the Cabinet Secretary in ICPAK Council. He holds a Master's degree in Banking and Finance and is a PhD candidate in Management from the Case Western Reserve University, USA.
CPA FA Jona Wala also sits in the Boards of Kenya Dairy Board, Registration of Certified Public Secretaries of Kenya where he is the Registrar. Mr. Wala is also a co-opted member of the Public Sector Accounting and chairs the Technical Committee of the East and Southern Africa Association of Accountant Generals.

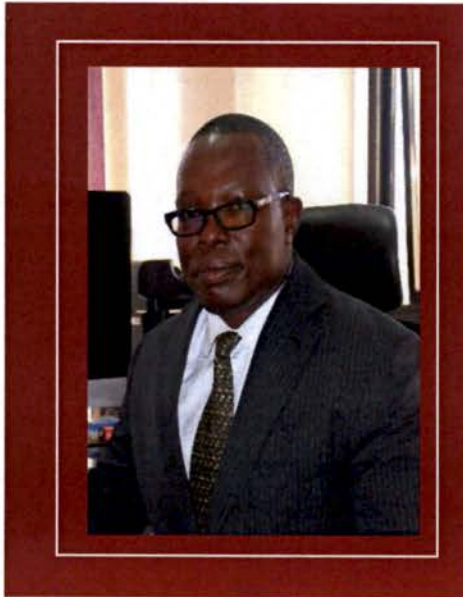


Prof. Busalile Jack Mwimali,

Editor/ Chief Executive Officer.
Date of Appointment -January 2022

Prof. Busalile is the Editor /CEO of National Council for Law Reporting. He is in charge of the overall delivery of Kenya Law's mandate. He leads the implementation of Kenya Law's strategic plan.
As Editor, Prof. Busalile is responsible for ensuring that all Kenya Law's legal publications are of quality and meets the expectations of the Kenyan public. As CEO, he has overall responsibility for the day to day administrative duties of Kenya Law.
Prof. Busalile holds a B.A.L., LL. B (Mysore, India), LL.M (Lund, Sweden), PhD (Birmingham, UK).
He's a Member of the Law Society of Kenya.

3. KEY MANAGEMENT



Prof. Busalile Jack Mwimali,
Editor/ Chief Executive Officer
Date of Appointment -January 2022

Prof. Busalile is the Editor /CEO of National Council for Law Reporting. He is in charge of the overall delivery of Kenya Law’s mandate. He leads the implementation of Kenya Law’s strategic plan.

As Editor, Prof. Busalile is responsible for ensuring that all Kenya Law’s legal publications are of quality and meets the expectations of the Kenyan public. As CEO, he has overall responsibility for the day to day administrative duties of Kenya Law.

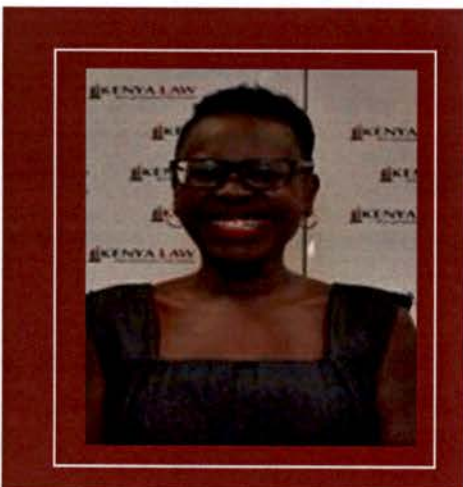
Prof. Busalile holds a B.A.L., LL. B (Mysore, India), LL.M (Lund, Sweden), PhD (Birmingham, UK).

He’s a Member of the Law Society of Kenya.



Ms. Janet M. Munywoki,
Ag. Editor/CEO & Senior Assistant Editor
Date of Appointment – August 2018

Ms. Munywoki has leadership responsibilities for the technical functions of Law Reporting, Laws of Kenya and Research and Development at Kenya Law where she ensures timely publications of quality legal publications. She also assists the CEO in the implementation of Kenya Law’s strategic plan and the day to day administrative duties of Kenya Law. Ms. Munywoki holds a Master’s Degree in International Studies and a Bachelor’s Degree in Law (LLB) and a Postgraduate Diploma from the Kenya School of Law. Ms. Munywoki is also a Certified Public Secretary, Certified Professional Mediator and Member of the Law Society of Kenya.



Ms. Janette Watila
HR and Administration Manager
Date of Appointment - January 2014

Ms. Watila is responsible for the Human Resource and Administration functions at Kenya Law. Ms. Watila is responsible for the management of Kenya Law’s Human Capital; recruitment, staff development and welfare. She is also responsible for the day to day administrative duties at the secretariat. Ms. Watila holds a Master’s degree in Human Resources Management and a Bachelor’s degree in Business administration.



Mr. Pascal Othieno Oluoch

Team-leader, Finance

Date of Appointment – January 2012

Mr. Othieno is responsible for the finance and accounting functions at Kenya Law. Mr. Othieno manages the resource mobilization programs at Kenya Law, he is also responsible for implementation of expenditure programs, investment programs, financial accounting and financial reporting functions. Mr. Othieno holds an EMBA in Strategic Management, MSc in Finance and a BBM in Accounting. He is a Certified Public Accountant of Kenya and a member of the Institute of Certified Public Accountants of Kenya (ICPAK).



Ms. Edna K Muthaura

Team-leader, Strategy, Quality and Performance Evaluation

Date of Appointment – October 2013

Ms. Muthaura is responsible for the Strategy, Quality and Performance Evaluation functions at Kenya Law. Ms. Muthaura manages the strategy, Monitoring and Evaluation activities at Kenya Law. Ms. Muthaura holds a Master's Degree in Organizational Development and a Bachelor's Degree in Law (LLB). She holds a certificate in Quality Systems Management and is an ISO Lead Auditor. She is a Member of the Law Society of Kenya



Mr. Andrew Halonyere

Team-leader, Research and Development

Date of Appointment – July 2020

Mr. Halonyere manages the research and development of any other legal publications that are related to the Law Reports and also manages the Knowledge Management unit that deals with the preservation and dissemination of legal resources. Mr. Halonyere holds a Bachelor's Degree in Law (LLB) and is Member of the Law Society of Kenya.



Ms. Wambui Kamau

Team-leader, Law of Kenya
Date of appointment – April 2014

Ms. Kamau is responsible for the technical department that processes the Laws of Kenya (National and County legislation), the annual supplement and other specialized legislation. She holds a Bachelor's Degree in Law (LLB). She has a Postgraduate diploma in Law from the Kenya School of Law. She holds a certificate in Strategic Leadership Development from the Kenya School of Government. She is a member of the Law Society of Kenya.



Mr. Martin Andago

Team-leader, Information, Communication and Technology
Date of Appointment – October 2015

Mr. Andago is responsible for the Information Communications and Technology (ICT) functions at Kenya Law. Mr. Andago is responsible for the conceptualization and application of creative, innovative, reliable and integrated world-class technological ICT solutions for the various functional areas. Mr. Andago holds a Bachelor's Degree in Business Information Systems.



Ms. Emily Nakhungu

Team-leader, Sales, Marketing and Customer Care
Date of Appointment – July 2013

Ms. Nakhungu is responsible for the Sales, Marketing and Customer Care functions at Kenya Law. Ms. Nakhungu manages the marketing, corporate identity and brand visibility activities at Kenya Law. Ms. Nakhungu holds a Bachelor's Degree in Communication and Media. She is a Member of Public Relations Society of Kenya

Ms. Njeri Githanga

Team-leader, Law Reporting

Date of Appointment – July 2020



Ms. Githanga is responsible for the technical department that deals with the Law Reporting at Kenya Law. Ms. Githanga manages the publication of the Kenya Reports, specialized Law Reports and other specialized publications. She is also in charge of online publication and dissemination of case law from the superior courts of record and other specialized courts. Ms. Githanga holds a Bachelor's Degree in Law (LLB) and is a member of the Law Society of Kenya

Mr. Bornface Otieno Odero

Team- Leader, Internal Audit

Date of Appointment – April 2020



Mr. Odero is responsible for the Internal Audit function at Kenya Law. Mr. Odero reviews processes such as Governance, Internal Controls and Risk Management to provide assurance on the proper function of management systems and with an inclination to value addition.

Mr. Odero holds a Master's Degree in Finance and a Bachelor's Degree in Commerce (Finance) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK).

Mr. John Paul Mutugi

Head of Procurement Unit

Date of Appointment - January 2014.



Mr. Mutugi is the head of procurement at Kenya Law. He is in-charge of Procurement and management of Supplies of goods, services and works in the Kenya Law. He is also responsible for management of Kenya Law's stores. He is a member of the Kenya Institute of Supplies Management. John is a member of the Kenya Institute of Supplies Management. Mr. Mutugi has a Bachelor of Arts degree and is a member of the Kenya Institute of Supplies Management.

4. CHAIRPERSON'S STATEMENT



The mandate of the National Council for Law Reporting is outlined in the Act as: the preparation and publication of the reports known as the Kenya Law Reports which shall contain judgments, rulings and opinions of the superior courts of record; undertake such other publications as in the opinion of the Council are reasonably related to the preparation and publication of the Kenya Law Reports; and perform any other functions conferred on the Council by or under the provisions of any other written law.

The Attorney General's office delegated the powers of law revision conferred on it by the Revision of Laws Act (Cap. 1) to the National Council for Law Reporting by virtue of Legal Notice No. 29 of 2009. The Core functions of the Council are therefore:

- i) To Publish the Kenya Law Reports and related publications;
- ii) To revise, update and publish the Laws of Kenya; and
- iii) To publish any other publications.

Kenya Law has been true to its mission to provide universal access to public legal information by monitoring and reporting on the development of jurisprudence for the promotion of the rule of law. This has been largely done through: the preparation of law reports and related publications, legal research, revision and timely amendment of County and National laws, legal awareness through public interactions; stakeholder engagements; and provision of information and advice to the public.

This is also in keeping with the Judiciary's strategic vision, "Social Transformation through Access to Justice (STAJ)". STAJ's major thrust is putting in place a people centred justice system by removing barriers that have hindered access to justice for the excluded and the vulnerable in the society. In this regard, Kenya Law has been at the forefront of ensuring that legal information is widely available through user-friendly platforms and readily understandable by everyone. By providing accurate and up-to-date accounts of legal developments, this has allowed individuals to stay informed about the laws that govern their lives, empowering them to make informed decisions, and enabling them to hold those in power accountable for their actions. Through fostering a culture of legal literacy, Kenya law is serving as a driver for the building of a more just society where every individual has the knowledge and confidence to claim their rights and seek the protection of the law.

In keeping with its commitment towards enhancement of a robust, facilitative policy and legal framework, Kenya Law consistently endeavours to ensure that all its policies and procedures are reviewed and updated. Kenya Law has also played a facilitative role in the institutionalization of the Sustainable Development Goals Action, specifically, SDG 16 - Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

In pursuit of our vision of ensuring that our justice system is accessible, efficient, expeditious, and cost effective, the Kenya Law has pursued a number of game changing interventions and initiatives aimed at enhancing access to justice and service delivery in the course of the last Financial Year. Among these was the development of two ICT systems. The Kenya Legislation Database (KLD) has enhanced the legal publishing of Laws emanating from the National and County Assemblies, while Caselaw Database (CLD) system has enhanced the legal publishing of Judicial decisions emanating from the courts of record. Both these systems are quite remarkable.

None of the achievements outlined above would have been possible without the innovation, resourcefulness, commitment and hard work of the Commission members, staff, partners, and other stakeholders.

In this regard, on behalf of the Council of Kenya Law, I would like to express my gratitude to the management and the entire Kenya Law team for work well done. I would also like to acknowledge the commitment of all the Kenya Law Council members

for facilitating the smooth operations of the Council in the period under review. In conclusion, we express our gratitude for the honour granted to us in service to the people of the great Nation of Kenya in various capacities at Kenya Law.

While we celebrate the work that we have done so far, we understand that the needs and expectations of the people are ever changing and increasing and that it is our responsibility to keep satisfying and even exceeding those expectations. We remain committed to achieving our mandate in an accountable and result-oriented manner in order to realize the constitutional aspirations and Kenya Vision 2030's Social, Economic and Political development goals.



Hon. Justice Martha Karambu Koome,
Chief Justice & President of the Supreme Court,
Chairperson, National Council for Law Reporting

5. REPORT OF THE CHIEF EXECUTIVE OFFICER



This Annual Report covers the financial reporting period 2021-2022, which in the final year of the implementation of the Strategic Plan 2018-2022. The Constitution of Kenya, 2010, the Kenya Vision 2030 and the Judiciary Transformation Framework and Strategic Plan informed the formulation of that plan. Along the way, we incorporated other fundamental framework documents such as the Social Transformation through Access to Justice (STAJ), whose major thrust is putting in place a people centred justice system by removing barriers that have hindered access to justice for the excluded. Consistently throughout the life span of this strategic plan, Kenya Law has experienced a steady improvement in resource provision, with the institutional grant from the Exchequer being 358.065 Million in this financial year under review. This amounted to 101% of revenues receivable as at 30th June 2022, as compared to 102% received in the period ended 30th June 2021. Although this has positioned the Council advantageously in the implement of the activities outlined in the Strategic Plan, it was still less than what would help the Council to function optimally.

Towards meeting its mandate, Kenya Law was able to prepare several publications among them: Kenya Law Reports (KLR) 1998, 2016 Vol. 1 and 2, and 2017 Vol. 2; Employment and Labour Vol. 1; Environment and Land Vol. 2; Commercial Law Vol. 1; and Family Law Vol. 2. Further, four (4) Publications were at the printers as at the time of this issue, including KLR 2015 Vol. 2, 2017 Vol. 1, 2018 Vol. 1, and 2019 Vol. 1.

In the period under review, Kenya Law was able to update, consolidate and revise the Laws of Kenya. In the FY 2021/2022 there were a total of five hundred and six (506) received out of which four hundred and seventy-two (472) statutes were revised and updated, making a 93% revision status. Thirty-four (34) statutes were still in the process of revision.

In terms of the performance contract 2021/2022, Kenya Law developed quarterly reports against the organization's work plan, and forwarded the reports to the performance-monitoring department of the Office of the Attorney General. After evaluation and moderation, Kenya Law received a composite score of 3.3000, which represents a score of **Good**. The Council has since undertaken the development and successful vetting of the Performance Contract 2022/2023.

In order to enhance its services, Kenya Law also entered into various arrangements, including:

- i. Partnership with UNCTAD for the compilation of legislations touching on non-tariff measures (NTMs);
- ii. Partnership with Kenya National Library Services on dissemination of legal information; and
- iii. Memorandum of understanding with HAKI FM on educating and creating awareness to the public on various legal issues.

Despite the hiccups caused by the Covid – 19 Pandemic and the rippling aftereffect, the young vibrant team at Kenya Law rose to the occasion and was able to deliver on the mandate bestowed upon them by the Kenya people. And as we begin the development of the next strategic plan 2023-2027, we remain committed to a serving the Kenya citizenry and to achieving our mandate in the most expeditious way possible. Through the effective implementation of the programmes and the innovative re-engineering of our business processes, we shall indeed make Kenya's legal information available to all.



Prof. Busalile Jack Mwimali
Editor / Chief Executive Officer
National Council for Law Reporting

6. STATEMENT OF NATIONAL COUNCIL FOR LAW REPORTING'S PERFORMANCE FY 2021/2022

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statements, a statement of the national government entity's performance against predetermined objectives.

