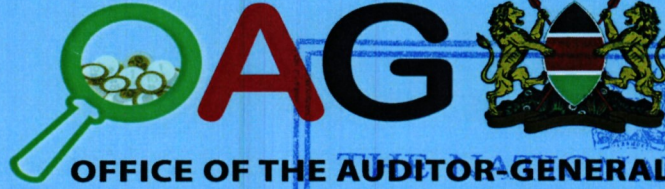


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*Enhancing Accountability*

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Hon. Jimmy ANGWENYI, MP

REPORT

Perpetual Karanu.

OF

THE AUDITOR-GENERAL

ON

NATIONAL COUNCIL FOR LAW  
REPORTING

FOR THE YEAR ENDED  
30 JUNE, 2021



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

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# KENYA LAW

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## NATIONAL COUNCIL FOR LAW REPORTING

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE  
FINANCIAL YEAR ENDED JUNE 30, 2021

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

National Council for Law Reporting  
Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 20

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## 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](http://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 strategic themes / core objectives as indicated below:

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

**Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2021 and who had direct fiduciary responsibility were:

	<b>Name of the Officer</b>	<b>Responsibility</b>
1	Editor/ CEO	Mr. Long'et Terer
2	Snr. Assistant Editor/ Deputy CEO	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 performed through various Committees. 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 controls and risk management systems.
- ii) To monitor and review the effectiveness of Kenya Law’s internal audit function and follow up on the implementation of audit recommendations.
- iii) To monitor compliance with the legal framework in Kenya Law’s procurement and financial management practices.
- 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	the Members
Audit and Risk Management Committee	i) Mr. Michael Muchemi - Chairperson ii) Prof. Kiarie Mwaura iii) Ms. Jennifer Gitiri

*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 internal controls in Kenya Law’s finance and accounting 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 consider, approve and monitor the implementation 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	the Members
Finance and General Purposes Committee	i) Ms. Janet Kimeu - Chairperson ii) Hon. Lady Justice Fatuma Sichale iii) Ms. Linda Murila iv) Ms. Eva Kimeiywo 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"> <li>i) Ms. Linda Murila - Chairperson</li> <li>ii) Hon. Justice James Rika</li> <li>iii) Ms. Eva Kimeiywo</li> <li>iv) Ms. Janet Kimeu</li> <li>v) Mr. Samuel Njoroge</li> </ol>

*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"> <li>i. Hon. Lady Justice Fatuma Sichale - Chairperson</li> <li>ii. Prof. Kiarie Mwaura</li> <li>iii. Mr. Michael Muchemi</li> <li>iv. Ms. Jennifer Gitiri</li> </ol>

In addition to internal oversight structures executed by the Council, the National Assembly also Exercises oversight of 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) in the use of public funds by scrutinizing audited financial statements and specifically audit queries flagged by the Office Auditor General. The Council, being a State Corporation, is therefore subject to these oversight arrangements.

Kenya Law 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, contractor 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.

**(e) Kenya Law's Head Office**

ACK Garden Annex,  
Fifth Floor  
1<sup>st</sup> Ngong Avenue,  
P.O. Box 10443 – 00100,  
Nairobi, Kenya.

**(f) Kenya Law's Contacts**

Telephone: 020 2712767  
E-mail: [info@kenyalaw.org](mailto:info@kenyalaw.org)  
Website: [www.kenyalaw.org](http://www.kenyalaw.org)

**(g) Kenya Law's Bankers**

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

ii) Barclays Bank of Kenya,  
Hurlingham Branch,  
P.O Box 34974 –  
00100,  
Nairobi, Kenya.

**(h) Kenya Law's Independent Auditors**

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

**(i) 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. THE 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 K. 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. Chief Justice Martha Koome has also worked in various divisions of the High Court of Kenya for over eight years; She has 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.

Chief Justice Martha Koome has been the chairperson of; the National Council on the Administration of Justice (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, Justice Koome was a legal practitioner for fifteen (15) years in the areas of Family Law and public interest litigation.

Chief Justice Martha Koome 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 Diploma in Legal Practice from the Kenya School of Law. She is a member of the Law Society of Kenya.



**Hon. Justice (Rtd) Kihara Kariuki, CBS**

The Attorney General of the Republic of Kenya  
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.

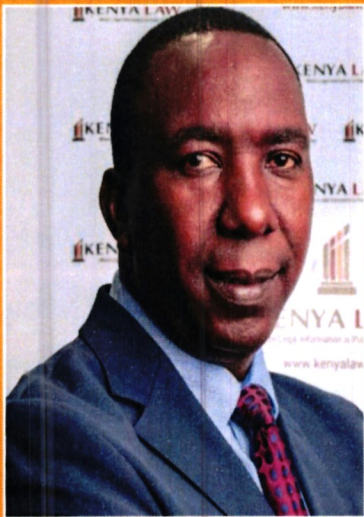
In 2003, he was appointed Judge of the High Court where he served in both the civil and commercial divisions of the Court for several years. Justice (Rtd) Kihara Kariuki served as the first Director at the Judiciary Training Institute. In 2013, He was appointed the President of the Court of Appeal. Justice (Rtd) Kihara Kariuki was appointed Attorney General of the Republic of Kenya in February 2018.



**Ms. Linda Musilivi Murila**

Representing **Hon. Justice (Rtd) Kihara Kariuki – Attorney General**  
Date of Appointment – November 2016

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..



**Prof. Kiarie Mwaura**

Dean, School of Law, University of Nairobi

Date of Appointment - June 2017, Exited in June 2021

Prof. Kiarie Mwaura is the Dean of the School of Law, where he is also a full professor of corporate law. He is a certified governance auditor, who serves on the Transport Licensing Appeals Board. He has worked previously as the Vice Chancellor of Riara University and as Director of the International Erasmus (European Exchange) Programme at Queen's University Belfast.

At the University of Nairobi, he has held the positions of Associate Dean (Mombasa Campus), Chair of Commercial Law Department and Curriculum Review Coordinator. He is a Fellow of the UK Higher Education Academy, a Certified Public Secretary and an Advocate of the High Court of Kenya. Prof. Kiarie has academic credentials from Queen's University Belfast (PGCHET), University of Wolverhampton (PhD), Staffordshire University (LLM), Kenya School of Law (Legal Practice Diploma), and the University of Nairobi (LLB).



**Hon. Justice Fatuma Sichale**

Judge - Court of Appeal

Date of 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.



**Hon Justice James Rika**

Judge - High Court of Kenya

Date of Appointment – November 2020

Hon Justice James Rika is a Judge at the High court. He holds an LLB from UoN, LL.M University of London, specializing in international dispute resolution and a PGD in Law. He 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 Judiciary, He was appointed by the Chief Justice, transitional Principal Judge, Industrial Court in 2012 and involved in committees that operationalized Labour laws of 2007/ 2008. He as part of the Kenyan Delegation to ILO 100th session which adopted 189th ILO Convention (2011) concerning Decent Work for Domestic Servants at Geneva Switzerland. He participated in other activities of the ILO regionally at Dar es Salaam and Arusha. Justice Rika is the longest serving Judge at the E&LRC, at 15 years. He was awarded for exceptional judicial service by Mombasa Law Society December 2017.



**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 LLB and LLM degrees from University of Nairobi and a PhD from Osgoode Hall Law School, York University in Canada. She is an Advocate of the High Court of Kenya of more than twenty years' standing, is a Certified Public Secretary (CPSK) and qualified for Associate of Chartered Institute of Arbitrators (ACI Arb).

She has extensive experience as a law lecturer, trainer and researcher, with teaching experiences 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.



**Ms. Jennifer Gitiri**  
Senior State Counsel, OAG&DOJ  
Date of Appointment - January 2017

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.

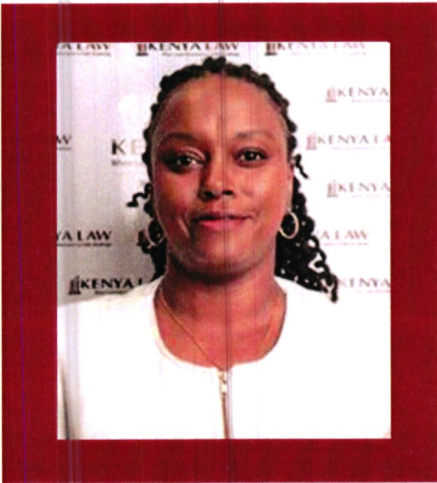
She holds two Master of Laws (LL.M) degrees from the University of Nairobi and the Central European University, a Bachelor of Laws (LLB) degree from the University of Nairobi and a Post Graduate Diploma in Law from the Kenya School of Law. She's a member of the Law Society of Kenya.



**Mr. Mwenda Njoka**  
Government Printer  
Date of Appointment - June 2019

Mr. Mwenda Njoka is a distinguished media personality and the Government Printer. He joined the Council of the National Council for Law Reporting in June 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.

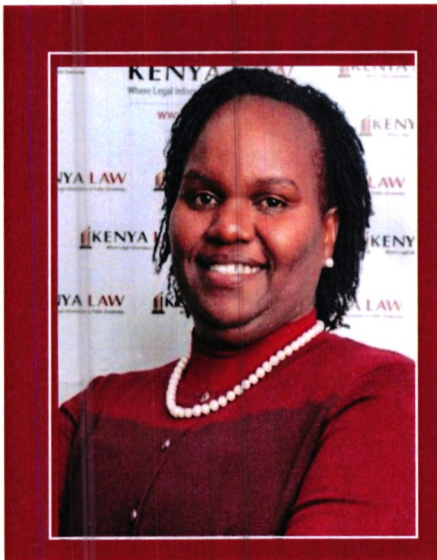
Mr. Njoka is a graduate of the Kenya Institute of Mass Communications, Marquette University and is currently pursuing a Master of Arts in Intelligence and Security Studies.