National Council for Law Reporting has three (3) strategic pillars and objectives within its Strategic Plan for the FY 2018/2019-2022/2023. These strategic pillars are as follows:

Pillar 1: Provision of Access to Public Legal Information

Pillar 2: Organizational Sustainability

Pillar 3: Corporate Identity and Brand Visibility

Kenya Law develops its annual work plans based on the above three pillars. Assessment of the management's performance against its annual work plan is done on an annual basis. Kenya Law achieved its performance targets set for the FY 2021/2022 period for its three strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Access to Public Legal Information	Publishing Kenya Law Reports, the Laws of Kenya and other Related Publications to aid the efficient and timely delivery of Justice.	Number of Kenya Law Reports published.	To Publish (1,000 Copies each) of 4 Kenya Law Reports volumes.	At Print 4 Kenya Law Reports and Specialized Law Reports; 2017 Vol.1, 2018 Vol.1, 2019 Vol 1, 2015 Vol. 2.
		a) Number of Bench Bulletins published. b) Number of special digests published. c) Publish 2 Vols. (@500) Kenya Law Review Journal printed.	To Print 6 publications: A) 4 issues of Bench Bulletins (issues 53,54&55) of the Bench Bulletins published. B) Publish 5,000 copies of special digests including Bail and Bond V2, Supreme Court case digest, Arbitration Case Digest and a Case digest on Big Four Agenda. C) 2 Kenya Law Review Journals 2020 Vol 1 published.	a) Published and printed 3 issues of 1,500 copies each of the Bench Bulletins i.e. issues 53, 54 & 55. b) Specialized Digests completed. i) Digest on Big 4 Agenda Action plan completed. ii) Commercial Laws Digest completed. iii) Digest on Police Accountability completed. c) Published 1 Vol. of the Kenya Law Review Journal 2020 Vol.1.
		Annual supplement @10 printed.	c) To Print the annual supplement @10 Nos.	Prepared 383 statutes forming the 24th Annual Supplement and submitted to the Attorney General.

Enhancing the provision of online legal content through the Kenya law website to aid the efficient and timely delivery of Justice.	Percentage of Revision and updating of the Laws of Kenya.	To Collect, upload, consolidate and update / revise 95% of all the Laws of Kenya collected on the laws of Kenya database.	472 laws out of 506 were updated (93%). Uploaded to the Kenya Law website 100% of all of the supplements received within 48 hours of receipt.
	Percentage of case law updated to Kenya Law website. Online newsletters prepared and published. 100% of the cause lists received uploaded online.	To Collect decisions of the superior courts of record and a select subordinate courts and ensure 100% upload of the collected decisions within 48 hours. To Prepare and publish fifty (50) online newsletters. To upload 100% of the cause lists received online.	The uploading of the judicial opinions was done within 48 hours of receipt. A total of 21,478 and 1,034 judicial decisions from the superior courts and subordinate courts respectively were collected and uploaded. Prepared and published fourty-five (45) online newsletters, and Uploaded all 10,914 cause lists received online.
	Development of system for publishing judicial decisions developed.	To develop ICT systems for publishing judicial decisions and update the Laws of Kenya at 60% level of completion.	The Kenyan Legislation Database (KLD) system was 100% complete as at 30 th June 2022. A total of 3,614 works were migrated into the KLD. The Case Law Database (CLD) system has been developed to 80% level of completion.
Established training, research, benchmarking, continuous learning, mentoring and peer review programmes.	Number of Reports on emerging issues in jurisprudence.	To prepare 4 Quarterly reports to the Attorney General and the Kenya Law Reform Commission on Law Reform issues from Case-Law and statutes in need of legislative reform.	Four (4) reports were done and submitted. Thirty Five (35) Law Reform issues and (Twenty Eight) 28 statutes in need of legislative reforms were identified.
	Number of Reports on divergence in judicial reasoning.	To prepare 4 Quarterly reports to the Judiciary on divergence in judicial reasoning.	Four (4) reports were done and submitted. Two (2) case of divergence in judicial reasoning was identified and reported in the year.

		The number of Law Reports, legal supplements, legal texts, Bills, Circulars, Policies and Native Tribunal decisions, online journals and management textbooks.	To maintain a one stop repository and digital archive of all public legal information.	A total of 16,251 Kenya Gazette Volumes, Kenya gazette supplements, County legislation, Copies of Parliamentary Hansard, Sessional Papers, Government policies and Commission reports etc. were acquired, digitized and archived in the online repository of public legal information.
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Pillar 2: Organizational Sustainability	Culture change and skills development to enhance staff capacity and skill sets at Kenya Law.	Number of officers trained on leadership, management and skill development programmes.	To train at least 50% of Kenya Law staff on leadership, National Values, management and technical and skills development and to Implement recommendations of the Kenya Law Training plan.	A total of (99%) 70 officers were trained in a total of 38 different trainings as per the Training plan.
	Modernized Human Resource Management and Development.	Level of facilitation for staff compensation, welfare and benefits.	a) To recruit 1 staff and 20 legal interns. b) To Compensate the staff members. c) To Remit staff benefits.	1 Editor / CEO, 20 legal interns. Staff benefits and statutory deductions were remitted as required.
			c) To Develop and implement staff welfare activities, organizational Development /Retreats / Teambuilding activities.	1 organizational retreat and one departmental retreat done.
		Annual work plans and MTEF Budget proposals for Kenya Law developed, approved and submitted to NT as per MTEF requirements.	To prepare MTEF Budget proposals and work plans.	Budget workshops attended and Kenya Law allocated Kshs. 355.09 M in the Financial Year 2022/23.

	Reliable ICT infrastructure and applications established and strengthened.	Enhanced access to public legal information facilitated by acquisition / renewal of Software's and licenses.	To Acquire/Renew existing licenses and contracts to facilitate online access to public legal information.	<p>i) The Case law database recorded 484,459 users and 5,236,201-page views in the year ended June 2022. The average length of a session was 6 minutes 38 seconds.</p> <p>ii) Top five countries from where the Case law database was accessed were; Kenya 217,394 users (83.16%), USA 11,183 users (4.28%), Uganda 4,698 users (1.80%), UK 3,977 users (1.52%), and Tanzania 3,714 users (1.42%).</p>
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				<p>i) Laws of Kenya database recorded 257,494 users and 1,565,892-page views in the year ended June 2022. The average length of a session was 2 minutes 57 seconds.</p> <p>ii) Top five countries from where the Laws of Kenya database was accessed were; Kenya 128,917 users (90.40%), UK 2,679 users (1.88%), USA 2,360 users (1.65%), South Africa 709 users (0.50%) and Singapore 610 users (0.43%).</p> <p>i) Kenya Law blog had 131,245 users who viewed a total of 287,117-pages in the year ended June 2022. The average length of a session was 1 minute 01 seconds.</p> <p>ii) Top five countries from where the Kenya Law blog was accessed were; Kenya 32,758 users (65.29%), France 10,631 users (21.19%), Germany 2,060 users (4.11%), Tanzania 1,439 users (2.87%) and USA 506 users (1.01%).</p> <p>i) The rest of the Kenya Law website had 232,780 users who viewed a total of 1,412,669-pages in the year ended June 2022. The average length of a session was 1 minute 17 seconds.</p> <p>ii) Top five countries from where the rest of the Kenya Law website was accessed were; Kenya 74,460 users (86.73%), USA 1,896 users (2.21%), UK 827 users (2.21%), Philippines 700 users (0.82%) and South Africa 579 users (0.67%).</p>
		Quarterly maintenance of	To carry out 4 Quarterly	4 Quarterly Preventative maintenance on all Kenya Law equipment was undertaken at

		Computers, printers and other ICT hardware carried out	Preventive Maintenance (including Parts, upgrades, etc.)	the scheduled times.
	Establish transparency, accountability and integrity mechanisms.	1. No. of Council members and staff trained on corporate governance and leadership.	To train 11 Council members on programmes in corporate governance and leadership.	3. Council members trained.
		2. No. of Council and Council Committee meetings convened.	To conduct 6 full Council meetings and 13 Council Committee meetings.	22 Council and Committee meetings were held.
	Performance management and accountability institutionalized.	Annual evaluation of the Council and departmental PCs carried out and Annual report Printed.	To carry out annual evaluation of the Council and departmental PCs.	Council Evaluation training done.
				Kenya Law Performance Contract was signed. 4 Quarterly reports done and sent to the Office of the Attorney General.
Pillar 3: Corporate Identity and Brand Visibility	To continuously enhance Corporate Identity and Brand visibility.	Number of promotional programs implemented to enhance brand visibility.	i) To undertake 28 promotional programmes including LSK CPDs & Annual Conference, Legal Awareness Programmes, ASK Shows, Moot Court Competitions, Research Fairs and conferences. ii) To maintain a robust social media presence.	Undertook 19 promotional programmes in the year.
				Distributed 3 issues of the Bench Bulletin to Kenya Law stakeholders across the 47 counties. Total 4,500 copies. 145 posts were uploaded on twitter and 125 Facebook, totaling 270. Kenya Law had a total of 5,400 new online followers acquired in the period under review, with 2,700 followers being on Facebook and 2700 on Twitter. A total of 19,000 fans in Facebook and 45,000 on Twitter.
	Corporate Social Responsibility events done.	Number of CSR activities undertaken.	To undertake 3 CSR activities (Tree Planting, Social Marathon, Donation Drive).	3 CSR activities was done in the year. Tree planting at Kenya Forestry Service in Maseno, StanChart Marathon and the Mater Heart Run.

7. CORPORATE GOVERNANCE STATEMENT

Kenya Law recognizes the importance of corporate governance to the success of the organization. We view governance not simply as a set of rules but the framework supporting core values which define the acceptable practices in the management of public institutions. It is an expression of the way we want to conduct ourselves, which informs our actions and decisions, defines and supports our culture as an institution.

The operations of Kenya Law are conducted in accordance with the best practices anchored in principles of accountability and transparency as espoused in the Constitution and in compliance with relevant laws and regulations as espoused in the Mwongozo code. The Council has also embraced the international principles and best practices in corporate governance. The institution discharges its mandate based on strong corporate governance principles and consistently applies high ethical standards.

Council Charter

The Council has a Charter that guides its operations and facilitates efficient decision making in discharging its duties and responsibilities. The Charter offers guidance on matters including but not limited to the following; The separation of the roles, functions, responsibilities and powers of the Council and its individual members; Powers delegated to the Council committees; Matters reserved for final decision-making and approval by the full Council; Policies and practices of the Council on matters of corporate governance, directors' declarations and conflict of interest, conduct of full Council and Council committee meetings; and Nomination, appointment, induction, on-going training and performance evaluation of the full Council and its committees.

The governance framework, the corporate culture and human relationships that underpin all governance frameworks, are operating as expected. The roles and functions of the Chairman and the Editor/CEO are distinct and their respective responsibilities clearly defined within the institution.

Council size, Composition and appointments

The Council comprises of ten (10) Council members, nine (9) of whom are non-executive members of the Council including the Chairman. The Council also co-opts members with diverse expertise in areas of Financial Management, Human Resource management and audit to complement its capacity. In the financial year ended 30th June 2022, the Council had four (4) Co-opted members.

In the period ended 30th June 2022, the terms of two Council members came to an end and their appointing authorities were duly notified to take the necessary action.

Council Committees

The Council has set up the following Committees, which meet at least quarterly under well-defined terms of reference:

- i) Technical Committee
- ii) Human Resources Committee
- iii) Finance and General Purposes Committee
- iv) Audit and Risk Management Committee

A summary of Council meetings and attendance is shown below;

Overall number of Council meetings: Members attendance for 2021/2022

The Council held six (6) Council meetings, one (1) Council evaluation meeting and fifteen (15) committee meetings in the Financial Year 2021/2022 with over 95% attendance rate.

Council Member	Position	Full Council	Technical Committee	Finance & General Purposes	Human Resources	Audit Committee
Hon. Justice Martha Koome	Chairperson	6	0	0	0	0
Hon. Justice Paul Kihara / Alternate, Ms. Linda Murila	Member, Representing the Office of Attorney General	6	5	4	0	0
Hon. Justice Fatuma Sichale	Member, Representing the Court of Appeal	4	0	1	2	0
Hon. Justice James Rika	Member, Representing the High Court	4	3	0	0	1
Hon. Anne Amadi	Co-opted Member, Chief Registrar	2	0	0	0	0
Prof. Winfred Kamau	Member, Representing The University of Nairobi Law School	6	0	0	3	3
Ms. Jennifer Gitiri	Member, Representing the Public	6	0	0	3	3
Ms. Janet Kimeu	Member, Representing the Law Society of Kenya	6	2	2	0	0
Mr. Michael Muchemi	Member, Representing the Law Society of Kenya	3	0	0	2	2
Mr. Mwenda Njoka / Alternate, Ms. Eva Kimeiywo	Member, Representing the Government Printer	3	5	4	0	0
Amb. Ukur Yattani / Alternate, Mr. Jona Wala	Member, Representing the National Treasury	0	0	3	0	0
Mr. Dudley Ochiel	Member, Representing the Law Society of Kenya	2	1	0	0	1
Ms. Sarah Nyoike	Member, Representing the Law Society of Kenya	2	0	1	1	0
Prof. Jack Busalile	Secretary/ CEO	2	3	2	2	2

Induction and training of Council and member performance

The National Council for Law Reporting (Kenya Law), through the development and implementation of its Corporate Governance Plan, undertakes the following activities towards skills enhancement and skills diversification of its Council Members:

- i) Council member induction - Newly appointed Council Members are inducted to the organization formally in preparation of the discharge of their functions as members of the Council. The induction process included a review of organizational documents (NCLR Act of 1994, Strategic Plan, Annual Reports, organizational policies and procedures and the Council Charter). The induction process is further undertaken through training on the Mwongozo Code of Conduct by the Institute of Certified Public Secretaries.
- ii) Council Training on Corporate Governance - Council members are regularly trained on Corporate Governance as facilitated by qualified professionals.
- iii) Council Technical Training - Council members undertake training on technical skills required in their role including financial management, human resources and administration, internal audit among others. The trainings are targeted to Council Committees who receive reports from various departments.
- iv) Council Appraisal - **The Council's as required by the Mwongozo Code of Conduct and as ascribed to within the Council Charter undertakes an annual evaluation.**

In the year ending June 2021, 3 (three) Council Members attended a Corporate Governance Training provided by the Institute of Certified Secretaries, 3 (three) Council Members of the Audit Committee and 1 (one) Member in the Finance & General Purposes committee attended Corporate Governance Trainings provided by the Institute of Internal Auditors and Institute of Certified Public Accountants of Kenya respectively.

The Council Evaluation for the FY 2019/2020 was undertaken with the facilitation of the State Corporations Advisory Committee (SCAC) on 26th July, 2022.

Conflict of Interest

A conflict of interest may arise where a Council member, employee or close family member such as a spouse, child, parent or sibling has private interests that could improperly influence the performance of the Council member or employee's official duties and responsibilities.

Conflict may also arise where a Council member or employee uses their office for personal gain.

A real conflict of interest exists at the present time. An apparent conflict of interest could be perceived by a reasonable observer to exist, whether or not it is the case, and a potential conflict of interest could reasonably be foreseen to exist in the future.