Ms. Eva Kimeiywo, Principal Printer  
Representing Mr. Mwenda Njoka - Government Printer  
Date of Appointment - January 2014

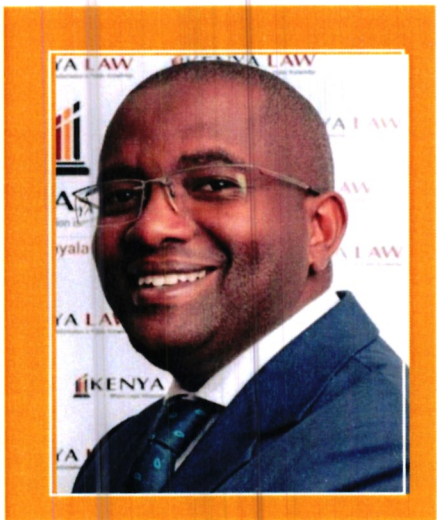
Ms. Kimeiywo is a Principal Printer at the Government Press in charge of Kenya Gazette and its Subsidiary Legislations. Ms. Kimeiywo has a wealth of experience spanning many years at the government printing services.

She holds a Bachelor of Communications (Publishing) and a Diploma in Print Technology.



**Ms. Janet Kimeu**  
Advocate of the High Court  
Date of Re-appointment- June 2019

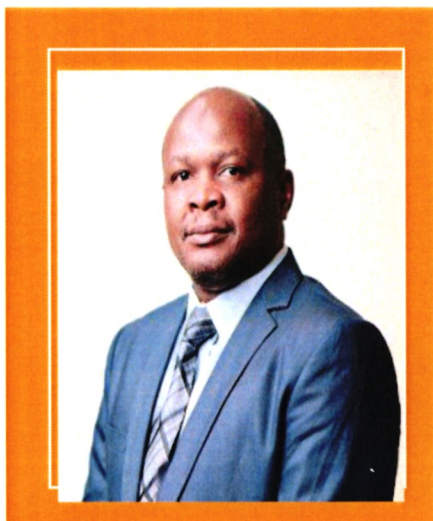
Ms. Janet Kimeu is an Advocate of the High Court of Kenya and Managing Partner, Janet Jackson & Susan LLP. Previously, she was a Partner, B.M. Musau & Co Advocates. She has previously held the position of Vice Chair of the Law Society of Kenya, South Eastern Branch. Ms. Kimeu holds a Master of Business Administration from the University of Liverpool, a Bachelor of Laws Degree from the University of Nairobi and a Post Graduate Diploma in Law from the Kenya School of Law. Ms. Kimeu is a Member of the Law Society of Kenya.



**Mr. Michael Muchemi**  
Advocate of the High Court  
Date of Re-appointment- June 2019

Mr. Michael Muchemi is an Advocate of the High Court of Kenya and Managing Partner, Muchemi & Co Advocates. Previously, he was an advocate at Kairu and Co. Advocates. Mr. Muchemi holds a Master of Business Administration from the United States International University, a Bachelor of Laws Degree from the University of Nairobi and a Post Graduate Diploma in Law from the Kenya School of Law.

He is a member of the Law Society of Kenya and the Chartered Institute of Arbitrators, London.



**Mr. Jonah Wala**

Co-opted member

Director (Ag), Accounting Services, National Treasury

Date of Appointment - January 2015

Mr. Wala is the Acting Director Accounting Services at the National Treasury and represents the Cabinet Secretary in Institute of Certified Public Accountants of Kenya (ICPAK) Council. He holds a Masters degree in Banking and Finance. He is a PhD candidate in Management at 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, Kenya Law Reports, a co-opted member of the Public Sector Accounting and chairs the Technical Committee of the East and Southern Africa Association of Accountant Generals.



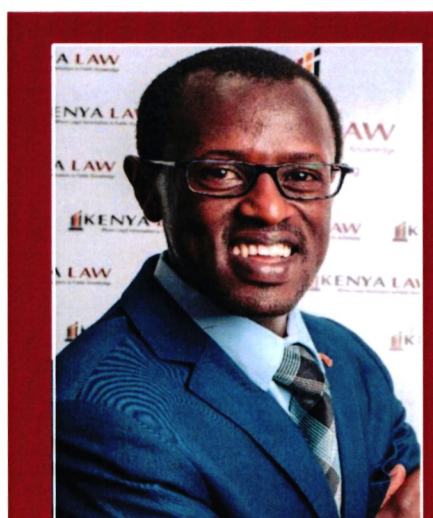
**Mr. Samwel Njoroge**

Representing Mr. Michael Sialai, Clerk of the National Assembly

Date of Appointment – August 2017

Mr. Njoroge is the Director of Legislative and Procedural Services in the National Assembly and is responsible for the coordination of the Three Departments of the Directorate; The Table Office, Procedural Research & Journal and Inter-Houses & Overseas Affairs Department as well as offering advice to 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.



**Mr. Long'et Terer**

Editor / CEO

Date of Appointment- August 2015, Exited on 3<sup>rd</sup> August 2021

Mr. Long'et Terer is the Editor/CEO of the National Council for Law Reporting (Kenya Law). Previously, he served as the Senior Assistant Editor, at the National Council for Law Reporting.

Before joining the National Council for Law Reporting, he was the Legal Advisor, Ministry of Justice & Constitutional Affairs. Mr. Terer also served as a Senior State Counsel at the Office of the Attorney General & Department of Justice.

Mr. Terer holds a Master of Laws (LLM) degree from Durham University, a Bachelor of Laws (LLB) degree from Bangalore University and a Post Graduate Diploma in Law from the Kenya School of Law. He's a Member of the Law Society of Kenya.

### 3. KEY MANAGEMENT



**Mr. Long'et Terer**  
Editor/ Chief Executive Officer.  
Date of Appointment -August 2015, Exited on 3<sup>rd</sup> August 2021

Mr. Long'et 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 Council 'strategic plan. As Editor, Mr. Long'et 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. Mr. Terer holds a Master of Laws (LLM) degree from Durham University, a Bachelor's Degree in Law (LLB) from Bangalore University and a Post Graduate Diploma in Law from the Kenya School of Law. He's a Member of the Law Society of Kenya.



**Ms. Janet M. Munywoki,**  
Senior Assistant Editor/ D.CEO  
Date of Appointment – August 2018, Appointed acting CEO on 4 August 2021.

Ms. Munywoki is the Senior Assistant Editor and deputy CEO. Ms. Munywoki has leadership responsibilities for the technical functions of Law Reporting, Laws of Kenya and Research and Development. She coordinates timely publication of Kenya Law's legal publications. She also assists the CEO in the implementation of Council'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. Janet Watila**  
HR and Administrative Manager  
Date of Appointment - January 2014

Ms. Watila is responsible for the HR 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. She is a practicing member of the Institute of Human Resources Management (IHRM)



**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 activities at Kenya Law, he is also responsible for implementation of expenditure programs, budget control, investment activities, financial accounting and financial reporting functions. Mr. Othieno holds a Master's Degree in Strategic Management and a Bachelor's Degree in Business Management (Accounting). He is 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 Monitoring and Evaluation activities at Kenya Law as well. She also is in charge of organizational performance and performance contracting. 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 Kenya Law Reports and also manages the Knowledge Management unit that deals with the preservation and dissemination of other public 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.

Ms. Kamau is responsible for the technical department that deals with the Laws of Kenya at Kenya Law. Ms. Kamau manages the consolidation, updating and revision of the online content of the Laws of Kenya and publication of the print volumes of the Laws of Kenya. She holds a Bachelor's Degree in Law (LLB) and is a Member of the Law 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 Law 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. 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



**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.



**Mr. Bornface Otieno Odera**

Team- Leader, Internal Audit

Date of Appointment – April 2020

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

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 council. He is responsible for contract management as well the management of Kenya Law’s stores. 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




I am pleased to present to you the National Council for Law Reporting (Kenya Law) Annual Report for the financial year 2020/2021. This Annual Report covers the period from July 1, 2020 to June 30, 2021 and has been prepared by the management of Kenya Law in accordance with the International Public Sector Accounting Standards (IPSAS) Accrual, and submitted together with the accompanying audited financial statements, to the Council.

We are now well into the implementation of the Kenya Law Strategic Plan 2018 – 2022 and are in the final year of its implementation. The plan identified three strategic themes which Kenya Law focused in this financial year. These are: access to public legal information; organizational sustainability; and corporate identity and visibility as the drivers to achieving its mandate. The plan also recognized and positioned the organization to leverage on technology to enhance organization efficiency and effectiveness. Indeed, Kenya Law is developing two robust ICT systems for the processing of public legal information; The Kenyan Legislation Database (KLD) system for processing the Laws of Kenya was and the Case Law Database (CLD) system for processing Judicial decisions.

The report captures the activities undertaken by Kenya Law in these thematic areas and highlights the achievements, progress and challenges during the period. With this the management team had a firm basis for reviewing and adjusting operations to improve efficiency as the financial year progressed.

In light of the recent global covid-19 pandemic which has radically altered the way in which we are working. It has become more and more evident that working with technology is the new normal. Kenya Law has shown great leadership in how it has embraced this. This is reflected in the flexible and innovative manner in which the organization has continued to execute its mandate and achieve impressive productivity in this trying times. Kenya Law remains committed to achieving our mandate, our promise 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.

  
*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



In the year under review great strides were made to actualize the targets set out in the Annual Work plan 2020/2021. In this financial year ended 30<sup>th</sup> June 2021, I am glad to note that we are at the tail-end in the implementation of the Kenya Law Strategic Plan 2018 – 2022 and as such we plan to undertake a terminal evaluation of the strategic plan in the coming financial year.

In this financial year Kenya Law received from the exchequer a total of Kshs. 336, 540, 366, representing a 100% funding. The allocation was complimented by A-in-A raised through the sale of legal publications amounting to Kshs. 6,744,399 out of a budgeted Kshs. 10,000,000 for the period ending 30<sup>th</sup> June 2020. Kenya Law made a surplus of Kshs. 25,725,403 and the average budget absorption for the financial year 2020/2021 was 82%.

Our major highlight of the year was that Kenya Law was able to significantly reduce the backlog in terms of access to legal publications. Kenya Law prepared, compiled and published eight (8) law reports. These were KLR 2013 vol. 1; KLR 2013 vol. 2; KLR 2013 vol. 3; KLR 2015 vol. 1; KLR 1995 (a backlog edition); KLR 1996 (a backlog edition); Devolution Law Report vol. 1; Election Petition vol. 6; the Supreme Court Digest and the Alternative Dispute Resolution Digest. These have all been printed and are readily available to the public. Further, we were able to compile and prepare eight (8) more publications: KLR 2016 vol. 2; KLR 2015 vol. 2; KLR 2017 vol. 1; KLR 2017 vol. 2; KLR 2018 vol. 1; KLR 2019 vol. 1; Family Law Report vol. 2; and Commercial Law Report.

Other major achievements include the collection and online publication of 17,923 decisions a majority of these from the superior courts, the preparation and printing of five (5) Laws of Kenya publications and the compilation, the preparation and dissemination of forty-five (45) weekly online newsletters, and publication of 4 quarterly publications of the Bench Bulletin. Kenya Law was also able to update the Laws of Kenya online database to 93% through consistent collection of legislation from the Government Printer and County Governments and uploading in the database. 100% of all pieces of legislation collected were uploaded.

The Kenyan Legislation Database (KLD) system was 60% complete as at 30<sup>th</sup> June 2021. A total of 207 substantive Acts and 384 Legal Notices were migrated into the KLD system. A total of 147 Acts and 818 legal notices were audited for quality upon migration into the KLD system.

The Case Law Database (CLD) system was completed to a 60% development status. The system will increase efficiencies within the organization and provide a much better user experience and allow better analysis in the management of collected Judicial decisions.

The third and fourth quarters of the financial year witnessed Kenya Law along with the rest of the country and indeed the world, grapple with the ravages of the COVID -19 pandemic. The management team considered the various ways of mitigating our risks while ensuring the continued smooth operations of our organization. As Kenya

Law, we remained determined to keep our staff members as safe and healthy as possible, and minimized exposure to COVID -19. In this regard we will continue to explore and implement innovative approaches to provide services to the public in this critical time.

I would like to thank all staff members for maintaining a positive attitude during this period. Our resilience and commitment has ensured that the Kenya Law team is minimally affected even as our operations have adapted to accommodate our new reality. These are challenging times for all of us and our resolve is that we shall come out of this period even stronger and better.

We also acknowledge the various actors in the chain of production of legal information, most especially the office of the Attorney General, Judiciary and the Government Printer, and would like to thank all of you for your continued support in our pursuit to fulfil our mandate.



**Ms. Janet Munywoki**

**EDITOR/CEO (Ag) & SENIOR ASSISTANT EDITOR**

## 6. STATEMENT OF NATIONAL COUNCIL FOR LAW REPORTING'S PERFORMANCE FY 2020/2021

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, 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 2020/2021 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	Printed 8 Kenya Law Reports and Specialized Law Reports; 1998, 2016 Vol 1, 2016 Vol 2, 2017 Vol 2, Employment and Labour Relations Court Vol 1, Environment and Land Court Vol 2, Family Vol 2 & Commercial Vol 1.
		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 49, 50, 51 & 52) of the Bench Bulletins published b) Publish 4,000 copies of specialized digests including Case digest on Big 4 Agenda Action plan, Commercial Laws Digest, Digest on Police Accountability and Anti- Corruption Case Digest. c) 2 Kenya Law Review Journals Vol 6 of 2018 & Vol 7 of June 2019 were published and printed. d) Publish the Kenya Law Review Journal.	a) Published and printed 4 issues of 1,500 copies each of the Bench Bulletins i.e. issues 49, 50, 51 & 52. b) Specialized Digests completed and sent for print; i) Digest on Big 4 Agenda Action plan ii) Commercial Laws Digest iii) Digest on Police Accountability iv) Anti- Corruption Case Digest was at final review c) Published 1 Vol. of the Kenya Law Review Journal.
		No. of Laws of Kenya	To Print 3,500 copies of the	Printed 1,000 copies

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	Volumes published	Laws of Kenya volumes (LOK)	Devolution Laws 2020, 500 copies each of Family Laws, Employment and Labour Laws & Commercial Laws V 1, II&III).
	No. of service issues printed	Print 3,000 LOK service issues	1,500 copies of service issues printed.
	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 504 were updated (93.5%). Uploaded to the Kenya Law website 100% of all of the supplements received within 48 hours of receipt. National Legislation 22 Acts, 99 Legal Notices & 74 Bills (National Assembly 39, Senate 35), County legislation (69 Acts, 93 Bills & 7 Regulations.
	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 17,018 and 915 judicial decisions from the superior courts and subordinate courts respectively were collected and uploaded. Prepared and published fifty (45) online newsletters, and Uploaded all 8,655 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 <b>Kenyan Legislation Database (KLD)</b> system was 60% complete as at 30 <sup>th</sup> June 2021. A total of 207 substantive Acts and 384 Legal Notices were migrated into the KLD system. A total of 147 Acts and 818 legal notices were audited for quality upon migration into the KLD system. The <b>Case Law Database (CLD)</b> system has been

				designed to a 60% development status. The system will increase efficiencies within the organization and provide a much better user experience on management of Judicial decisions.
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. Seventeen (17) Law Reform issues and (Twenty four) 24 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. One (1) 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 2,287 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.
	Number of Knowledge exchange programmes implemented	To attend a local and an international knowledge exchange programmes		One (1) training was done for Legal Researchers of the Judicial officers of Uganda Judiciary on Law Reporting and preparation of case summaries in conjunction with Africa LII.

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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 (50%) 36 officers were trained in a total of 69 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 13 staff	2 Senior Law Reporters, 2 legal researchers
			b) To Compensate the staff members	Staff benefits and statutory payments were remitted as required.
			c) To Remit staff benefits	1 organizational retreat and one departmental retreat done
Reliable ICT infrastructure and applications established and strengthened	Enhanced access to public legal information facilitated by acquisition / renewal of Software's and licenses.	To prepare MTEF Budget proposals and work plans	To Monitor and Review Budgets and Supplementary budgets	Budget workshops attended and Kenya Law allocated Kshs. 355.09 M in the Financial Year 2021/22 Kenya Law allocated Kshs. 15 Million in Supplementary II 2020/2021 Budget
		To Acquire/Renew existing licenses and contracts to facilitate online access to public legal information		i) Case law database had 1,186,180 users who viewed a total of 10,366,277-pages in the year ended June 2021. The average length of a session was 6 minutes 13 seconds. ii) Top five countries from where the Case law database was accessed were; Kenya 955,881 users (80.19%), USA 73,775 users (6.19%), UK 22,751 users (1.91%), Uganda 17,725 users (1.49%) and Tanzania 15,082 users (1.27%).

			<p>i) Laws of Kenya database had 410,340 users who viewed a total of 2,357,020-pages in the year ended June 2021. The average length of a session was 2 minutes 49 seconds.</p> <p>ii) Top five countries from where the Laws of Kenya database was accessed were; Kenya 385,246 users (93.11%), USA 5,288 users (1.28%), UK 2,853 users (0.69%), South Africa 1,637 users (0.40%) and Tanzania 1,237 users (0.30%).</p> <p>i)Kenya Law blog had 129,836 users who viewed a total of 226,471-pages in the year ended June 2021. The average length of a session was 1 minute 13 seconds.</p> <p>ii)Top five countries from where the Kenya Law blog was accessed were; Kenya 106,983 users (81.98%), France 5,027 users (3.85%), Tanzania 3,735 users (2.86%), India 2,675 users (2.05%) and USA 2,079 users (1.59%).</p> <p>i)The rest of the Kenya Law website had 229,878 users who viewed a total of 1,396,873-pages in the year ended June 2021. The average length of a session was 1 minute 20 seconds.</p> <p>ii)Top five countries from where the rest of the Kenya Law website was accessed were; Kenya 199,529 users (85.66%), USA 5,922 users (2.54%), UK 2,770 users (1.19%), China 2,239 users (0.96%) and India 1,726 users (0.74%).</p>
	<p>Quarterly maintenance of Computers, printers and other ICT hardware carried out</p>	<p>To carry out 4 Quarterly Preventive Maintenance (including Parts, upgrades, etc.)</p>	<p>4 Quarterly Preventative maintenance on all Kenya Law equipment was undertaken at the scheduled times.</p>

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	Establish transparency, accountability and integrity mechanisms	1. No. of Council members and staff trained on corporate governance and leadership. 2. No. of Council and Council Committee meetings convened	To train 11 Council members on programmes in corporate governance and leadership To conduct 7 full Council meetings and 18 Council Committee meetings	11 Council members trained 25 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.	Distributed 4 issues of the Bench Bulletin to Kenya Law stakeholders across the 47 counties. Total 5,200 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)	No CSR activities done due to the MOH and Public Service Regulations on prevention of COVID -19.

## 7. CORPORATE GOVERNANCE STATEMENT

**K**enya 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 period ended 30<sup>th</sup> June 2021, the terms of three board 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 2020/2021**

The Council held seven (7) Council meetings and eighteen (18) committee meetings in the Financial Year 2020/2021 with over 95% attendance rate.