To prevent of Conflict of Interest, Council members and Kenya Law employees are expected to maintain public confidence in the objectivity of their service by preventing and avoiding situations that could give the appearance of a conflict of interest or result in a potential or actual conflict of interest.

Kenya Law Council members and employees are required to observe the Mwongozo code of conduct and any specific conduct requirements contained in the statutes governing ethical behaviour in their profession, where applicable.

It is not possible to foresee every situation that could give rise to real, apparent or potential conflict of interest, however, where conflict arises, the Council members or Kenya Law employees are required to excuse themselves, or anyone who works for them, from any decision-making that may create a conflict of interest with their private interests and record the same in the Kenya Law Conflict of interest register. They are also required to observe section 3.1 of the Mwongozo code in the disclosure and management of conflict of interest.

8. MANAGEMENT DISCUSSION AND ANALYSIS

Section A

Operational and Financial Performance

Operational Performance

Kenya Law's operational performance in the period ended 30th June 2022 was impressive. We continued to collect, compile and disseminate public legal information through our web site (www.kenyalaw.org) in a timely manner.

Kenya Law achieved very good results in the area of online reporting, collection and uploading and dissemination of public legal information as well as printing of specialized publications.

Below is a brief narrative expounding on Kenya Law's performance in the period ended 30th June 2022:

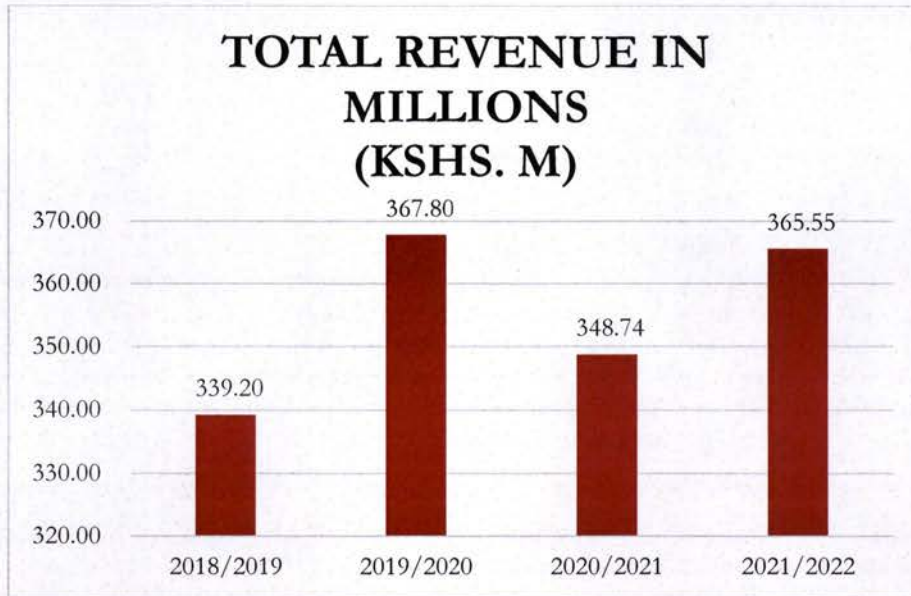
- i) Four (4) Kenya Law Reports (KLR) were published as follows; 2017 Vol. 1, 2019 Vol. 1, 2015 Vol. 2 and 2018 Vol. 1.
- ii) Six (6) Publications were at various stages of preparation; 2019 Vol 2; 2020 Vol. 1; 2018 Vol. 2; Devolution Law Report Vol. 2; Tribunal Law Report; and Supreme Court Digest 2016.
- iii) Reviewed 2,407 cases during case review meetings of which a total of 22 cases were selected for reporting. Cumulatively, a total of 18,922 and 196 cases were reviewed and selected for reporting respectively.
- iv) Compiled and disseminated 12 weekly newsletters on Case law updates making a cumulative total of 45 newsletters to our 26,841 online subscribers as at the end of the period.
- v) Collected, processed and disseminated on the Kenya law website (case law database) 100% of the collected i.e. 5,292 judicial decisions as compared to 5,104 decisions in the similar period FY 2020/21, from the superior courts of record (Supreme Court 22, Court of Appeal 268, High Court 2,842, Environment and Land Court 1,474, Employment and Labour Relations Court 686) and 160 decisions from the Tribunals making a cumulative total of 21,478 superior court decisions and 1,034 subordinate court decisions as at the end of the period.
- vi) A total of 336 decisions were sent out to judicial officers as part of the Case-back service making a cumulative total of 2,679 decisions as the end of the period.
- vii) A total of 2,553 daily, weekly and monthly cause lists received from superior and subordinate court stations were uploaded online in time making a cumulative total of 10,914 cause lists during the reporting period.
- viii) The Kenya Law Review Journal 2020 No. 1 was published. 2021 Vol 1 was undergoing peer review.
- ix) Issues 53,54 & 55 of the Bench Bulletins were published. Issue 56 had been completed and was at procurement while Issue 57 is at final review.
- x) The Specialized Digest on the Big 4 Action Plan was published.
- xi) The Specialized Digest on Commercial Laws was published.
- xii) The Specialized Digest on Nationality and Citizenship Rights was published.
- xiii) The Specialized Digest on Police Accountability was published.
- xiv) Preparation of the Anti- Corruption Case Digest was on-going at final review.
- xv) Prepared and transmitted 1 report identifying thirteen (13) Law Reform issues from Case-Law to the Office of the Attorney General & Department of Justice and the Kenya Law Reform Commission, making a cumulative total of 4 reports and 35 law reform issues identified in the four quarters.
- xvi) Prepared and transmitted 1 report identifying two (2) differences in Judicial reasoning to the Office of the Chief Registrar, making a cumulative total of 4 reports and 2 areas of divergence were identified in the four quarters.
- xvii) Tracked and reported five (5) cases of international jurisprudence on emerging areas for purposes of comparative analysis and research, making a cumulative total of twenty-eight (28) cases in the four quarters.
- xviii) Collected, digitized and uploaded on the Kenya Law website 100% (3,321 documents) of all other public legal information received i.e. Kenya Gazette Volumes, Kenya gazette supplements, County legislation, Copies of Parliamentary Hansard, Sessional Papers, Government policies and Commission reports etc., making a cumulative total of 16,251 documents in the four quarters.
- xix) Prepared and sent out to 26,841 Kenya Law's online subscribers, one (1) legislative update on 14 pieces of legislation that were gazette and published within the quarter.
- xx) Collected, processed and uploaded on the Kenya Law website (Laws of Kenya database) 100% of all Acts, Bills, Legal notices, Amendments Acts and regulations that were received. Identified 8 statutes that require legislative reform.
- xxi) Uploaded 9 Acts, 23 Legal Notices, 21 bills from both Senate and National Assembly.
- xxii) A total of four hundred and seventy-two (472) statutes out of five hundred and six (506) were revised and updated, making a 93% revision status. Thirty-four (34) statutes were still in the process of revision.

- xxiii) Progress on data migration in the Kenya Legislation Database continued with 3,614 works migrated.
- xxiv) Kenya Law's website had a 97% daily uptime and was secured by up to date security hardware and software.
- xxv) The Kenya Law online platform recorded increased access for public legal information as follows:
- a) Case law database had 258,481 users who viewed a total of 2,659,580-pages in the quarter 4 FY 2021/2022. The average length of a session was 7 minutes 19 seconds making a cumulative of 484,459 users and 5,236,201-page views.
 - b) Top five countries from where the Case law database was accessed were; Kenya 217,394 users (83.16%), USA 11,180 users (4.28%), Uganda 4,698 users (1.80%), UK 3,977 users (1.52%), and Tanzania 3,714 users (1.42%).
 - c) Laws of Kenya database had 141,817 users who viewed a total of 787,701-pages in the Quarter 4 FY 2021/2022. The average length of a session was 2 minutes 57 seconds making a cumulative of 257,494 users and 1,565,892-page views.
 - d) Top five countries from where the Laws of Kenya database was accessed were; Kenya 128,917 users (90.40%), UK 2,679 users (1.88%), USA 2,360 users (1.65%), South Africa 709 users (0.50%) and Singapore 610 users (0.43%).
 - e) Kenya Law blog had 50,492 users who viewed a total of 71,366 -pages in Quarter 4 FY 2021/2022. The average length of a session was 54 seconds.
 - f) Top five countries from where the Kenya Law blog was accessed were; Kenya 32,758 users (65.29%), France 10,631 users (21.19%), Germany 2,060 users (4.11%), Tanzania 1,439 users (2.87%) and USA 506 users (1.01%).
 - g) Kenya Gazette had 69,017 users who viewed a total of 5027279 -pages in Quarter 4 FY 2021/2022. The average length of a session was 5 minutes 25 seconds.
 - h) Top five countries from where the Kenya Gazette was accessed were; Kenya 55,260 users (79.85%), USA 8,770 users (12.68%), UK 812 users (1.17%), India 371 users (0.54%) and Canada 343 users (0.50%).
 - i) The rest of the Kenya Law website had 79,413 users who viewed a total of 394,484-pages in Quarter 4 FY 2021/2022. The average length of a session was 1 minute 20 seconds.
 - j) Top five countries from where the rest of the Kenya Law website was accessed were; Kenya 74,460 users (86.73%), USA 1,896 users (2.21%), UK 827 users (2.21%), Philippines 700 users (0.82%) and South Africa 579 users (0.67%).
- xxvi) Most viewed data on the case law database were in order of prominence;
- a) Environment and Land Case 97 of Justine Oyagi Omoke & Another v Elizabeth Mueni Ngotho (2020) eKLR
 - b) Criminal Appeal 05 of 2020 William Kiprotich Cheruiyot v Republic [2021] eKLR
 - c) Civil suit 510 of 2010 – Adrian Gilbert Muteshi v William Samoei Ruto & 4 others [2013] eKLR
 - d) Thurania & 4 others v Attorney General & 2 others; Registrar of Political Parties & 3 others (Interested Party) (Petition E043, E057 & E109 of 2022) (2022) KEHC 482 (KLR) (Constitutional and Human Rights) (20 April 2022) (Judgement) – Section 34 (fd) of the Political Parties Act 2022 was unconstitutional as regulation of political party nominations was the mandate of Independent Electoral and Boundaries Commission and not the Registrar of Political Parties.
 - e) Petition 453 of 2015 – Wanjiru Gikonyo & 2 others v National Assembly of Kenya & 4 others (2016) eKLR
- xxvii) Most viewed data on the Laws of database were in order of prominence;
- a) The Constitution of Kenya, 2010
 - b) Civil Procedure
 - c) Law of Succession
 - d) Evidence Act
 - e) Income Tax Act
- xxviii) Most viewed data on Kenya Law Blog were in order of prominence;
- a) Electoral Process in Kenya
 - b) Kamusi ya Maneno na Misemo ya Kisheria
 - c) Highlights of The Marriage Act, 2014.
 - d) Grounds for Judicial Review in Kenya – An Introductory Comment to the Fair Administrative Action Act, 2015.
 - e) National Assembly speaker's statement on gender rule.
- xvix) Most viewed data on rest of Kenya Law website in order of prominence;
- a) Cause lists
 - b) Treaties

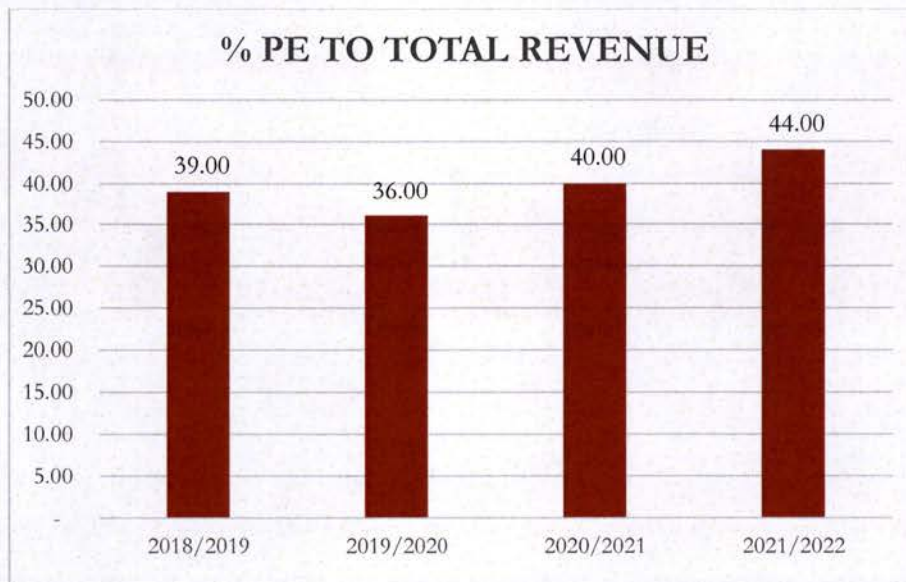
Financial Performance

Kenya Law’s financial performance was good in the year ending 30th June 2022. Kenya Law made a surplus and continued to maintain a healthy balance sheet position at the close of the year. The details of Kenya Law’s financial performance are indicated below;

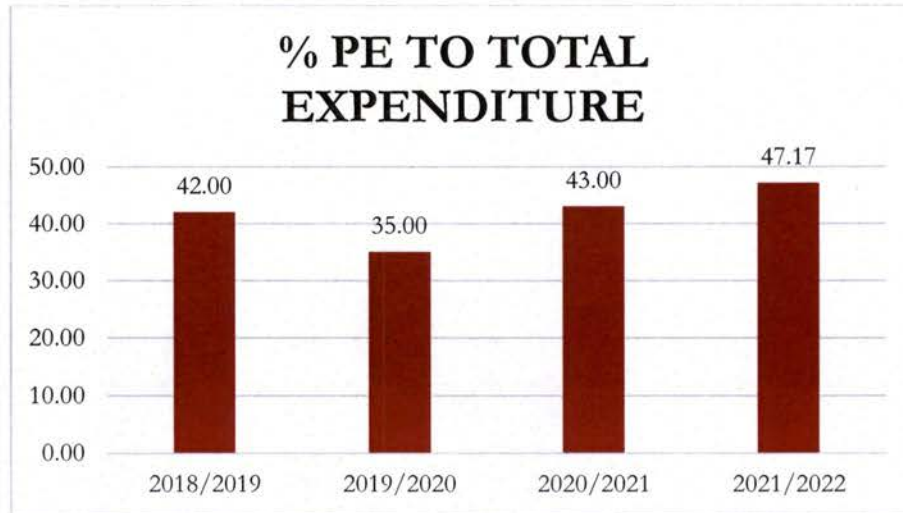
- a) Total of Revenues earned by Kenya Law increased by 4.81% to Kshs. 365.55 Million in the period ending 30th June, 2022 as compared to the Kshs. 348.74 Million earned in the period ending 30th June, 2021. This was however a lower performance in revenue earnings as compared to the Kshs. 367.87 Million earned in the period ending 30th June, 2020 but better as compared to Kshs. 339.27 Million in the period ending 30th June 2019.