Board Member	Position	Full Board	Technical Committee	Finance & General Purposes	Human Resources	Audit Committee
Hon. Justice Martha Koome	Chairperson	1	0	0	0	0
Hon. Justice David Maraga	Chairperson	5	0	0	0	0
Hon. Justice Philomena Mwilu	Ag. Chairperson	1	0	0	0	0
Hon. Justice Paul Kihara / Alternate, Ms. Linda Murila	Member, Representing the Office of Attorney General	7	4	5	0	0
Hon. Anne Amadi	Co-opted Member, Chief Registrar	2	0	0	0	0
Prof. Kiarie Mwaura	Member, Representing The University of Nairobi Law School	7	0	0	3	4
Ms. Jennifer Gitiri	Member, Representing the Public	7	0	0	3	4
Ms. Janet Kimeu	Member, Representing the Law Society of Kenya	7	4	5	0	0
Mr. Michael Muchemi	Member, Representing the Law Society of Kenya	7	0	0	3	4
Mr. Mwenda Njoka / Alternate, Ms. Eva Kimeiywo	Member, Representing the Government Printer	7	4	4	0	0
Mr. Henry Rotich/ Alternate, Mr. Jona Wala	Member, Representing the National Treasury	0	0	5	0	0
Mr. Long'et Terer	Secretary/ CEO	7	4	4	3	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 August, 2020.

### **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 year ended June 2021 was exemplary; we continued to collect, compile and disseminate public legal information through our web site ([www.kenyalaw.org](http://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 year ending 30<sup>th</sup> June 2021:

- i) Printed 8 Kenya Law Reports and Specialized Law Reports; 1998, 2016 Vol 1, 2016 Vol 2, 2017 Vol 2, Employment and Labour Relations Court Vol 1, Environment and Land Court Vol 2, Family Vol 2 & Commercial Vol 1.
- ii) Three Kenya Law Reports; 2015 Vol 2, 2018 Vol 1 & 2019 Vol 1 were at final review while Kenya Law Report 2017 Vol 1 had been completed and was ready for print.
- iii) Publishing and printing of Kenya Law Reports; the use of lightweight coated paper on print publications has increased the number of pages in a Kenya Law Report from 800 to 1,300 allowing for more cases to be featured for any given year.
- iv) Published and printed 3,500 copies of the Laws of Kenya volumes; (1,000 Devolution Laws 2020, 500 each of Family Laws, Employment and Labour Laws & Commercial Laws V 1, II&III).
- v) Published and printed 1,500 copies of service issues (amendments). 500 copies each of the service issues for Commercial Laws Volume, Land laws Volume and the Grey Book Volume.
- vi) Published and printed 1,000 copies of the Arbitration digest.
- vii) Published and printed 50 copies of the Uasin Gishu Devolution Laws Volume for the Uasin Gishu County Government.
- viii) Published and printed 1,000 copies of the Kenya Law Review Journal.
- ix) Published and printed 4 issues of 1,500 copies each of the Bench Bulletins i.e. issues 49, 50, 51 & 52.
- x) Prepared and submitted for print to International Development Law Organization (IDLO) the Specialized Digest on the Big 4 Action Plan.
- xi) Prepared and submitted for print to International Development Law Organization (IDLO) the Specialized Digest on Commercial Laws.
- xii) Prepared and submitted for print to Office of the Director of Public Prosecutions (ODPP) and International Justice Mission (IJM) the Specialized Digest on Police Accountability.
- xiii) Preparation of the Anti- Corruption Case Digest was on-going at final review.
- xiv) Prepared and transmitted 4 reports identifying seventeen (17) Law Reform issues from Case-Law to the Office of the Attorney General & Department of Justice and the Kenya Law Reform Commission.
- xv) Identified and reported to the Office of the Attorney General and Department of Justice a total of twenty-four (24) statutes in need of legislative reform.
- xvi) Prepared and sent out to 26,421 Kenya Law's online subscribers, twenty (20) legislative updates on legislation that has been gazetted.
- xvii) Prepared and transmitted 4 reports to the Judiciary on divergence in judicial reasoning. One (1) case of divergence in judicial reasoning was identified and reported in the year.
- xviii) Prepared and transmitted 4 reports identifying 13 statutes with sections declared unconstitutional by various judicial decisions to the Office of the Attorney General & Department of Justice and Kenya Law Reform Commission on the laws that had been declared unconstitutional.

- xix) Tracked and reported 26 cases of international jurisprudence on emerging areas for purposes of comparative analysis and research.
- xx) Reviewed 17,526 cases during case selection meetings of which a total of 191 cases were selected for reporting.
- xxi) Compiled and disseminated 45 weekly newsletters on Case law updates to our 26,421 online subscribers.
- xxii) Collected, processed and disseminated on the Kenya law website (case law database) 100% of the collected i.e. 17,018 judicial decisions as compared to 20,963 decisions in the FY 2019/20, from the superior courts of record (Supreme Court 69, Court of Appeal 1,196, High Court 10,156, Environment and Land Court 3,781, Employment and Labour Relations Court 1,816) and 915 judicial decisions from the Tribunals in the year ended June 2021.
- xxiii) A total of 3,842 (84%) decisions were sent out to judicial officers as part of the Case-back service.
- xxiv) A total of 8,655 cause lists received from superior and subordinate court stations were uploaded online in time during the reporting period.
- xxv) Uploaded 22 Acts, 99 legal notices, 74 bills (National Assembly 39, Senate 35) and 169 pieces of county legislation.
- xxvi) Collected, digitized and uploaded on the Kenya Law website 100% (2,287 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.
- xxvii) Updated online information portal on COVID -19 MOH regulations and emerging information, published the Supreme Court of India decision on COVID-19, online cause lists, enhanced the Kenya Law Medical cover to cover COVID 19 related complications, provided airtime /data for remote working, sanitizers and masks to all staff in the office.
- xxviii) UNCTAD and Kenya Law collaborated on the Non-Tariff Measures transparency initiative. This resulted in the identification of 47 out of 504 Laws of Kenya identified as containing 93 Non-Tariff Measures. Kenya Law hosted a Validation Workshop to disseminate these findings to 21 stakeholders from 12 institutions.

xxix) **Kenya Legislation Database (KLD)**

The Kenyan Legislation Database is an ICT system deployed to improve on efficiency and real time updating and revision of the Laws of Kenya. The system was 60% complete as at 30<sup>th</sup> June 2021. A total of 207 substantive Acts and 384 Legal Notices were migrated into the KLD system. A total of 147 Acts and 818 legal notices were audited for quality upon migration into the KLD system.

The following milestones have been achieved to date;

- a. User Friendly Editing Interface with MS-word processing functionality.
- b. Captured Kenya's Legislative History.
- c. Ability to handle the unique features of Legislation such as commencement dates, the structure of the law through the use of inbuilt templates ensuring formatting is applied consistently and accurately.
- d. Accurate Point in Time Functionality- ability to access a law at a certain point in time.
- e. Automation of Legislative Reform issues.
- f. Real Time publication of the Laws (48-hour window).
- g. Speedy preparation of the Annual Supplement.
- h. Ability to handle County Legislation and Regional Legislation. i.e. East African Community Legislation (Article 2(6) of the Constitution of Kenya). Generation of the Index to the Laws of Kenya.

xxx) **Case Law Database (CLD)**

Kenya Law has identified the need to capture and manage rich, structured data and metadata for Kenyan case law. Kenya Law is implementing a new Case Law Database (CLD) to increase efficiencies within the organization and provide a much better user experience. The system has been designed to a 60% development status.

On system development, the following milestones have been achieved to date;

- a. Feasibility study has been done.
- b. Development of a minimum viable product that has enough features that allows users to test the system and validate the product development cycle.
- c. Ability to produce the same document in different formats. (for web and print-pdf)
- d. Different products can be produced within the system e.g. Newsletter, lists and digests, etc.
- e. Allows for a Medium Neutral Citation (MNC). This is in line with international reporting standards that ensure that all cases are uniquely identifiable.
- f. High quality and consistent formatting e.g. automated paragraph numbering,
- g. Allows for retrieval of information and analysis by use of Semantic tagging, e.g. emphasis, non-English terms, dissenting opinions etc.
- h. Hyperlinking of cases and statutes cited to aid in research and retrieval of information.
- i. Security of the system, ability to track activity in the system.
- j. Automated and prompt Case-back service.
- k. Auto-generation of Reports of judicial opinions for Judicial officers- Monthly Reports.

- On Workflow Process Management, the following milestones have been achieved to date;

- a. Include all workflows in the department, from collection to final review.
- b. Collapses some workflow processes collection, uploading and inventory which will improve efficiency, improve turnaround time.
- c. One platform for both case law and cause list including a cause list archive.

xxxix) Collected, processed and uploaded on the Kenya Law website (Laws of the Kenya database) 100% of all Acts, Bills, Legal notices, Amendment Acts and regulations received.

xxxixii) A total of four hundred and seventy-two (472) statutes out of five hundred and four (504) were revised and updated, making a 93.5% revision status. Thirty-two (32) statutes were still in the process of revision.

xxxixiii) All the three hundred and eighty-three (383) statutes forming part of the 24th Annual Supplement were approved by the Office of the Attorney General & Department of Justice. Kenya Law is currently preparing final manuscripts of the approved Statutes with Chapter numbers for final submission.

xxxixiv) Uploaded to the Kenya Law website 100% of all of the supplements received within 48 hours of receipt; National Legislation 22 Acts, 99 Legal Notices & 74 Bills (National Assembly 39, Senate 35), County legislation (Acts 69, Bills 93 & Regulations 7).

xxxixv) Kenya Law's website had a 94% daily uptime and was secured by the most up to date security hardware and software. See (Annex I & II below).

xxxixvi) The Kenya Law online platform recorded increased access for public legal information as follows:

- a. Case law database had 1,186,180 users who viewed a total of 10,366,277-pages in the year ended June 2021. The average length of a session was 6 minutes 13 seconds.
- b. Top five countries from where the Case law database was accessed were; Kenya 955,881 users (80.19%), USA 73,775 users (6.19%), UK 22,751 users (1.91%), Uganda 17,725 users (1.49%) and Tanzania 15,082 users (1.27%).
- c. Laws of Kenya database had 410,340 users who viewed a total of 2,357,020-pages in the year ended June 2021. The average length of a session was 2 minutes 49 seconds.

- d. Top five countries from where the Laws of Kenya database was accessed were; Kenya 385,246 users (93.11%), USA 5,288 users (1.28%), UK 2,853 users (0.69%), South Africa 1,637 users (0.40%) and Tanzania 1,237 users (0.30%).

Kenya Law blog had 129,836 users who viewed a total of 226,471-pages in the year ended June 2021. The average length of a session was 1 minute 13 seconds.

- e. Top five countries from where the Kenya Law blog was accessed were; Kenya 106,983 users (81.98%), France 5,027 users (3.85%), Tanzania 3,735 users (2.86%), India 2,675 users (2.05%) and USA 2,079 users (1.59%).

- f. The rest of the Kenya Law website had 229,878 users who viewed a total of 1,396,873-pages in the year ended June 2021. The average length of a session was 1 minute 20 seconds.

- g. Top five countries from where the rest of the Kenya Law website was accessed were; Kenya 199,529 users (85.66%), USA 5,922 users (2.54%), UK 2,770 users (1.19%), China 2,239 users (0.96%) and India 1,726 users (0.74%).

- h. Most viewed data on the case law database were in order of prominence;

a) Petition 15 & 16 of 2015 (Consolidated) - Francis Karioko Muruatetu & another v Republic [2017] eKLR- Constitutionality of the Mandatory Nature of the Death Sentence provided under section 204 of the Penal Code.

b) Succession Causes 417 of 2005 & 1345 of 2014 - In re Estate of Julius Mimano (Deceased) [2019] eKLR.

c) Civil Case 221 of 2018 - Robert Mugo Wa Karanja v Ecobank (Kenya) Limited & another [2019] eKLR.

d) Civil Case 571 of 2015 - Mamta Peeush Mahajan [Suing on behalf of the estate of the late Peeush Premlal Mahajan] v Yashwant Kumari Mahajan [Sued personally and as Executrix of the estate and beneficiary of the estate of the late Krishan Lal Mahajan] [2017] eKLR.

e) Criminal Appeal 102 of 2016 - Eliud Waweru Wambui v Republic [2019] eKLR.

- i. Most viewed data on the case law database were in order of prominence;

- The Constitution of Kenya, 2010,
- Civil Procedure (Subsidiary Legislation),
- Penal Code,
- Civil Procedure (Substantive Legislation),
- Criminal Procedure Code,

- j. Most viewed data on Kenya Law Blog were in order of prominence;

- Highlights of The Marriage Act, 2014.
- Public Legal Information on Kenya's Response to COVID-19
- Electoral Process in Kenya
- Kamusi ya Maneno na Misemo ya Kisheria
- Grounds for Judicial Review in Kenya – An Introductory Comment to the Fair Administrative Action Act, 2015.

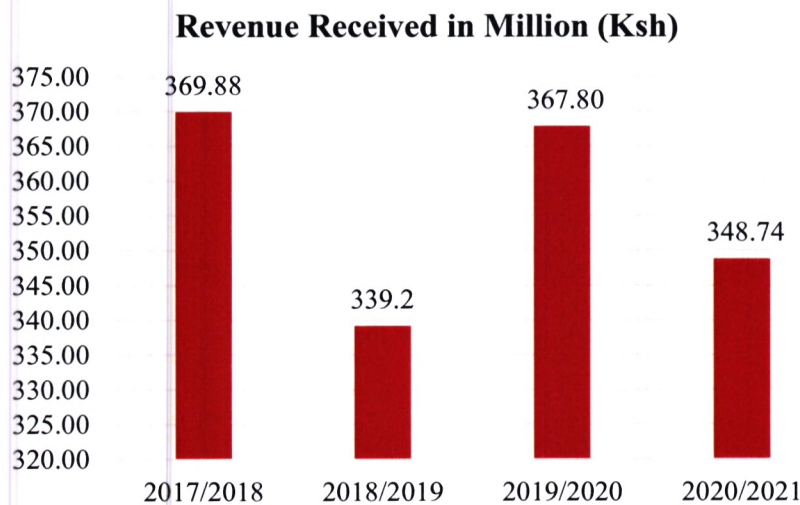
- k. Most viewed data on Rest of Kenya Law Website in order of prominence;

- Cause lists
- Kenya Gazette, and
- Treaties.

**FINANCIAL PERFORMANCE**

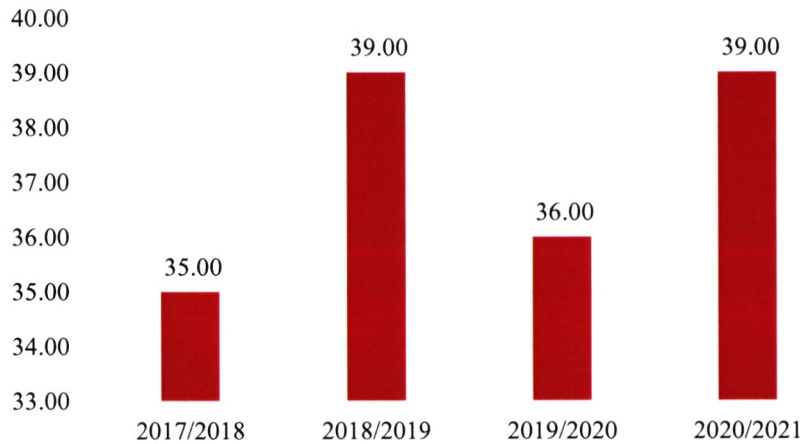
Kenya Law’s financial performance was good in the year ending 30<sup>th</sup> June 2021. Kenya Law made a surplus and continued to maintain a healthy balance sheet position at the close of the year. The details of Kenya Law’s financial performance are indicated below;

- i) Total of Revenues earned by Kenya Law reduced by **5.18%** to Kshs. **348.74 Million** in the period ending 30<sup>th</sup> June, 2021 as compared to the Kshs. **367.87 Million** earned in the period ending 30<sup>th</sup> June, 2020. This was a better performance in revenue earnings as compared to Kshs. **339.27 Million** in the period ending 30<sup>th</sup> June 2019 but a lower amount to the Kshs. **369.88 Million** earned in the period ending 30<sup>th</sup> June 2018



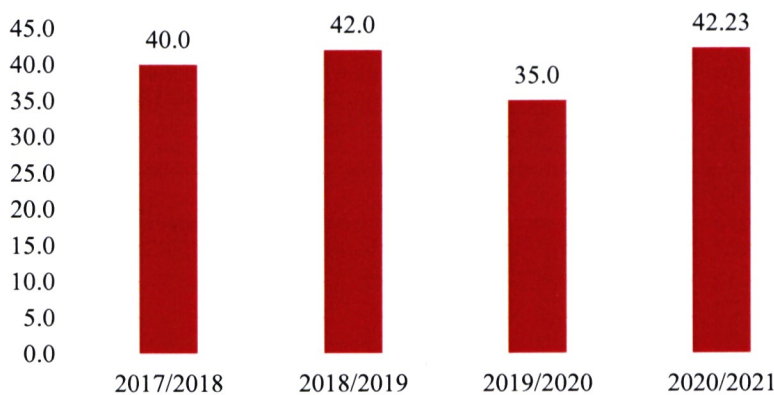
- ii) The percentage of expenditure in Personnel Emoluments as compared to Total Revenues earned was **39%**. This means that **39%** of all Kenya Law revenues were utilized in paying salaries, wages and pension expenses as compared to **36%** for the year ended to June 2020, and still above the recommended **35%**. The amount was equal to the **39%** in the financial year 2018/2019 and higher than the **35%** in the 2017/2018 financial year. This does not imply that Kenya Law Employee costs increased in the FY 2020/2021. The higher PE to Revenues percentage was caused by the **5.18%** decrease in grants received from GOK.

### % PE to Total revenue



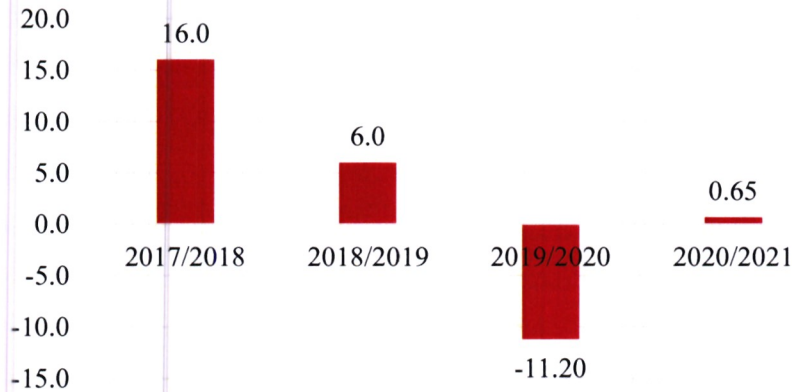
- iii) The percentage of expenditure in Personnel Emoluments as compared to Total Expenditure increased to 42.23% from 35% in the year ending 30<sup>th</sup> June 2020. This indicates that 42.23% of all Kenya Law recurrent expenditures in the year ending 30<sup>th</sup> June, 2021 were salaries, wages and pension expenses as compared to the recommended 35%. The expenditure was also an increase in spending as compared to 42% in the FY 2018/2019 and slightly higher than the 40% in the FY 2017/2018. The higher PE to Total expenditure percentage was similarly caused by the 5.18% decrease in grants received from GOK.