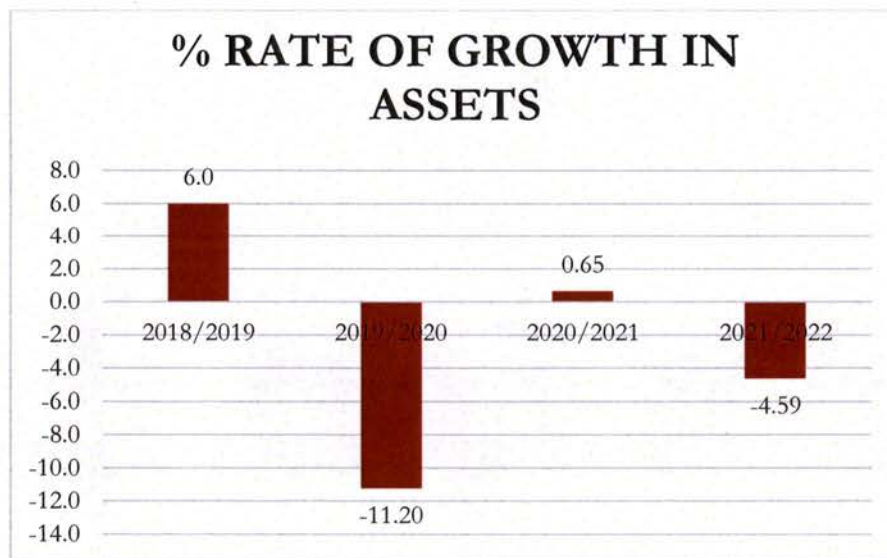
- b) The percentage of expenditure in Personnel Emoluments as compared to Total Revenues earned was 44%. This means that 44% of all Kenya Law revenues were utilized in paying salaries, wages and pension expenses in the year ended to June 2022 as compared to 40% for the year ended to June 2021, and still above the recommended 35%. The amount was higher than the 36% in the financial year 2019/2020 and the 39% in the 2018/2019 financial year. This was due to the annual salary increments and the implementation of a new salary structure by the Salaries and Remuneration Commission following a job evaluation of Kenya Law.



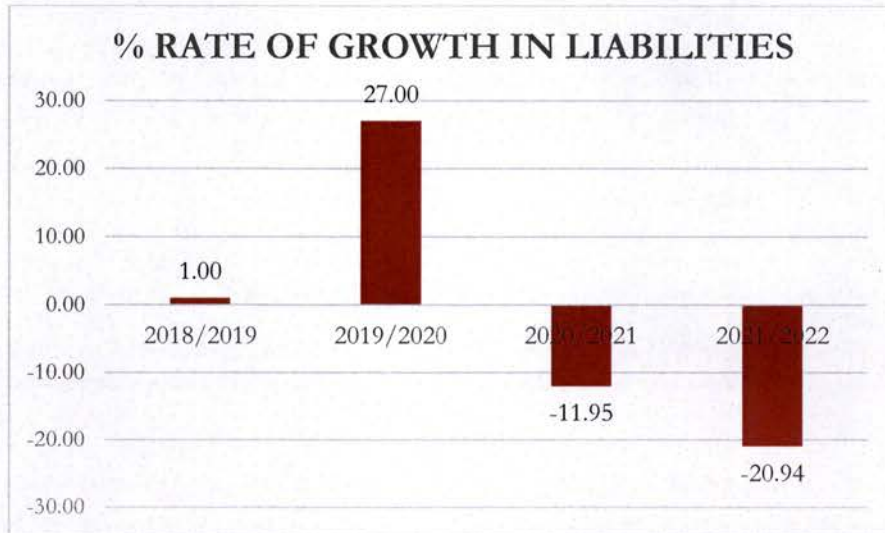
c) The percentage of expenditure in Personnel Emoluments as compared to Total Expenditure increased to 47.17% up from 43.00% in the year ending 30th June 2021. This indicates that 47.17% of all Kenya Law recurrent expenditures in the year ending 30th June, 2022 were salaries, wages and pension expenses as compared to the recommended 35%. The expenditure was also an increase in spending as compared to 35% in the FY 2019/2020 and slightly higher than the 42% in the FY 2018/2019. This was due to the annual salary increments and the implementation of a new salary structure by the Salaries and Remuneration Commission following a job evaluation of Kenya Law.



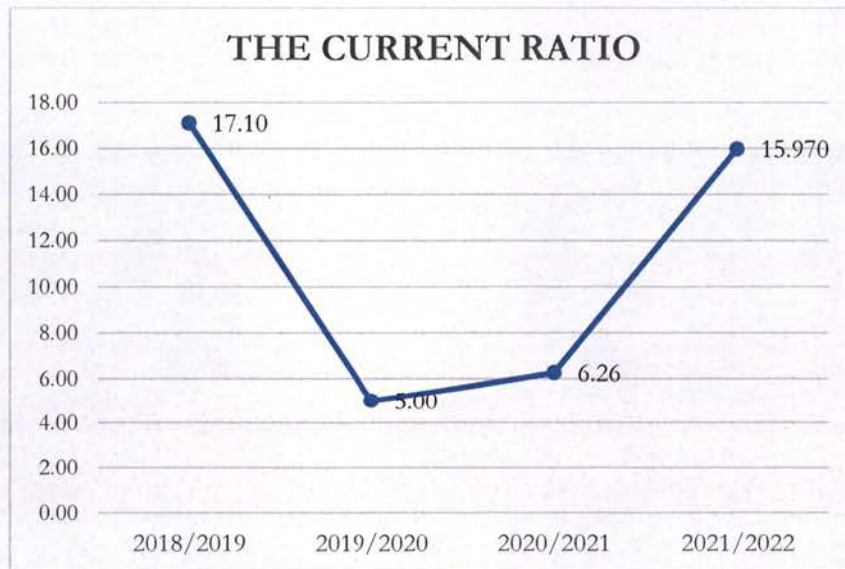
d) Kenya Law had a healthy Balance sheet in the year ending 30th June, 2022. Total Assets however decreased by 4.59% in the period ending 30th June, 2022 as compared to a marginal increase of 0.65% in the year ending 30th June 2021. This was however better in comparison to the reduction of 11.2% recorded in the FY2019/2020 but worse as compared to the growth of 6.0% recorded in the FY 2018/2019. His reduction in asset growth was due to reduction in cash and cash equivalents that was attributed to the payments of outstanding liabilities and payables.



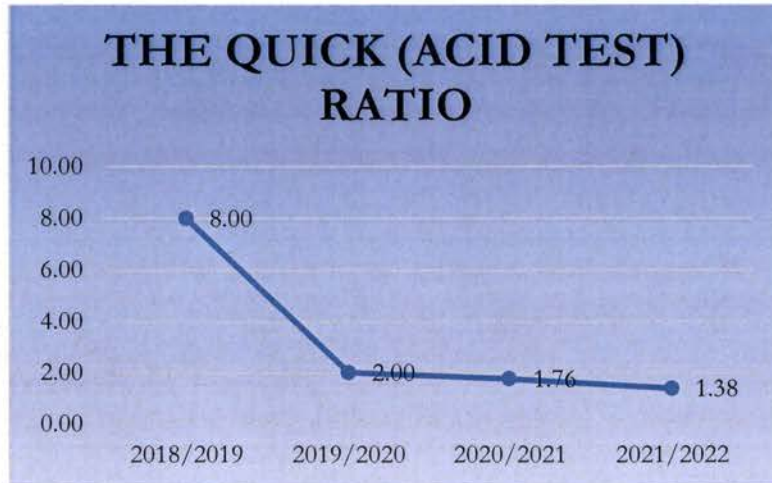
e) Total Liabilities reduced by 20.94% in the period ending 30th June, 2022 as compared to the 11.95% reduction recorded in the FY ending June 30, 2021. This was due to the reduction in Kenya Law’s commitments and obligations to third parties. This was also a good performance as compared than the growth rates of 27% and 1.00% in the years 2019/2020 and 2018/2019 respectively. Liabilities in the FY 2020/2021 had increased due to the higher number of activities in ICT interventions and printing that were completed and paid off in the FY 2021/2022.



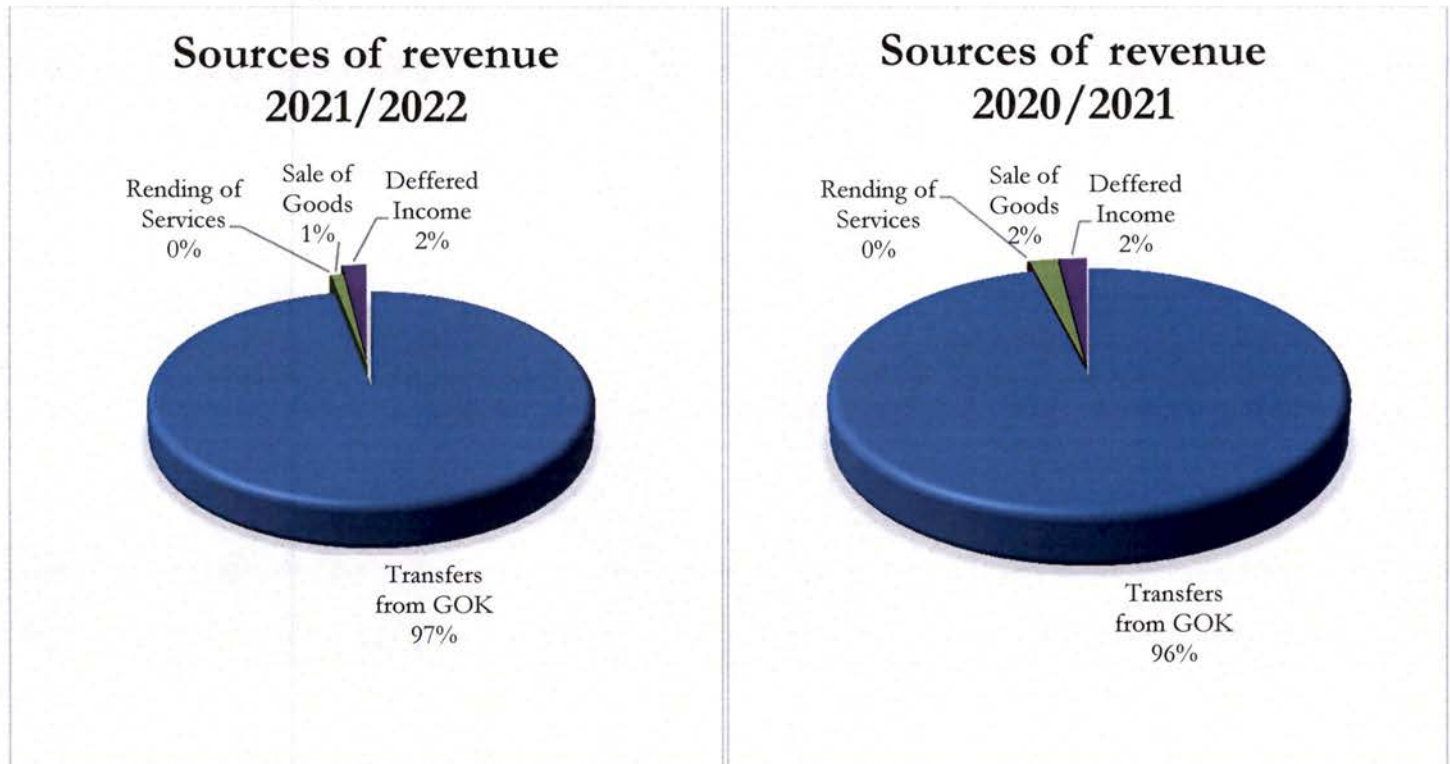
f) The liquidity of Kenya Law was also healthy. The Current ratio as at 30th June, 2022 increased to 15.97:1 as compared to 6.26:1 as at 30th June 2021. This indicates that Kenya Law had Kshs. 15.97 worth of Assets available to pay Kshs. 1 worth of Liabilities as at 30th June, 2022. This was higher as compared to 5.0:1 in the FY 2019/2020 and a little lower as compared to 17:1 in the FY 2018/2019. The increment in FY 2021/ 2022 ratio was due to additional Current Assets i.e. legal publications of acquired in the financial year.



g) The Quick (Acid Test) ratio as at 30th June, 2022 reduced to 1.38:1 as compared to 1.76:1 as at 30th June 2021. This indicates that Kenya Law had Kshs. 1.38 worth of Quick Assets available to pay Kshs. 1 worth of Liabilities as at 30th June, 2022. This was however lower as compared to Kshs. 2.0:1 in the FY 2019/2020 and Kshs 8:1 in the FY 2018/2019. This is a ratio that determines the liquidity exclusive of the current asset item of stocks i.e. it is determinant on the quick and readily convertible assets. Even though there was an increase in stocks, this did not have an impact on the Quick ratio hence it reduced in the year 2021/2022.

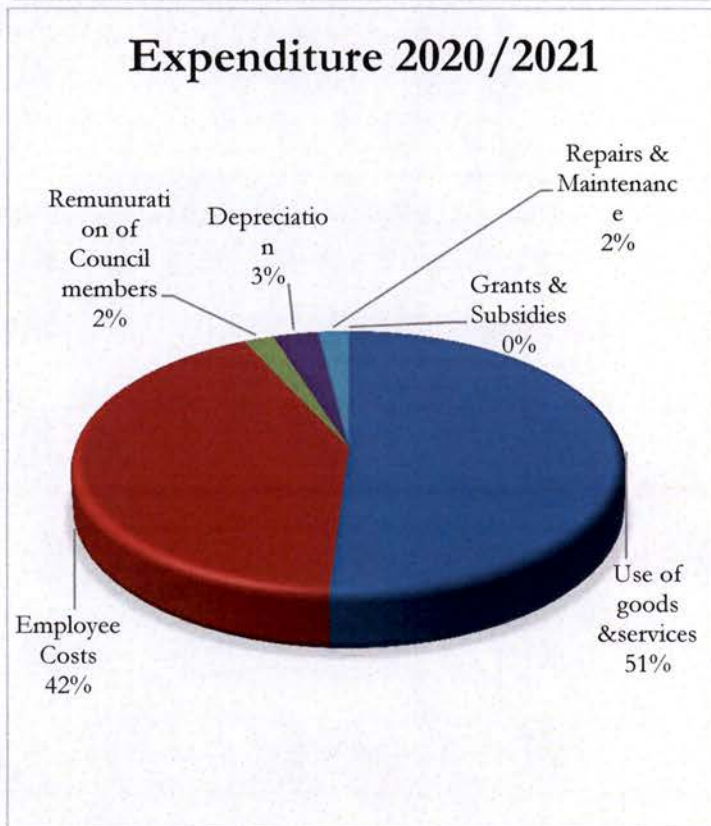
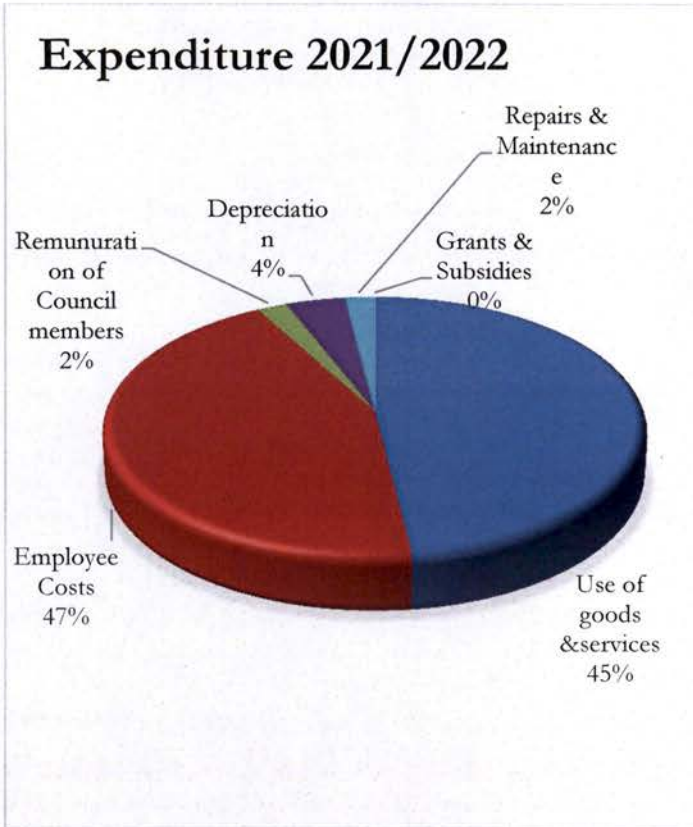


h) Comparison of the Sources of Revenues for the FY 2020/2021 and FY 2021/2022 was as follows;



Kenya Law received 97% of its revenues from the Government grants in the FY 2021/2022 as compared to 96% in the FY 2020/2021. This shows that Kenya Law is still highly dependent on Government of Kenya support in financing of its operations. Kenya Law received Kshs.355.09 Million and Kshs.336.54 Million in the FYs 2021/2022 and 2020/2021 respectively from the GOK.

j) Comparison of Expenditure items for the FY 2021/2022 and FY 2020/2021 was as follows;



There use of goods and services reduced to 45% in the FY 2021/2022 as compared to 51% in FY 2020/2021 because there was a one-off expenditure of Kshs. 15 Million in ICT interventions on supplementary budget I estimates in the FY 2020/2021. Employee costs increased to 47% due to annual growth in salaries and the implementation of a directive from the Salaries and Remuneration Commission on a new salary structure following a Job Evaluation exercise of Kenya Law. Remuneration to Council members, Depreciation remained, repairs and maintenance and grants and subsidies remained more or less unchanged.

Section B

Growth and Strategies

I) Acquisition of ICT systems for legal publishing

Kenya Law Database (KLD)

This is an ICT system that allows for a higher efficiency in real time publication of the laws on the online portal.

The Kenyan Legislation Database will have the following website enabled functionalities;

- i) Ability to enrich the online platform and still preserves the legislative tradition of Print publications.
- ii) Automatic comparison between amended versions to highlight differences.
- iii) Hyperlinking functionality.
- iv) Ability to have associated documents attached to the particular instrument of law
- v) Scalability of the system to enable partnership across sectors (e.g.) Non-Tariff Measures Project.
- vi) Ability to scale up to a premium service.
- vii) **Clarity in communication of legislative history, i.e. addresses the 'legalese' challenge in terms of language used in presentation of the law online. Availability of tools to help in understanding and navigation.**
- viii) Supports the generation of charts to aid research and convey information quickly.

Case Law Database (CLD)

The Case Law Database (CLD) will increase efficiencies within the organization and enable the capturing, structuring, researching, analyzing and publishing of case law and its derivative products.

The Case Law Database will have the following functionalities;

- i) Ability to aggregate Case Law/Law Reports according to thematic areas
- ii) Standardization of online and print content- online content (front end) will look and feel similar to the print publications.
- iii) Draft volumes can be produced at any time in the course of the year.
- iv) Ability to relate cases based on the data captured. (Rulings, orders, judgments, appeals).
- v) Improved efficiency significantly reduces the time needed to manage case law and produce publications. Reduction in the time taken to review publications. (No back and forth with publishing).
- vi) Automated generation of Law Reform Issues.
- vii) Improved Workflow Process Management that has enabled the tracking of life cycle of case law workflow; availing of escalation notes based on Key Performance Indicators; and tracking of changes.

II) Law Revision

Revision of County Legislation in line with Office of the County Attorneys Act No.14 of 2020 and is an area of collaboration with the County Governments.

III) New Human Resource Instruments

Kenya Law has developed new Human Resource Instruments that have been presented for approval to the State Corporations Advisory Committee. The new instruments provide for a robust Human Resource establishment of 252 officers that will be more in tune with the new institutional requirements and be critical to deliver on our mandate.

Opportunities

a) **Updated ICT systems for Legal Publishing**

There is opportunity to upscale Kenya Law ICT systems to enrich the user experience through leveraging of partnerships in the generation and dissemination of Public Legal Information through joint researches, trainings, memoranda of understanding.

b) **Improvement of Revenue Collections**

With the two systems KLD & CLD, Kenya Law will be able to identify value added services and content that can be accessed at a fee.

c) **Increased digitization**

The digitization in the judiciary will enable Kenya Law to receive Judicial decisions in real time as and when delivered. This also provides an opportunity to integrate and link the case law database with the case management in the judiciary for efficient submissions of judicial decisions and cause lists.

d) **Enhanced Legal Framework**

Kenya Law is in the process of reviewing its founding law (National Council for Law Reporting Act, Act No. 11 of 1994) with the objective of providing an enhanced legal framework for the operations of the organization.

Challenges

i) **Insufficient budgetary allocations** have limited Kenya Law's ability to deliver on its mandate as per the strategic plan. The current funding consists of only **70%** of its most realistic annual budgetary requirements and this necessitated the organization to cut back on its programmes and activities to fit into the available funding.

ii) **Insufficient Human Resources:** Kenya Law is operating at **44%** of its staff establishment which has primarily been caused by the limited budgetary allocations. Out of the current staff establishment of **167**, Kenya Law only has **72** officers in post, leading to work overload that affects the timely production of quality outputs. This may be put in context, in one way, by considering the growth that has occurred in the Judiciary in the last **10** years. There has been a **200%** increment in the number of judges from **58** in 2010 to **174** in the year 2021; there has been a **135%** increase in the number of court stations from the year 2010 to date; there has been a **342%** increase in the number of judicial decisions collected from the year 2010 to date while the number of Law Reporters has increased by only **36%** from **7** to **11** officers in the same period. Kenya Law requires additional funding to recruit **20** additional law reporters and **20** legal researchers to cope with the increased number of judicial decisions delivered daily. There has also been growth in the volume of legislation received at Kenya Law. In addition to national legislation, county legislation is now received and uploaded in the Kenya Law website. A total of **2,346** pieces of County Legislation from the 47 counties have been collected and uploaded and awaiting revision. This work is done by a team of 12 officers, 5 of whom are lawyers. Kenya Law requires additional funding to recruit **20** additional law reporters and **40** legal researchers to cope with the increased number of judicial decisions delivered daily and especially the validation of legacy content (about 200,000 legacy cases) for the CLD & KLD systems. More training is also required on the new systems.

iii) With an expanded staff capacity is required increased finances, human resources, space and supporting infrastructure. These requires the support and authorization of the various stakeholders with the requisite mandates to enable Kenya Law meet these requirements.

iv) Kenya Law has not optimally **upgraded** and improved its **ICT infrastructure** to the required standards due to fund shortages. Kenya Law relies heavily on current ICT systems to ensure the proper processing, storage and dissemination of legal information. It currently holds **55** TB worth of public legal information. The inability to upgrade and improve hardware and software systems has a negative impact on its core mandate – the provision of and access to public legal information in terms of enhancing data integrity and safety to the most optimum levels. The challenges included;

- Obsolescence of computer hardware and technology. Hardware related issues have led to break down of machines. Software challenges e.g. few Adobe Pro applications on Machines and limited space on Google - email has caused work delays.
 - Dynamic nature of ICT systems which require constant upgrades at a cost. The ever increasing volumes of data require constant planning for additional database space and data security.
 - Insufficient Bandwidth to support access to the Cause lists, Kenya Gazettes and the LOK database.
 - Intermittent internet leading to the need to increase Internet bandwidth requirements, with limited financing.
 - Judicial decisions and other public legal information published on the Kenya law website contain personal information not exempt from the data protection Act therefore exposes the organization to the risk of litigation.
- v) Receipt of judicial decisions in incompatible formats; unavailability of hard copies of legislative supplements and collection of other public legal information from the Government printer and other state agencies.

Section C

Compliance with statutory requirements

Kenya Law published judicial decisions received from the superior courts of record online and published the Kenya Law Reports in compliance with the National Council for Law Reporting Act (No.11 of 1994). Kenya Law also updated all the Laws of Kenya ensuring compliance with the Revision of Laws Act (CAP 1).

Kenya Law adhered to the Legal and regulatory frameworks issued by the Government of Kenya to ensure compliance with the statutory requirements under the Constitution, the Public Finance Management Act 2012 and Public Procurement and Disposal of Assets Act 2015 and the Employment Act No.11 of 2007.

In addition, Kenya Law endeavored to fulfill its corporate governance obligations with the guidance of the Mwongozo code.

Key projects and investment decisions Kenya Law is planning / implementing

Kenya Law has procured an ICT system for processing, storage and dissemination of Public legal information (both Case Law and Laws of Kenya). The acquisition and implementation of these systems was phased commencing in the financial year 2019/2020. They are both on-going implementation at the data migration stage.

Major risks facing Kenya Law

Financial risk

Kenya Law requires additional funds to ensure that it can fully discharge its mandate. The organizational approved budget is half of the ideal budget.

Further, Kenya Law's Human Resource costs constituted 44% (compared to the recommended level of 35%) of the total budget. This has deprived Kenya Law of additional funds to deliver on its core mandate and other critical activities. The limited financial resources have meant that Kenya Law has not fully discharged all its activities as envisaged in the Strategic Plan 2018-2022 due to constant reorganization of activities to fit within the available resource ceilings.

Operational risk

Kenya Law is operating at 43% of its staff compliment (72 officers as compared to a new approved staff establishment of 167) and this has negatively impacted on its ability to discharge its mandate in a timely manner as staff have to multitask and work long hours. The turnaround time for production of time bound publications has therefore increased and there is a rolling backlog of publications for print. The timely preparation and dissemination of public legal information through the website has also been negatively affected.

Kenya Law collects revenue through the sale of its publications. The collection of debts from debtors of the organization has posed a challenge especially in relation to public sector agencies that may not prioritize payment of their obligations to Kenya Law for products already sold to them. There is a risk that the debts from public institutions, which are more than 3 years old, may not be paid thus negatively affecting the operations of the organization.

Material arrears in statutory/financial obligations

Kenya Law had no material arrears in statutory/ financial obligations. There was a total of Kshs. 10,966,712 due as payroll deductions for PAYE, HELB, NSSF, NHIF, Sacco deductions, Insurances deductions, mortgage, staff pension, welfare obligations and withholding VAT payments for the month ended 30th June 2022.

Financial probity and serious governance issues

The Council is responsible for the policy framework in relation to the institution's risk management and internal controls. The Finance and General Purposes Committee of the Council is responsible for the policy framework to ensure proper financial planning and execution of the financial management function while the Audit & Risk Management Committee of the Council regularly reviews the effectiveness of the internal controls and provides assurance on the implementation of financial plans by regular reporting to the full Council.

The Internal Audit and Risk Department implements Kenya Law's risk management framework in all business processes and reports regularly to the Editor and the Audit & Risk Management Committee.

In addition, the Office of the Auditor General performs systems audits to independently review the effectiveness of the institutional risk management framework. It also does financial audits at the end of the financial period to provide assurance on the credibility of the annual financial statements.

There were no serious governance issues in the Council, any Council member, the top management in relation to conflict of interest, financial impropriety or Council composition in the execution of its functions.

9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Sustainability strategy and profile

Kenya Law has had many positive developments in this financial year. We operate in a dynamic, resource scarce environment influenced by a host of socio-economic, legal and political factors that impinge on our operations and impact the realization of our objectives. The achievement of our objectives largely depends on how well we have leveraged internal strengths to exploit external opportunities as well as how well we have managed internal weaknesses to avoid crystallization of external threats.

We have aligned our programmes and activities to the overall national development agenda espoused in the socio-economic development blueprints, we have enhanced the synergy amongst members of staff and between departments for the overall success of the institution. We have enhanced teamwork, learning, innovation and creativity to facilitate effective inter and intradepartmental co-ordination, exposure to industry trends, as well as acceptance and effective management of positive change.

All activities within the organization incorporate international best practices in an effort to protect the ecosystem in which Kenya Law exists, providing us with opportunities to achieve a competitive advantage and market differentiation in our products and services. Further Kenya Law has a new Quality Management System based on ISO 9001:2015 and is ISO certified. Kenya Law continually strives to achieve the highest standards of quality and to continually improve its effectiveness in order to ensure sustainability. Our established quality objectives and policies are also reviewed on an annual basis.

i. Environmental performance

Kenya Law does not have an environmental policy but rather borrows largely from the Government of Kenya policy on protecting the environment and increasing the forest cover by 10% in the medium term. To supplement Government efforts in this area, Kenya Law encourages its employees to print back to back. Kenya Law has also changed its strategy from printing of hard copy publications to soft copy online publications in order to reduce on paper printing. Kenya Law also participates in tree planting exercises. Kenya Law has signed an MOU with the Kenya Forest Service (KFS) to support in the efforts to reclaim forest cover to the tune of Kshs 266,552. Kenya Law also participated in a tree planting exercise organized by the office of the Attorney General in Ngong Forest as its contribution to the larger Government of Kenya strategy towards increasing Kenya's forest cover to 10% by the year 2022.

ii. Employee welfare

Kenya Law has put in place policies and procedures guiding the appointment of employees within the organization. There is an elaborate guideline on the recruitment process of employees from the initial stages of placing advertisement to filling in the vacant positions. Kenya Law is an equal opportunity employer; it takes a consistent and standard approach in the recruitment and selection of employees. Therefore, the recruitment process is void of discrimination on the basis of gender, HIV status, race, ethnicity marital status and/or physical disability. This is provided in the Kenya Law Human Resources Policies and Procedures Manual, 2016.

Employee skills and competences are enhanced in the workplace through Training and development initiatives which are competency based geared towards capacity building and meeting the needs of the organization. Training and Development programs are aimed at helping each employee prepare for changes as they align themselves with the changing needs. Training assessments are carried out to identify the competency gaps existing with the organization with an aim of addressing the skills gap through training and development programs.

Kenya Law has put in performance management measurement mechanisms through the use of a comprehensive Performance Management Appraisal System that guides the evaluation and monitoring of employee performance. The process helps in identifying performance problems and solving them. The process involves setting performance targets and reviewing them over a period of time. The outcomes of performance management inform staff training and development, career progression, succession management, promotions, performance incentives and performance improvement strategies.

Kenya Law recognizes that the safety of employees, stakeholders and property at work is critical. All staff must

take responsibility for ensuring that safe working procedures are adhered to. It is a legal requirement for organizations to have in place a health and Safety committee. The organizational safety and health committee members are champions for a healthy and safe workplace. Information on health and Safety to prevent possible health and safety risks is provided to employees through sensitization initiatives to ensure a safe work environment. Appropriate insurances are also put in place to cushion against health and safety risks.

iii. Market place practices

In pursuit of its mandate Kenya Law always considers various policy documents including the Constitution of Kenya, the Montreal Declaration on Free Access to Law, the Big Four Agenda, the Kenya Vision 2030, the Sustaining Judiciary Transformation Framework of 2017-2021 and the Office of the Attorney General and Department of Justice Strategic Plan. These documents act as a beacon for the organization in the day to day execution of its mandate and the officers discharging the relevant duties in various areas.