### % PE to Total Expenditure



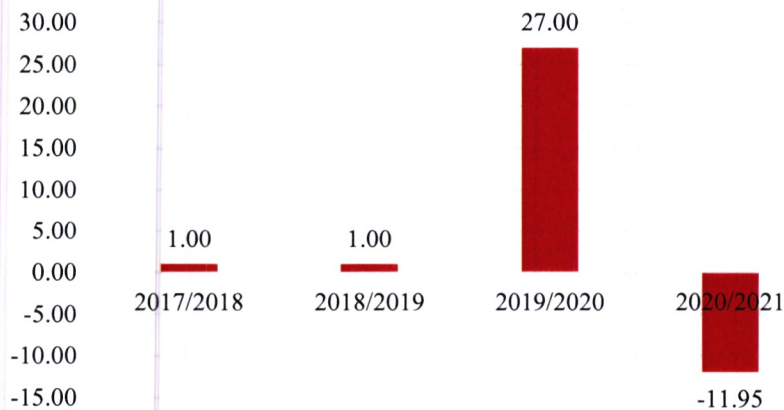
- iv) Kenya Law had a healthy Balance sheet in the year ending 30<sup>th</sup> June, 2021. Total Assets increased by 0.65% in the period ending 30<sup>th</sup> June, 2021 as compared to a reduction of 11.2% in the year ending 30<sup>th</sup> June 2020. This was however a lower growth rate in comparison to the 6.3% recorded in the FY2018/2019 and 19% in the FY 2017/2018.

### Asset Growth Rate



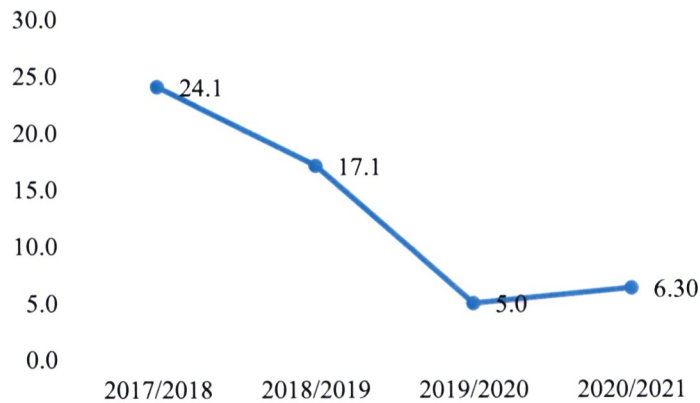
v) Total Liabilities reduced by **11.95%** in the period ending 30<sup>th</sup> June, 2021 as compared to a **27%** growth recorded in the FY ending June 30, 2020. This was an indication of reduction in Kenya Law’s commitments and obligations to third parties. This was however still higher than the growth rates of 1% in the years 2018/2019 and 2017/2018 respectively. Liabilities in the FY 2019/2020 had increased due to the higher number of rolled over activities in ICT interventions and printing that were completed and paid off in the FY 2020/2021.

### % Rate of Liabilities



vi) The liquidity of Kenya Law was also healthy. The Current ratio as at 30<sup>th</sup> June, 2021 increased to **6.3:1** as compared to **5:1** as at 30<sup>th</sup> June 2020. This indicates that Kenya Law had Kshs. **6.30** worth of Assets available to pay Kshs. 1 worth of Liabilities as at 30<sup>th</sup> June, 2021. This was higher however lower as compared to **17:1** in the FY 2018/2019 and **24:1** in the FY 2017/2018. The increment in FY 2020/ 2021 ratio was due to additional Current Assets i.e. legal publications of acquired in the Financial year.

## The Current Ratio

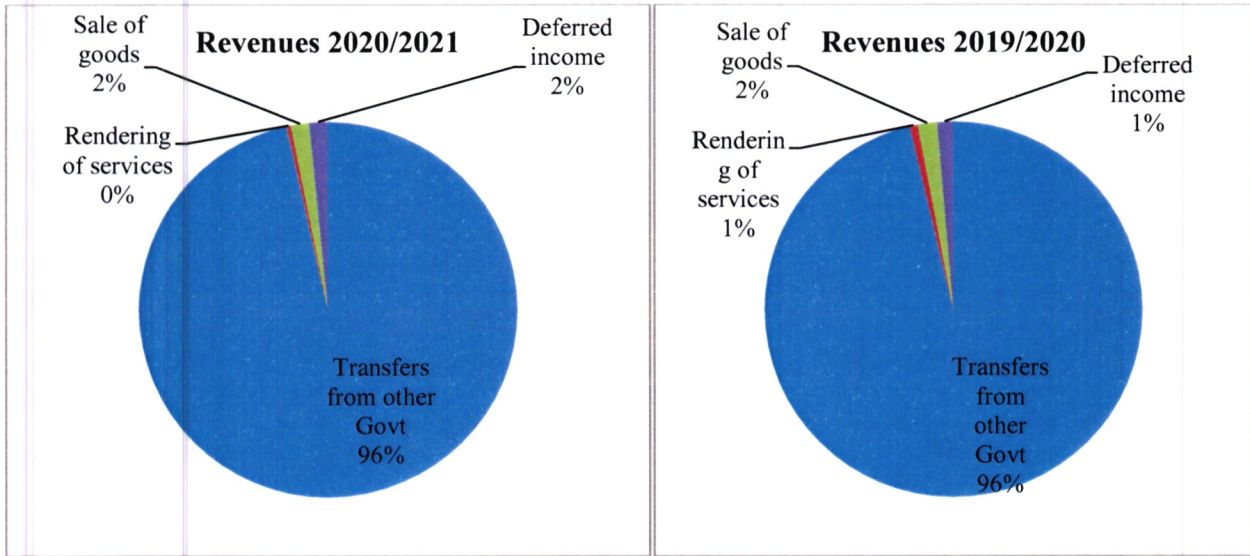


vii) The Quick (Acid Test) ratio as at 30<sup>th</sup> June, 2021 reduced to **1.8:1** as compared to **2.0:1** as at **30<sup>th</sup> June 2020**. This indicates that Kenya Law had Kshs. **1.8** worth of Quick Assets available to pay Kshs. 1 worth of Liabilities as at 30<sup>th</sup> June, 2021 as compared to Kshs. **8:1** in the FY 2018/2019 and **Ksh 10:1** in the FY 2017/2018. 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 2020/2021.

## The Quick (Acid Test) ratio

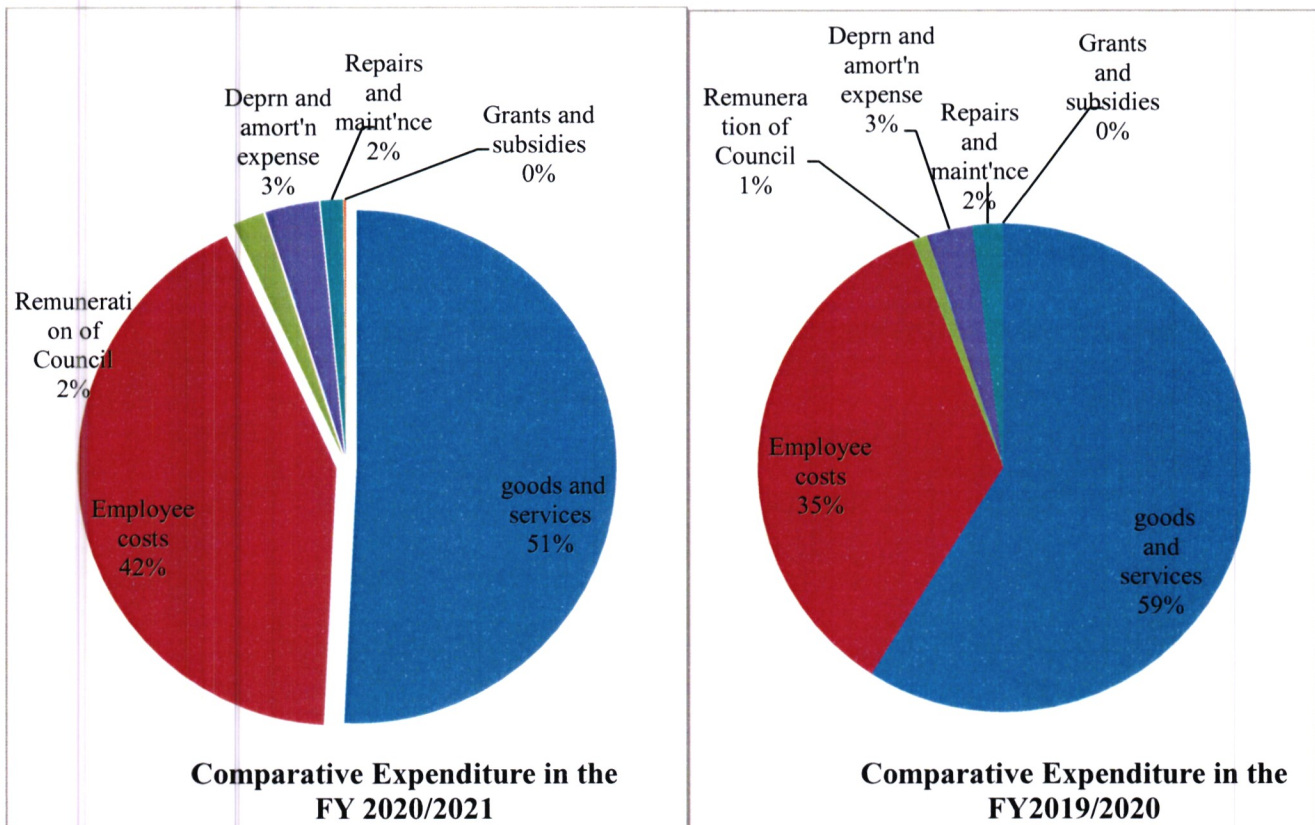


**viii) Comparison of the Sources of Revenues for the FY 2020/2021 and FY 2019/2020**



Kenya Law received 96% of its revenues from the Government grants on both years. This shows that Kenya Law is still highly dependent on Government of Kenya support in financing of its operations. Kenya Law received Kshs.354.3 Million and Kshs.336.54 Million in the FYs 2019/2020 and 2020/2021 respectively from the GOK.