Outside of the fact that Kenya Law is the institution mandated by law to publish law reports and update the laws of Kenya, the organization strives to ensure responsible competition practices whenever it issues tenders in its bid to enhance access to justice. The institution has implemented corruption prevention strategies and a risk mitigation plan to address risks and loopholes in its legal and policy environment. Regulations, processes, and procedures guiding the core mandate of the organization are in place and all identified risks have a mitigation plan.

Kenya Law has also ensured in its supply chain to follow the laid down procurement laws when issuing tenders and dealing with suppliers. All owed and documented invoices raised by suppliers are paid on time and all contracts honored in full. A schedule of all running contracts is kept and updated monthly and where one is about to lapse, the same is communicated in advance to the relevant personnel to effect a seamless transition where necessary. All transactions are documented in the necessary manner and availed for inspection by the relevant authority as and when requested.

Kenya Law has endeavored to maintain ethical marketing practices in all its engagements with the media. The organization not only markets its goods and services by focusing on how our products benefit customers, but also how they benefit the Republic of Kenya as a whole. Our aim is to build strong relationships with our consumers through a set of shared values. These are outlined in our Strategic Plan 2018-2022 as integrity, professionalism, transparency and accountability, innovation, reliability and citizen focus.

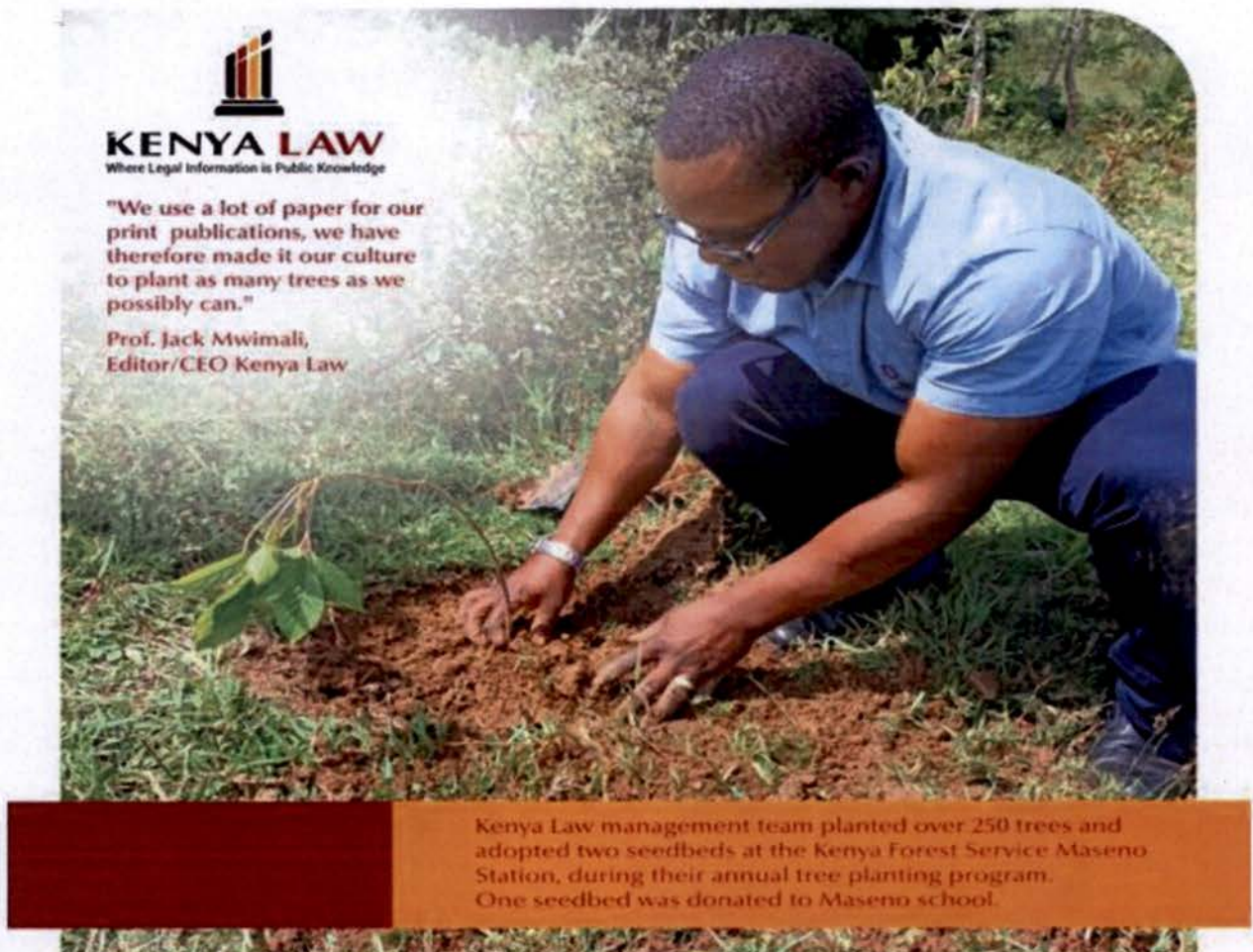
Towards this end, Kenya Law has also endeavored to safeguard consumer rights and interests in all products and services issued. All online publications are universally accessible to all consumers and can be consumed in any way needed, both online and in hard copy. Print products are sold at a base price aimed at offsetting the cost of production **only. In addition, Kenya law subscribes to the "Free Access to Law" movement and therefore does not make profit from the sale of its publications.**

iv) Corporate Social Responsibility activities

Tree Planting at the Kenya Forest Service -Maseno Station

Kenya Law management team, led by the CEO/Editor Prof. Jack Mwimali planted over 250 trees and adopted two seedbeds at the Kenya Forest Service - Maseno Station during their annual tree planting program on 23rd April 2022.

At Kenya Law, we understand that we have a responsibility to better our society and we have made Corporate Social Responsibility (CSR) an integral part of our corporate culture to underline our deep commitment to making a difference in the community. Kenya Law also donated one additional seedbed to the Maseno School.



Prof. Busalile Jack Mwimali (CEO/Editor) Planting a Tree at Kenya Forest Station – Maseno forest station



Kenya Law Management Team with officers from Kenya Forestry Services planting Trees at KFS- Maseno forest station



Kenya Law Management Team with officers from Kenya Forestry Services planting Trees at KFS- Maseno forest station

10. REPORT OF COUNCIL MEMBERS

The Council Members submit their report together with the unaudited financial statements for the year ended June 30, 2022 which show the state of affairs of the National Council for Law Reporting.

Principal activities

The principal activities of the National Council for Law Reporting are:

- i) To publish the official reports of the judicial opinions of the superior courts of Kenya. Kenya Law is the designated publisher of the Kenya Law Reports, which are the official law reports of the Republic of Kenya.
- ii) To revise, consolidate and publish the Laws of Kenya, through Legal Notice No. 29 of 2009, through which the Attorney General has delegated to the Council the powers of law revision conferred by Sections 7 and 8 of the Revision of Laws Act.
- iii) To publish such other related publications as it deems necessary.

On Kenya Law's website - www.kenyalaw.org - you will find Case Law, the Laws of Kenya, the Parliamentary Hansards, the Kenya Gazette, and the Daily Cause List from various courts, Legal Notices and other publications.

Results

The results of the National Council for Law reporting for the year ended June 30, 2022 are set out on pages 1 to 6.

Council Members

The members of the Council who served during the reporting period are shown on pages viii-xii above in accordance with the NCLR Act No. 11 of 1994.

Auditors

The Auditor General is responsible for the statutory audit of the National Council for Law Reporting in accordance with the Public Audit Act 2015.

By Order of the Council



Ms. Edna Muthaura

Date: 20th April 2023

Council Secretary (Ag.)

11. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and National Council for Law Reporting Act No.11 of 1994 require the Directors to prepare financial statements in respect of the Council, which give a true and fair view of the state of affairs of the Council at the end of the financial year/period and the operating results of the Council for that year/period. The Directors are also required to ensure that the National Council for Law Reporting keeps proper accounting records which disclose with reasonable accuracy the financial position of the Council. The Directors are also responsible for safeguarding the assets of the National Council for Law Reporting.

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 Kenya Law; 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 Kenya Law's assets; v) Selecting and applying appropriate accounting policies; and vi) making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for Kenya Law's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act.

The Council members are of the opinion that the Kenya Law's financial statements gave a true and fair view of the state of Kenya Law's transactions during the financial year/period ended period 30th June, 2022, and of the its financial position as at that date. The members further confirm the completeness of the accounting records maintained for Kenya Law, which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Council members to indicate that Kenya Law will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The financial statements for National Council for Law Reporting were approved by the Council on 12th January 2023 and signed on its behalf by:



Chairperson



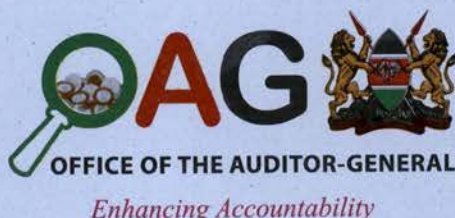
Member



Secretary

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL COUNCIL FOR LAW REPORTING 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 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 National Council for Law Reporting set out on pages 1 to 33, which comprise the statement of financial position as at 30 June, 2022 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

amounts for the 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 National Council for Law Reporting 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 (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the National Council for Law Reporting Act No.11 of 1994.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Council for Law Reporting 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. I have determined that there were no key audit matters to communicate in my report.

Other Matter

Delay in Transferring Legal Ownership of Motor Vehicles

As previously reported, records indicate that in the year 2006 two motor vehicles, Nissan X-Trail - GK A498K and Suzuki Maruti - GK A 425L procured through a donor funded programme under the Governance, Justice, Law and Order Sector were issued by the defunct Ministry of Justice and Constitutional Affairs to the National Council for Law Reporting Council. In addition, in 2018/2019 financial year, two motor vehicles, Toyota Hiace- GK B724S and Ford Everest-GK B879K procured through the Judicial Performance Improvement Project were issued by The Judiciary to the Council. However, the legal ownership including the log books for these vehicles have not been transferred to the Council to date.

The Management explained that the actual and substantive beneficial ownership, physical possession, use and maintenance of the vehicles were with the Council but two (2) out of the four (4) motor vehicles were grounded and not serviceable. It is not clear why it has taken an inordinately long time to transfer the legal ownership of these vehicles to the Council.

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, I confirm that, nothing 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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Understaffing

Review of the staff establishment as at 30 June, 2022 revealed that, National Council for Law Reporting had seventy-four (74) employees out of the recommended one hundred sixty-three (163) employees resulting to an understaffing of eighty-nine (89) of the approved establishments. Further, the shortage was on various job cadres like legal researchers, copy editors, graphic designers, legal proof readers, copy readers and internal audit. In the circumstances, the understaffing may hinder effective delivery of services by the Council.

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 control, 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 Council Members

Management is responsible for the preparation and fair presentation of these financial statements in accordance 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 control.

In preparing the financial statements, Management is responsible for assessing the Council'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 of the National Government to terminate the Council 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 money is applied in an effective manner.

The Council members are responsible for overseeing the Council'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 control 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 control 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 National Council for Law Reporting's ability 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 Council 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 National Council for Law Reporting to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide 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 May, 2023

13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE 2022

Details	Notes	Period Ended 30 th June 2022 Kshs	Audited Prior year Kshs
Revenue from non-exchange transactions			
Transfers from Government Of Kenya	6	355,090,000	336,540,366
Total		355,090,000	336,540,366
Revenue from exchange transactions			
Rendering of Services (Other Income)	7	322,500	1,299,500
Sale of goods	8	2,652,775	5,444,899
Deferred income realized	23	7,074,534	5,456,081
Total		10,049,809	12,200,480
Total Revenue		365,139,809	348,740,846
Expenses			
Use of goods and services	9	151,141,130	162,070,628
Employee costs	10	160,282,103	138,465,308
Council members costs	11	8,001,510	6,457,655
Depreciation and amortization	12	13,240,938	10,931,590
Repairs and maintenance	13	7,013,482	4,545,160
Grants and subsidies	14	90,000	545,102
Total expenses		339,769,163	323,015,443
Surplus before tax		25,370,646	25,725,403
Taxation		-	-
Surplus/(deficit) for the period/year		25,370,646	25,725,403

The notes set out on pages 7-32 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1-6 were signed on behalf of the Council Members by:

Editor/C.E.O

Prof. Busalile Jack Mwimali



Date: 20th April 2023

Head of Finance

Mr. Pascal Othieno
ICPAK M. No: 7326



Date: 20th April 2023

Chairperson of the Council

Hon. Justice Martha K. Koome



Date: 20th April 2023

14. STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE 2022

Details	Notes	Period Ended 30 th June 2022 Kshs	Audited Prior year Kshs
Assets			
Current Assets			
Cash and cash equivalents	15	8,600,078	62,919,417
Current portion of receivables from exchange transactions	16(a)	13,981,730	14,984,691
Receivables from non-exchange transactions	17	1,085,736	16,973,204
Inventories	18	251,182,888	242,655,325
Total Current Assets		274,850,432	337,532,637
Non-Current Assets			
Property, plant and equipment	19	102,270,475	57,629,302
Intangible assets	20	1,570,546	1,928,219
Long term receivables from exchange transactions	16(b)	3,780,255	3,780,255
Total Non- Current Assets		107,621,276	63,337,776
Total Assets		382,471,708	400,870,413
Liabilities			
Current Liabilities			
Trade and other payables	21	13,479,994	52,470,959
Deferred income	23	148,072,083	155,146,617
Employee benefit obligation	24	3,732,684	1,436,536
Total Current Liabilities		165,284,761	209,054,112
Total Liabilities		165,284,761	209,054,112
Net assets			
Accumulated surplus		193,621,671	168,251,025
Capital Fund		23,565,276	23,565,276
Total Net Assets		217,186,947	191,816,301
Total Net Assets and Liabilities		382,471,708	400,870,413

The Financial Statements set out on pages 1-6 were signed on behalf of the Council by:

Editor/C.E.O

Prof. Busalile Jack Mwimali



Date: 20th April 2023

Head of Finance

Mr. Pascal Othieno


ICPAK M. No: 7326



Date: 20th April 2023

Chairperson of the Council

Hon. Justice Martha K. Koome



Date: 20th April 2023

15. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30th JUNE 2022

Details	Notes	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/ Development Grants/Fund	Total
As at July 1 st , 2020		-	-	-	142,525,622	-	23,565,276	166,090,898
Issued new capital		-	-	-	-	-	-	-
As at June 30 th , 2021		-	-	-	168,251,025	-	23,565,276	191,816,301
As at July 1 st , 2021		-	-	-	168,251,025	-	23,565,276	191,816,301
Surplus/ deficit for the year		-	-	-	25,370,646	-	-	25,370,646
As at June 30 th , 2022		-	-	-	193,621,671	-	23,565,276	217,186,947

16. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30th JUNE 2022

Details	Notes	Period Ended 30 th June 2022 Kshs	Audited Prior year Kshs
Cash flows from operating activities			
Transfers from Government Of Kenya	6	355,090,000	336,540,366
Rendering of Services (Other Income)	7	322,500	1,299,500
Sale of goods	8	2,652,775	5,444,899
Total Receipts		358,065,275	343,284,765
Payments			
Use of goods and services	9	(151,141,130)	(162,070,628)
Employee costs	10	(160,282,103)	(138,465,308)
Council members costs	11	(8,001,510)	(6,457,655)
Repairs and maintenance	13	(7,013,482)	(4,545,160)
Grants and subsidies	14	(90,000)	(545,102)
Total payments		(326,528,225)	(312,083,853)
Working Capital Adjustments			
(Decrease)/increase in Receivables from exchange transactions	16	1,002,961	9,557,915
(Decrease)/increase in Receivables from non-exchange transactions	17	15,887,468	(7,273,500)
(Decrease)/increase in trade and other payables from exchange transactions	21	(38,990,965)	(24,365,827)
(Decrease)/increase in trade and other payables Employee benefit obligation	24	2,296,148	1,436,536
(Decrease)/increase in Inventories	18	(8,527,563)	(20,541,870)
Total Working Capital Adjustments		(28,331,951)	(41,186,746)
Net Cash flows from/(used in) operating activities		3,205,099	(9,985,834)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	19	(57,524,438)	(15,748,223)
Net cash flows used in investing activities		(57,524,438)	(15,748,223)
Net increase/(decrease) in cash and cash equivalents		(54,319,339)	(25,734,057)
Cash and cash equivalents at beginning of the year		62,919,417	88,653,474
Cash and cash equivalents at end of the year		8,600,078	62,919,417

The Financial Statements set out on pages 1-6 are signed on behalf of the Council by:

Editor/C.E.O
Prof. Busalile Jack
Mwimali



Date: 20th April 2023

Head of Finance
Mr. Pascal Othieno
ICPAK M. No: 7326



Date: 20th April 2023

Chairperson of the Council
Hon. Chief Justice Martha K. Koome



Date: 20th April 2023

17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE QUARTER ENDED 30th JUNE 2022

Details	Original budget	Adjustments	Final budget	Actual Cumulative to date	% of utilization (100%)
	Kshs	Kshs	Kshs	Kshs	
	A	B	C=(a+b)	D	F=d/c
Revenue					
Transfers from other governments entities	355,090,000	-	355,090,000	355,090,000	1
Total income	355,090,000	-	355,090,000	355,090,000	1
Expenses					
Use of goods and services	179,316,040	-	179,316,040	151,141,130	84.3
Employee costs	160,653,960	-	160,653,960	160,282,103	99.8
Council members costs	8,100,000	-	8,100,000	8,001,510	98.8
Repairs and maintenance	7,020,000	-	7,020,000	7,013,482	99.9
Grants and subsidies	0	-	0	90,000	0
Total expenditure	355,090,000	-	355,090,000	326,528,225	91.96
Surplus for the period	0	-	0	28,561,775	

Notes to the statement of comparison of budgeted and actual amounts for the period ended 30th June 2022;

- i) The 15.7% under expenditure in use of goods and services was attributed to delays in the procurement process for printing of Kenya Law Reports and other specialized legal publications of the Laws of Kenya in the year

ii) **RECONCILIATION OF STATEMENT OF BUDGET COMPARISON AND STATEMENT OF FINANCIAL PERFORMANCE**

Item	Kshs
Surplus from the statement of budget comparison	28,561,775
Add back: Receipts not budgeted for	
Sale of goods	2,652,775
Rendering of Services	322,500
Deferred income	7,074,534
Less: accrued expenditure	
Depreciation and amortization expense	(13,240,938)
Surplus from the statement of financial position	25,370,646

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

National Council for Law Reporting is established by an act of parliament Act No.11 of 1994 from where it derives its authority and mandate. The entity is wholly owned by the Government of Kenya, is domiciled in Kenya and has a brand name; Kenya Law. The entity's principal activity is Publishing and Printing judicial opinions of the superior courts in Kenya which are the official Law Reports of the Republic of Kenya, the Laws of Kenya and such other related publications.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

a) Statement of compliance

The Public Finance Management (PFM) Act 2012 Section 192 provided the setting up of the Public Sector Accounting Standards Board (PSASB). The Cabinet Secretary National Treasury, gazetted members of the Board through Gazette Notice No. 1199 of 28 February, 2014. The board approved the adoption of the International Financial Reporting Standards (IFRS) for state organs operating as commercial business entities and the International Public Sector Accounting Standards (IPSAS) for non-commercial entities. The National Council for Law Reporting has since prepared its financial statements in accordance with the International Public Sector Accounting Standards (IPSAS).

The financial statements are presented in Kenya shillings, which is the functional and reporting currency of Kenya Law and all values are rounded to the nearest Kenya shilling. The accounting policies have been consistently applied to all the years presented.

b) Application of new and revised International Public Sector Accounting Standards (IPSAS)

i) Relevant new standards and amendments to published standards effective the period ended 30th June 2022.

Several new and revised standards and interpretations were effective during the year. The management of Kenya Law has evaluated the impact of the new standards and their interpretations and noted that none of them had an impact on the Kenya Law's financial statements.

ii) Expected impact of issued relevant new and amended standards and interpretations in issue but not yet effective in the period ended 30th June 2022.

The management of Kenya Law has evaluated the impact of the new standards not yet effective for the period ended 30th June 2022 and noted that none of them had an impact on Kenya Law's financial statements.

iii) Early adoption of standards

Kenya Law did not adopt any new or amended standards early during the fourth quarter of the financial year 2021-2022.

Basis of preparation

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

3. ADOPTION OF NEW AND REVISED STANDARDS

j) New and amended standards and interpretations in issue effective in the period ended 30th June 2022.

Standard	Impact
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks. b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved. c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard. <p>The above improvements to IPSAS did not have an impact on Kenya Law's Financial statements in the year ended 30th June 2022.</p>

ii) New and amended standards and interpretations in issue but not yet effective in the period ended 30th June 2022.

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>The above improvements to IPSAS did not have an impact in Kenya Law's Financial statements in the year ended 30th June 2022.</p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ol style="list-style-type: none"> a) The nature of such social benefits provided by the entity; b) The key features of the operation of those social benefit schemes; and c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <p>The above improvements to IPSAS did not have an impact in Kenya Law's Financial statements in the year ended 30th June 2022.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ol style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p>The above improvements to IPSAS did not have an impact in Kenya Law's Financial statements in the year ended 30th June 2022.</p>

Early adoption of standards

Kenya Law did not early – adopt any new or amended standards in the financial year 2021/2022.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

- **Fees, taxes and fines**

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

- **Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

- **Rendering of services**

Kenya Law recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

- **Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic be

- **Interest income**

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

ii) Revenue from exchange transactions

- **Dividends**

Dividends or similar distributions must be recognized when the shareholder's or Kenya Law's right to receive payments is established.

- **Rental income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2021-2022 was approved by the National Assembly in June 2021. No subsequent revisions or additional appropriations were made to the approved budget.

Kenya Law's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under note 30 of these financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where Kenya Law operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales tax

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is

acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. Assets are depreciated on a quarterly basis and their values recorded at net book values at the end of the reporting period. Depreciation is applied on a reducing balance basis. Different Asset classes are depreciated at the following rates:

- Motor vehicles – 20%
- Computers and ICT Equipment – 33.33%
- Furniture and fittings – 10%
- Plant and Equipment – 15%

The depreciated value of Assets donated by development partners is recognised as a deferred income to derive the used value or economic benefit realised from the use of such Assets.

The cost of sales of legal publications that have been printed by development partners funding for sale is recognised as a deferred income to derive the income or economic benefit realised from the sale of such publications.

The depreciation for the quarter is analysed in the following manner:

Non-Current Asset	Motor vehicles	Furniture and fittings	Computers	Plant and Equipment	Total
At 1st July 2021 beginning of the year	5,835,452	30,782,479	15,091,695	16,412,139	68,121,765
Additions	0	0	33,261,018	0	33,261,017
Disposals	0	0	0	0	0
Transfers/adjustments	0	0	0	0	0
At end of the year	5,835,452	30,782,479	48,352,713	16,412,139	101,382,784
Depreciation and impairment					
Depreciation for GOK funded assets	-	1,402,481	2,994,120	1,412,131	5,808,732
Depreciation for donor funded assets	881,655	1,276,783	4,337,645	578,451	7,074,534
Total Depreciation for the year ended 30th June 2022	881,655	2,679,264	7,331,765	1,990,582	12,883,266

i) Leases

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

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

ii) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

iii) Research and development costs

Kenya Law expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- a) The technical feasibility of completing the asset so that the asset will be available for use or sale
- b) Its intention to complete and its ability to use or sell the asset
- c) How the asset will generate future economic benefits or service potential
- d) The availability of resources to complete the asset
- e) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

f) Financial instruments

i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. Kenya Law determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when Kenya Law has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

Kenya Law assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial

recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial

asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- a) The debtors or an entity of debtors are experiencing significant financial difficulty.
- b) Default or delinquency in interest or principal payments.
- c) The probability that debtors will enter bankruptcy or other financial reorganization.
- d) Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults)

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. Kenya Law determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.
- iii) Raw materials: purchase cost using the weighted average cost method.
- iv) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

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

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

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

g) Provisions

Provisions are recognized when Kenya Law has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

i) Contingent liabilities

Kenya Law 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.

ii) Contingent assets

Kenya Law does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

h) Reserves

Nature and purpose of reserves

Kenya Law creates and maintains reserves in terms of specific requirements. There were no reserves in Kenya Law's books as at 30th June 2022.

• **Changes in accounting policies and estimates**

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

i) Employee benefits

Retirement benefit plans

Kenya Law provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

j) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

k) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

l) Related parties

Kenya Law regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

m) Service concession arrangements

Kenya Law analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, Kenya Law recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, Kenya Law also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

n) 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 reporting period. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the reporting period.

o) Comparative figures

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

p) Subsequent events

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

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of Kenya Law's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgments, estimates and assumptions made: e.g. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Kenya Law based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of Kenya Law. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Estimates and assumptions

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a) The condition of the asset based on the assessment of experts employed by Kenya Law.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 23.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Changes in accounting policies and estimates

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

6. TRANSFERS FROM GOVERNMENT OF KENYA

Description	2021-2022 Kshs	2020-2021 Kshs
Unconditional grants		
Operational grant	355,090,000	336,540,366
Other grants	0	0
Total Transfers for the GOK	355,090,000	336,540,366

Transfers from Ministries, Departments and Agencies

Name of the Entity sending the grant	Amount recognized to Statement of Financial performance Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total Transfer 2021- 2022 Kshs	Prior Year 2020-2021 Kshs
The Office of the Attorney General & Department of Justice	355,090,000	-	-	355,090,000	336,540,366
Total Transfers	355,090,000	-	-	355,090,000	336,540,366

7. RENDERING OF SERVICES

Description	2021-2022 Kshs	2020-2021 Kshs
Service Fees		
Service fees from publishing services	322,500	1,299,500
Total revenue from the rendering of services	322,500	1,299,500

Income from service fees was in regard to fund received from NAMATI Kenya for the launch, publicity and dissemination of the Nationality and Citizen rights publication done by Kenya Law in partnership with NAMATI Kenya in the period ended 30th June 2022.

8. SALE OF GOODS

Description	2021-2022 Kshs	2020-2021 Kshs
Sale of goods		
Sale of legal publications	2,652,775	5,444,899
Total revenue from the sale of goods	2,652,775	5,444,899

This is revenue earned from the sale of Kenya Law Reports and other Legal publications that were published and sold in the period ended 30th June 2022.

9. USE OF GOODS AND SERVICES

Description	2021-2022 Kshs	2020-2021 Kshs
Cleaning Costs	965,000	1,210,692
Accessories to Computers	3,529,591	3,564,031
Security Costs	1,043,600	1,470,009
Contracted Professional Services	1,717,190	2,097,306
Subscriptions to Newspapers	387,630	412,887
Advertising	1,477,263	714,557
Membership fees dues, subscriptions to professional orgs. and trade bodies	374,340	164,740
Audit fees	800,000	800,000
Conferences and delegations	4,735,660	3,053,558
Contracted ICT Services	1,169,443	39,191,255
Postage & Courier Services	3,137,533	4,997,442
Motor fuel and oil	486,823	163,400
Cleaning of Motor Vehicle	68,500	84,600
Catering	4,664,431	4,855,256
Insurance	21,910,374	18,480,876
Computer Software	13,581,914	9,961,940
Parking Costs	1,090,000	2,013,880
Sanitary & Cleaning materials	1,113,533	344,807
General Office stationery	4,349,050	3,827,987
Publishing and Printing	11,300,007	10,434,014
Tradeshows & Exhibitions	5,690,312	158,400
Rental	25,413,470	27,665,400
Laundry costs	0	3,000
Cost of Sales	2,338,217	3,263,088
Education & Library	1,477,891	1,651,176
Telecommunication	811,377	952,051
Training	13,708,411	5,708,277

Cooking Gas	2,950	11,000
Casual Labour	220,540	0
Internet Costs	2,685,315	3,990,889
Travel, accommodation, subsistence and other allowances	20,554,812	10,500,084
Bank charges	335,952	324,026
Total Use of Goods and Services	151,141,130	162,070,628

10. EMPLOYEE COSTS (74 members of staff)

Description	2021-2022 Kshs	2020-2021 Kshs
Salaries and wages	75,039,746	58,474,949
Employer contribution to pension schemes	12,655,944	10,732,510
Housing benefits and allowances	67,863,139	66,918,849
Gratuity	2,357,674	0
Performance and other bonuses	300,000	375,000
Temporary Committee Allowances	2,065,600	-
Employee costs	160,282,103	136,501,308

11. COUNCIL MEMBERS COSTS

Description	2021-2022 Kshs	2020-2021 Kshs
Chairman/Directors' Honoraria	1,044,000	1,044,000
Sitting allowances	3,528,600	2,991,000
Induction and Training	1,345,200	1,744,565
Travel and accommodation	1,504,800	158,090
Other allowances	578,910	520,000
Total	8,001,510	6,457,655

12. DEPRECIATION AND AMORTIZATION

Description	2021-2022 Kshs	2020-2021 Kshs
Property, plant and equipment	12,883,265	10,492,463
Intangible assets	357,673	439,127
Investment property carried at cost	-	-
Total depreciation and amortization	13,240,938	10,931,590

13. REPAIRS AND MAINTENANCE

Description	2021-2022 Kshs	2020-2021 Kshs
Equipment and machinery	4,759,680	2,188,406
Motor vehicle	282,852	64,555
Furniture and fittings	27,000	23,700
Computers and accessories	1,875,450	2,146,799
Communications Equipment	68,500	121,700
Total repairs and maintenance	7,013,482	4,545,160

14. GRANTS AND SUBSIDIES

Description	2021-2022 Kshs	2020-2021 Kshs
Social development	90,000	545,102
Total grants and subsidies	90,000	545,102

15. CASH AND CASH EQUIVALENTS

Description	2021-2022 Kshs	2020-2021 Kshs
Current accounts	6,943,667	61,102,638
Others(Mpesa, Cash In hand)	1,856,411	1,816,779
Total cash and cash equivalents	8,600,078	62,919,417

Analysis of the Cash and Cash Equivalents

Description	Bank Account Number	Currency	2021-2022 Kshs	2020-2021 Kshs
a) Current account				
Kenya Commercial bank	1103135449	Kshs	1,403,583	57,233,771
Kenya Commercial bank(Grants)	1131298241	USD	5,868	4,783
Barclays Bank of Kenya	451230484	Kshs	5,334,216	3,864,084
Sub-Total			6,743,667	61,102,638
b) Others				
Cash in hand		Kshs	13,095	88,344
M-Pesa	516800	Kshs	1,843,316	1,728,435
Sub total			1,856,411	1,816,779
Total Cash and Cash Equivalents			8,600,078	62,919,417