**ix) Comparison of Expenditure items for the FY 2020/2021 and FY 2019/2020**



There use of goods and services was higher in FY 2019/2020 because of a one-off expenditure of Kshs. 40 Million in ICT interventions on supplementary budget I estimates. Kenya Law also spent more on printing of 8 volumes of backlog Kenya Law Reports and 3,500 copies of the Laws of Kenya print volumes in FY 2019/2020. Employee costs increased marginally due to the annual growth in salaries. Remuneration to Council members also grew due to the introduction of Council evaluation retreats. Depreciation remained more or less unchanged.

### **Growth and Strategies**

#### **I) Acquisition of ICT systems for legal publishing**

##### **a) Kenya Law Database.**

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.

##### **b) 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 is an area of collaboration with the County Governments.

#### **III) New Human Resource Instruments**

Kenya Law has developed new Human Resource Instruments that have now been approved by the State Corporations Advisory Committee. The new instruments provide for a robust Human Resource establishment of 275 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 on 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 premium 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 caselaw 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

e) **Legislative and Policy reform**

Kenya Law has identified, developed and submitted **2** memorandums, **2** developed policy positions, sought exemptions, **5** reviewed and developed institutional policies that have an impact on institutional mandate.

### ***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 **22%** of its staff establishment which has primarily been caused by the limited budgetary allocations. Out of a staff establishment of **329**, 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) Kenya Law has not been able to continuously **upgrade** and improve its **ICT infrastructure** to the required standards. 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;

- Highly specialized systems that require specialized training which could not be carried out due to the insufficient funds.
  - 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.
- iv) Low numbers (3,945 reduced count) of decisions from the Courts were occasioned by COVID-19. Other challenges included receipt of judicial decisions in incompatible formats; unavailability of hard copies of legislative supplements and collection of other public legal information from government printer and other state agencies.
- i) A total of 636 (16%) decisions were not case backed due to missing case history statements within judicial decisions.
- ii) Kenya Law works with various players in the justice and legal sector to collect process and disseminate public legal information and as such some of these processes are outside the control of the organization e.g. sending of the rulings and judgments, cause lists, approval of the Annual Supplement and the reluctance by certain actors to release public information that is regarded as classified. Any **delay by** any one of the **actors** involved in the production of public legal information will negatively affect its ability to meet its mandate of providing access to public legal information.

### **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 has been phased out commencing in the financial year 2019/2020. They are both on-going implementation.

## **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 expenditure constituted 42.23% (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 22% of its staff compliment (72 staff compared to a staff establishment of 329) 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. 9,250,339 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 30<sup>th</sup> June 2021.

### **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 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 employees 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 2018-2020 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 Ngong Forest, Nairobi**

The National Council for Law Reporting (Kenya Law) entered into a framework for collaboration with the Kenya Forest Services in reforestation of 1.0 Ha at the Ngong Road Forest towards the achievement of 10% nation cover in line with the Presidential directive and “National Strategy for achieving and maintaining over 10% Tree Cover by 2022. The Project is jointly implemented by the Ministry of Environment and Forestry (MEF), Kenya Forest Service (KFS), Kenya Forest Research Institute (KEFRI) and Kenya Water Towers Agency (KWTA). To contribute towards the achievement of this objective, the Kenya Law Team led by the CEO/Editor, Mr. Long’et Terer planted 1,000 indigenous seedlings at the Ngong Forest, Nairobi.



## 10. REPORT OF COUNCIL MEMBERS

The Council Members submit their report together with the audited financial statements for the year ended June 30, 2021 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](http://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, 2021 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. During the year, the Council Chairperson, Hon. Justice David Maraga retired in the month of January 2021 and Hon. Justice Martha Koome appointed with effect from the month of May 2021.

### 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 ...31.12.2021

Council Secretary

## 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 ended June 30, 2021, 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

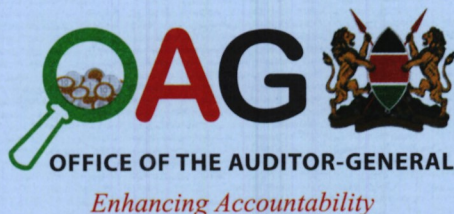
The financial statements for National Council for Law Reporting were approved by the Council on 14<sup>th</sup> October 2021 and signed on its behalf by:

**Chairperson**

**Member**

**Secretary**

# REPUBLIC OF KENYA



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**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, 2021**

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### **PREAMBLE**

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal control, 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 34, which comprise the statement of financial position as at 30 June, 2021, 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, 2021, 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. There were no key audit matters to report in the year under review.

### **Other Matter**

#### **1. Delay in Transferring Legal Ownership of Motor Vehicles**

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, however, clear why it has taken an inordinately long time to transfer the legal ownership of these vehicles to the Council.

## **2. Long Outstanding Debts**

As disclosed in Note 16 to the financial statements, the statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.14,984,691 as at 30 June, 2021(2020: Kshs. 24,542,605). The balance includes debts totalling Kshs.13,808,055 that have been outstanding for more than five (5) years, some dating back to the financial year 2012/2013. These debts includes an amount of Kshs.11,076,100 owed by The Judiciary for various legal publications.

The Management explained that a tight credit policy had been instituted and sustained which in consequence enabled the Council to reduce the debts portfolio by Kshs.9,557,914 or 39% in the year under review from Kshs.24,542,605 as at 30 June, 2020 to Kshs.14,984,691 as at 30 June, 2021.

## **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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal 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 those Charged with Governance**

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's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the 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.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity 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 continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the 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**

**25 January, 2022**

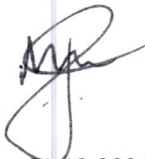
**13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

	Notes	2020-2021	2019-2020
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from Government of Kenya	6	336,540,366	354,300,000
Transfers from Donors- Deferred income realized	23	5,456,081	5,007,995
<b>Total</b>		<b>341,996,447</b>	<b>359,307,995</b>
<b>Revenue from exchange transactions</b>			
Rendering of Services (Other Income)	7	1,299,500	2,500,000
Sale of goods	8	5,444,899	6,004,400
<b>Total Revenue</b>		<b>348,740,846</b>	<b>367,812,395</b>
<b>Expenses</b>			
Use of goods and services	9	164,034,628	224,608,541
Employee costs	10	136,501,308	133,825,057
Remuneration of Council members	11	6,457,655	4,095,868
Depreciation and amortization expense	12	10,931,590	10,341,426
Repairs and maintenance	13	4,545,160	4,889,118
Grants and subsidies	14	545,102	106,000
<b>Total expenses</b>		<b>323,015,443</b>	<b>377,866,010</b>
<b>Surplus before tax</b>		<b>25,725,403</b>	<b>(10,053,615)</b>
Taxation		-	-
<b>Surplus/(deficit) for the period/year</b>		<b>25,725,403</b>	<b>(10,053,615)</b>

The notes set out on pages 7-33 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 (Ag)**  
**Ms. Janet Munywoki**



Date.....31.12.2021.....

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



Date ...31.12.2021.....

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



Date.... 31.12.2021.....

**14. STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE 2021**

	Notes	2020-2021 Kshs	2019-2020 Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	15	62,919,417	88,653,475
Current portion of receivables from exchange transactions	16	14,984,691	24,542,605
Receivables from non-exchange transactions	17(a)	16,973,204	9,699,704
Inventories	18	242,655,325	222,113,455
<b>Total Current Assets</b>		<b>337,532,636</b>	<b>345,009,239</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	19	57,629,302	52,373,542
Intangible assets	20	1,928,219	2,367,346
Long term receivables from non-exchange transactions	17(b)	3,780,255	3,780,255
<b>Total Non- Current Assets</b>		<b>63,337,776</b>	<b>58,521,143</b>
<b>Total Assets</b>		<b>400,870,413</b>	<b>403,530,382</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	21	52,470,959	76,836,786
Deferred income	23	155,146,617	160,602,698
Employee benefit obligation	24	1,436,536	-
<b>Total Current Liabilities</b>		<b>209,054,112</b>	<b>237,439,484</b>
<b>Total Liabilities</b>		<b>209,054,112</b>	<b>237,439,484</b>
<b>Net assets</b>			
Accumulated surplus		168,251,025	142,525,622
Capital Fund		23,565,276	23,565,276
<b>Total Net Assets</b>		<b>191,816,301</b>	<b>166,090,898</b>
<b>Total Net Assets and Liabilities</b>		<b>400,870,413</b>	<b>403,530,382</b>

The Financial Statements set out on pages 7-33 were signed on behalf of the Council Members by:

**Editor/C.E.O (Ag)**  
**Ms. Janet Munywoki**



Date..... **31.12.2021**.....

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



Date ...**31.12.2021**.....

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



Date.... **31.12.2021**.....