16. RECEIVABLES FROM EXCHANGE TRANSACTIONS

(a) Current Receivables from Exchange Transactions

Description	2021-2022 Kshs	2020-2021 Kshs
Current Receivables		
Other exchange debtors – (Sale of legal publications)	13,981,730	14,984,691
Total current receivables	13,981,730	14,984,691

(b) Long- term Receivables from Exchange Transactions

Description	2021-2022 Kshs	2020-2021 Kshs
Total Receivables		
Other exchange debtors (Rent deposits)	3,780,255	3,780,255
Less: impairment allowance	-	-
Total	3,780,255	3,780,255
Current portion transferred to current receivables	-	-
Total non-current receivables	3,780,255	3,780,255
Total receivables (a+b)	17,761,985	18,764,946

17. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2021-2022 Kshs	2020-2021 Kshs
Other debtors	-	-
Salary Advances	390,736	121,408
Other debtors (Temporary Imprests)	695,000	1,851,796
Grants Receivable	-	15,000,000
Less: impairment allowance	-	-
Total current receivables	1,085,736	16,973,204

18. INVENTORIES

Description	2021-2022 Kshs	2020-2021 Kshs
Consumable stores	2,399,131	4,817,771
Library Books Inventory	7,462,491	7,349,484
Other goods held for resale (Kenya Law Reports and LOK publications)	241,321,266	230,488,070
Less: Allowance for impairment	-	-
Total inventories at the lower of cost and net realizable value	251,182,888	242,655,325

19. PROPERTY, PLANT AND EQUIPMENT

Description	Motor Vehicles	Furniture and fittings	Computers	Plant and Equipment	Work-In Progress	Total
As at 1st July 2021	17,900,000	55,610,024	60,211,438	24,685,120	0	158,406,582
Additions during the period	-	-	33,261,017	-	24,263,421	57,524,438
Disposals during the period	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-
Totals as at 30th June 2022 (A)	17,900,000	55,610,024	93,472,455	24,685,120	24,263,421	215,931,020
Depreciation and impairment						
Accumulated Depreciation as at 1st July 2021	13,146,989	27,791,460	49,195,370	10,643,461	0	100,777,280
Depreciation for the period ended 30th June 2022	881,655	2,679,264	7,331,764	1,990,582	0	12,883,265
Disposals for the period	-	-	-	-	-	-
Impairment for the period	-	-	-	-	-	-
Transfer/adjustment for the period	-	-	-	-	-	-
Totals as at 30th June 2022 (B)	14,028,644	30,470,724	56,527,134	12,634,043	0	113,660,545
Net book values						
As at 30th June 2022 (A-B)	3,871,356	25,139,300	36,945,321	12,051,077	24,263,421	102,270,475
As at 30th June 2021	4,753,011	27,818,564	11,016,068	14,041,659	0	57,629,302

20. INTANGIBLE ASSETS - SOFTWARE

Description	2021-2022 Kshs	2020-2021 Kshs
Cost	8,241,423	8,241,423
At beginning of the year/ period	1,928,219	2,367,346
Additions	0	0
At end of the year/ period	1,928,219	2,367,346
Additions – internal development	0	0
At end of the year/ period	1,928,219	2,367,346
Amortization and impairment		
At beginning of the year/ period	6,313,204	5,874,077
Amortization	357,673	439,127
At end of the year/ period	6,570,877	6,313,204
Impairment loss	0	0
At end of the year/ period	6,570,877	6,313,204
Net Book Value	1,570,546	1,928,219

21. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2021-2022 Kshs	2020-2021 Kshs
Trade payables	2,502,906	43,220,620
Employee payables		
HELB payable	-	-
Insurance Payable	99,027	135,997
Loan payable	858,006	922,284
NHIF Payable	140,100	114,100
NSSF payable	38,400	28,800
UN Sacco Payable	15,000	15,000
Welfare payable	102,900	100,800
PAYE Liability for Employees	3,383,576	2,346,545
Sheria Sacco payable	1,309,430	1,519,011
Mortgage payable	139,424	139,424
Third-party payments		
VAT payable	1,148,165	707,318
Audit fees payable	3,444,000	2,644,000
PAYE Liability for allowances	299,060	577,060
Total trade and other payables	13,479,994	52,470,959

22. CURRENT PROVISIONS

Description	Leave provision	Bonus provision	Gratuity Provision	Other provision	Total
Balance b/d (1.07.2021)	-	-	-	800,000	800,000
Additional Provisions (doubtful debts)	-	-	-	12,716,845	12,716,845
Total provisions as at 30.6.2022	-	-	-	13,516,845	13,516,845
Balance b/d (1.7.2022)	-	-	-	13,516,845	13,516,845

Additional provisions for doubtful debts are a disclosure in relation to overdue debts that are now considered bad and have been proposed for write-off in line with section 69 of the PFM Act 2012 and regulations 2015; 145, 148 & 149.

23. TRANSFERS FROM DONORS - DEFERRED INCOME REALIZED

Description	2021-2022 Kshs	2020-2021 Kshs
National government		
International funders	7,074,534	5,456,081
Public contributions and donations	-	-
Total deferred income	7,074,534	5,456,081

The deferred income movement is as follows:

Description	National government Kshs.	International funders Kshs	Public contributions and donation Kshs	Total Kshs.
Balance brought forward 1 st July 2021		155,146,617	-	155,146,617
Additions for the period				
Transfers to Capital fund		-	-	-
Transfers to income statement		(7,074,534)	-	(7,074,534)
Other transfers		-	-	-
Balance carried forward 30 th June 2022		148,072,083	-	148,072,083

24. EMPLOYEE BENEFIT OBLIGATION

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	2021-2022 Kshs	2020-2021 Kshs
	Kshs	Kshs	Kshs	Kshs	Kshs
Current benefit obligation	3,732,684	-	-	3,732,684	1,436,536
Non-current benefit obligation	-	-	-	-	-
Total employee benefits obligation	3,732,684	-	-	3,732,684	1,436,536

Retirement Benefit Asset / Liability

Kenya Law operates a defined benefit scheme for all full-time employees from July 1, 2012. The scheme is administered by AON Minet Kenya Limited while ICEA Lion are the custodians of the scheme. The scheme is based on 20 percentage of salary of an employee at the time of retirement. There were no outstanding contributions to the scheme from the sponsor other than contributions for the month of June 2022.

No actuarial valuation was done in the financial year to value the scheme. The scheme value at the end of the year was as follows:

Description	2021-2022 Kshs	2020-2021 Kshs
Valuation at the beginning of the year	143,065,630	98,181,670
Changes in valuation during the year	27,993,977	44,883,960
Valuation at end of the quarter	171,059,607	143,065,630

Kenya Law also contributes to the statutory National Social Security Fund (NSSF). This is a defined contributions scheme registered under the National Social Security Act. Kenya Law's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.400 per employee per month.

25. FINANCIAL RISK MANAGEMENT

Kenya Law's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. Kenya Law does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

Kenya Law's financial risk management objectives and policies are detailed below:

i) Credit risk

Kenya Law is exposed to credit risk; the risk that a counterparty will be unable to pay amounts in full when they fall due. Credit risk arise from cash and cash equivalents, and deposits with banks, trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other relevant factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the Council. The amounts presented in the statement of financial position have not considered any allowances for doubtful receivables. Estimates by the Council's management based on prior experience and their assessment of the current economic environment did not determine any necessity for such provisions.

The carrying amount of financial assets recorded in the financial statements representing Kenya Law's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total Amount Kshs	Fully Performing Kshs	Past Due Kshs	Impaired Kshs
As at 30th June 2022				
Receivables from exchange transactions	13,981,730	1,049,205	-	-
Receivables from non- exchange transactions	1,055,736	1,055,736	-	-
Bank balances	8,600,078	8,600,078	-	-
Total	23,637,544	10,705,019	-	-
As at 30th June 2021				
Receivables from exchange transactions	14,984,691	14,929,691		
Receivables from non- exchange transactions	16,973,304	16,973,304		
Bank balances	62,919,417	62,919,417		
Total	94,877,412	94,822,412		

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that Kenya Law as recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

Kenya Law has significant concentration of credit risk on amounts due from the Judiciary and other overdue and doubtful debtors amounting to Kshs. 12,932,525. The Council and management sets credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with Kenya Law's directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. Kenya Law manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by Kenya Law under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. The balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less Than 1 Month Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs
As at 30th June 2022				
Trade payables	2,502,906	-	-	2,502,906
Other Current Liabilities (Salaries clearances & VAT)		-	-	-
Provisions due	3,444,000	-	-	3,444,000
Deferred income unrealized	148,072,083	-	-	148,072,083
Employee benefit obligation	3,732,684	-	-	3,732,684
Total	157,751,673	-	-	157,751,673
As at 30th June 2021				
Trade payables	43,220,620	-	-	43,220,620
Other Current Liabilities (Salaries clearances & VAT)		-	-	-
Provisions	800,000	-	-	800,000
Deferred income unrealized	155,146,617	-	-	155,146,617
Employee benefit obligation	1,436,536	-	-	1,436,536
Total	200,603,773	-	-	200,603,773

iii) Market risk

Kenya Law has put in place an internal audit function to assist in assessing the risk faced by Kenya Law on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

Kenya Law's Audit Department is responsible for coordinating the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to Kenya Law's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

Kenya Law also has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

Kenya Law manages foreign exchange risk from future commercial transactions and recognized assets and liabilities by projecting

for expected sales proceeds and matching the same with expected payments.

b) Interest rate risk

Interest rate risk is the risk that Kenya Law's financial condition may be adversely affected as a result of changes in interest rate levels. The entity's interest rate risk arises from bank deposits. This exposes Kenya Law to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on Kenya Law's deposits.

iv) Capital Risk Management

The objective of Kenya Law's capital risk management is to safeguard the entity's ability to continue as a going concern. Kenya Law's capital structure comprises of the following funds:

Description	2021-2022 Kshs	2020-2021 Kshs
Revaluation reserve	-	-
Retained earnings	168,251,025	168,251,025
Capital fund	23,656,276	23,656,276
Total funds	191,907,301	191,816,301
Total borrowings	-	-
Less: Cash and bank balances	(8,600,078)	(62,919,417)
Net debt/(excess cash and cash equivalents)	183,307,223	128,896,884
Gearing	95.52%	67.19%

Capital fund is constituted of Non-Current Assets that Kenya Law inherited from the Judiciary upon delinking while retained earnings is an accumulation of operational surpluses and deficits over the years.

26. RELATED PARTY DISCLOSURES

Nature of related party relationships

Entities and other parties related to Kenya Law include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the National Council for Law Reporting, holding 100% of its equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties included the following:

- i) The Parent Ministry;
- ii) County Governments
- iii) Other State Corporations and SAGAs

The transactions are at arm's length and are recognized in accordance to Kenya Law's existing operational policies.

Description	2021-2022 Kshs	2020-2021 Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of legal publications to Judiciary	450,000	72,500
Sales of legal publications to National Aids Council	89,500	-
Sales of legal publications to Homabay County Assembly	-	45,000
Sales of legal publications to Kakamega County Assembly	63,500	-
Sales of legal publications to TransNzoia County Assembly	-	135,000
Sales of legal publications to Meru County Assembly	45,000	-
Sales of legal publications to Office of the Auditor General	-	61,000
Sales of legal publications to Commission on Administrative Justice	132,000	-
Sales of legal publications to Uasin Gishu County Assembly	-	149,500
Sales of legal publications to Tea Board of Kenya	5,500	-
Sales of legal publications to Clerk of National Assembly	-	50,000
Sales of legal publications to Baringo County Assembly	-	102,000
Sales of legal publications to Cooperative Tribunal	-	147,000
Sales of legal publications to Kenya Deposit Insurance Corporation	-	338,000
Sales of legal publications to National Gender and Equality Commission	800	-
Total	786,300	1,100,000
b) Purchases from related parties		
Training and conference fees paid to govt. agencies	476,036	987,960
Total	476,036	987,960
c) Grants /Transfers from the Government		
Grants from National Government	335,090,000	336,540,366
Total	335,090,000	336,540,366
d) Expenses incurred on behalf of related party		
Payments of salaries and wages for 72 employees	158,216,503	136,501,308
Total	158,216,503	136,501,308
e) Key management compensation		
Directors' emoluments	4,572,600	4,555,000
Compensation to key management	39,358,920	41,097,928
Total	43,931,520	45,652,928

27. EVENTS AFTER THE REPORTING PERIOD

There were no material adjusting and non- adjusting events after the reporting period.

28. ULTIMATE AND HOLDING ENTITY

National Council for Law Reporting is a State Corporation or a Semi- Autonomous Government Agency in the Office of the Attorney General & Department of Justice, herein the holding entity. The ultimate holding entity for National Council for Law Reporting is the Government of Kenya.

29. CURRENCY

The financial statements are presented in Kenya Shillings (Kshs).

APPENDICES

APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

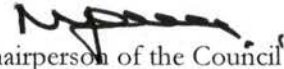
The Auditor General raised the two issues of; the delay in transferring legal ownership of motor vehicles and long outstanding debts as a key audit matters in the financial year 2020/2021 compliance and regularity audit. These matters had been partly resolved and good progress made as at 30th June 2022. On the matter of transfer of legal ownership of Motor vehicles, the three vehicles; GK B724S, GK B879K and GK 425L have now been transferred to the ownership of National Council for Law Reporting. The other vehicle GK 498K that was hitherto in the name of the defunct Ministry of Justice and Constitutional affairs has been subjected to the process of forced transfer; the same is still under way at the National Transport and Safety Authority.

On the matter of Long outstanding debts, an amount of Kshs. 2,039,636 was collected in the Financial year ended 30th June 2022. An amount of Kshs. 12,916,845 or 94.25% of the total overdue debtors was determined as bad and highly likely to be irrecoverable. The same was proposed for write-off as per the provisions of Section 69 of the Public Finance Management Act.



Editor / Chief Executive Officer

Date: 20th April 2023



Chairperson of the Council

Date: 20th April 2023

APPENDIX II: INTER - ENTITY TRANSFERS

The above amounts have been communicated to and reconciled with the Office of the Attorney General & Department of Justice.

Name of the MDA/Donor Transferring the funds	Date received	Nature:		Where Recorded/recognized		Source
	Date as per bank statement	Recurrent /Develop ment/Others	Total Amount - Kshs	Statement of Financial Performance	Capital Fund	
State Law Office & Department of Justice	5/7/2021	Recurrent	15,000,000	-	-	State Law Office & Department of Justice
State Law Office & Department of Justice	23/8/2021	Recurrent	88,772,500	88,772,500	-	State Law Office & Department of Justice
State Law Office & Department of Justice	3/11/2021	Recurrent	88,772,500	88,772,500	-	State Law Office & Department of Justice
State Law Office & Department of Justice	11/2/2022	Recurrent	88,772,500	88,772,500	-	State Law Office & Department of Justice
State Law Office & Department of Justice	28/4/2022	Recurrent	88,772,500	88,772,500	-	State Law Office & Department of Justice
Total			370,090,000	355,090,000	-	

The Above amounts have been communicated to and reconciled with the parent Ministry.

Finance Manager
National Council for Law Reporting

Head of Accounting Unit
Office of the Attorney General & Department of Justice

Sign 

Sign-----