**15. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

Details	Notes	Ordinary share capital	Revaluati on reserve	Fair value adjustme nt reserve	Retained earnings	Proposed dividend s	Capital/ Development Grants/Fund	Total
<b>As at July 1<sup>st</sup>, 2020</b>		-	-	-	<b>142,525,622</b>	-	<b>23,565,276</b>	<b>166,090,898</b>
Issued new capital		-	-	-	-	-	-	-
<b>As at June 30<sup>th</sup>, 2020</b>		-	-	-	<b>142,525,622</b>	-	<b>23,565,276</b>	<b>166,090,898</b>
<b>As at July 1<sup>st</sup>, 2020</b>		-	-	-	<b>142,525,622</b>	-	<b>23,565,276</b>	<b>166,090,898</b>
Surplus/ deficit for the year		-	-	-	25,725,403	-	-	25,725,403
<b>As at June 30<sup>th</sup>, 2021</b>		-	-	-	<b>168,251,025</b>	-	<b>23,565,276</b>	<b>191,816,301</b>

**16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

	Notes	2020-2021 Kshs	2019-2020 Kshs
<b>Cash flows from operating activities</b>	<b>Note</b>	<b>Current year</b>	<b>Prior Year</b>
Surplus / (Deficit) before Tax		25,725,403	(10,053,614)
Taxation		-	-
Surplus / (Deficit) for the period		25,725,403	(10,053,614)
<b>Non - cash Adjustments</b>			
Depreciation and Amortization	12	10,931,590	10,341,426
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets	19	(15,748,223)	(35,000)
<b>Net cash flows used in investing activities</b>		<b>(15,748,223)</b>	<b>(35,000)</b>
<b>Cash flows from working Capital changes</b>			
(Decrease)/increase in Receivables from exchange transactions	16	9,557,914	361,028
(Decrease)/increase in Receivables from non-exchange transactions	17	(7,273,500)	(9,057,879)
(Decrease)/increase in trade and other payables from exchange transactions	21	(24,365,827)	56,157,094
(Decrease)/increase in trade and other payables Employee benefit obligation	24	1,436,536	(1,283,735)
(Decrease)/increase in Inventories	18	(20,541,870)	(25,008,833)
(Decrease)/increase in Deferred income	23	(5,456,081)	(5,007,996)
<b>Net cash flows used in investing activities</b>		<b>(46,642,828)</b>	<b>16,124,679</b>
<b>Cash flows from financing activities</b>		-	-
<b>Net cash flows used in financing activities</b>		-	-
Net increase/(decrease) in cash and cash equivalents		(25,734,058)	16,412,491
Cash and cash equivalents at beginning of the quarter		88,653,475	72,240,984
<b>Cash and cash equivalents at end of the quarter</b>		<b>62,919,417</b>	<b>88,653,475</b>

The Financial Statements set out on pages 7-33 are signed on behalf of the Board of Directors by:

Editor/C.E.O (Ag)  
Ms. Janet Munywoki



Date..... 31.12.2021.....

Head of Finance  
Mr. Pascal Othieno

ICPAK M. No:7326



Date ...31.12.2021.....

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



Date... 31.12.2021.....

**17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference		% of utilisation
	Kshs	A	Kshs	b	Kshs	C=(a+b)	Kshs	D	Kshs	e=(c-d)	
<b>Revenue</b>											
Transfers from other governments entities	321,540,366		15,000,000		336,540,366		336,540,366		0		1
Sale of goods	0		10,000,000		10,000,000		5,444,899		4,555,101		0.54
Rendering of services	0		0		0		1,299,500		(1,299,500)		
Deferred Income	0		0		0		5,456,081		(5,456,081)		
<b>Total income</b>	<b>321,540,366</b>		<b>25,000,000</b>		<b>346,540,366</b>		<b>348,670,846</b>		<b>(2,200,480)</b>		
<b>Expenses</b>											
Use of goods and services	168,416,648		25,000,000		193,416,648		164,034,628		29,370,420		0.85
Employee costs	139,653,718		-		139,653,718		136,501,308		3,152,410		0.98
Remuneration of directors	7,990,000		-		7,990,000		6,457,655		1,532,345		0.81
Depreciation and amortization expense	-		-		-		10,931,590		(10,931,590)		-
Repairs and maintenance	4,880,000		-		4,880,000		4,545,160		334,840		0.93
Grants and subsidies	600,000		-		600,000		545,102		54,898		0.91
<b>Total expenditure</b>	<b>321,540,366</b>		<b>25,000,000</b>		<b>346,540,366</b>		<b>323,015,443</b>		<b>23,524,923</b>		
Surplus for the period	0		0		0		25,725,403		(25,725,403)		

Notes to the statement of comparison of budgeted and actual amounts for the financial year 2020/2021:

- a) The 46% under collection of revenue from the sale of legal publication was due to hard economic times and increased reliance on the online platform to access our services attributed to increased working from home.
- b) The 15% under expenditure in Goods and services is attributed to low absorption especially in ICT expenditures that had been budgeted for in the Supplementary II budget. There was also low absorption in publishing and printing expenses, sanitary and cleaning services and purchase of newspapers due to the COVID-19 pandemic.

- c) The 19% under expenditure in Remuneration of directors was attributed to delays in convening a board retreat due to the COVID-19 pandemic.
- d) The 7% under expenditure in repairs and maintenance was attributed to low maintenance costs of motor vehicles emanating from decreased use due to the COVID-19 pandemic.
- e) The 9% under expenditure in grants and subsidies was attributed to failure to attend some sports events and tree planting activities due to the COVID-19 pandemic.
- f) The changes in original and final budget were due to additional allocations of Kshs. 15,000,000 in the Supplementary II budget and authority to utilize Kshs.10, 000,000 from A-In-A collections.

## 18. 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 year ended 30<sup>th</sup> June 2021. 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 year ended 30<sup>th</sup> June 2021.

The management of Kenya Law has evaluated the impact of the new standards not yet effective for the year ended 30<sup>th</sup> June 2021 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 financial year 2020-2021.

#### 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 indirect method. The financial statements are prepared on an accrual basis.

### 3. ADOPTION OF NEW AND REVISED STANDARDS

*i. New and amended standards and interpretations in issue effective in the year ended 30<sup>th</sup> June 2021.*

Standard	Impact
Improvements to IPSAS	<p><b>Applicable: 1<sup>st</sup> January 2021:</b></p> <p>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.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment.</p> <p style="padding-left: 40px;">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.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets.</p> <p style="padding-left: 40px;">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.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs).</p> <p style="padding-left: 40px;">Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p> <p style="padding-left: 40px;">The above improvements to IPSAS did not have an impact in the of the Council's Financial statements in the Financial year ended 30<sup>th</sup> June 2021.</p>

*ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30<sup>th</sup> June 2021.*

Standard	Effective date and impact:
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023:</b> 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"> <li>• 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;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• 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.</li> </ul> <p>The above improvements to IPSAS did not have an impact in the Council’s Financial statements in the Financial year ended 30<sup>th</sup> June 2021.</p>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b> 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"> <li>a) The nature of such social benefits provided by the entity;</li> <li>b) The key features of the operation of those social benefit schemes; and</li> <li>c) The impact of such social benefits provided on the entity’s financial performance, financial position and cash flows.</li> </ol> <p>The above improvements to IPSAS did not have an impact in the Council’s Financial statements in the Financial year ended 30<sup>th</sup> June 2021.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1st January 2023:</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> </ol> <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 the Council’s Financial statements in the Financial year ended 30<sup>th</sup> June 2021.</p>

**Early adoption of standards**

The Council did not early – adopt any new or amended standards in financial year 2020/2021.

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a) **Revenue recognition**

i) **Revenue from non-exchange transactions**

• **Fees, taxes and fines**

The entity 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 benefit has been transferred to the buyer.

• **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 the entity'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 2020-2021 was approved by the National Assembly in June 2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific

approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of 15,000,000 on the 2020-2021 budget following the governing body's approval.

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 on page 5 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 the Entity 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, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. 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 financial year. 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 year is analysed in the following manner:

Description	Motor vehicles	Furniture and fittings	Computers	Plant and Equipment	Total
At 1 <sup>st</sup> July 2020 beginning of the year	52,373,542	52,515,246	49,937,217	58,491,296	52,373,542
Additions	2,937,760	70,000	11,090,463	1,650,000	15,748,223
Disposals	0	0	0	0	0
Transfers/adjustments	0	0	0	0	0
<b>At end of the Year 30<sup>th</sup> June 2021</b>	<b>55,311,302</b>	<b>52,585,246</b>	<b>61,027,680</b>	<b>60,141,296</b>	<b>68,121,765</b>
<b>Depreciation and impairment</b>					
Depreciation for GOK funded assets	-	1,586,331	2,181,335	1,268,716	5,036,382
Depreciation for donated assets	1,082,441	1,377,584	1,894,292	1,101,764	5,456,081
<b>Total Depreciation for the year ended 30<sup>th</sup> June 2021</b>	<b>2,796,056</b>	<b>2,648,029</b>	<b>2,536,384</b>	<b>2,511,994</b>	<b>10,492,463</b>

**f) 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.

**g) 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. The Entity 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 the Entity 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. The Entity 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:

- Raw materials: purchase cost using the weighted average cost method.
- 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.

- Raw materials: purchase cost using the weighted average cost method.
- 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 the Entity.

**h) 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.

- **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.

- **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.

**i) Reserves**

**Nature and purpose of reserves**

Kenya Law creates and maintains reserves in terms of specific requirements. There were no reserves in the Council's books as at 30<sup>th</sup> June 2021.

**j) 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.

Kenya Law has a defined contribution arrangement of retirement benefits. The fund was created in July 2012 and has a membership of 72 active and 8 deferred members.

**k) 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.

**l) 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.

**m) 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.

**n) 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, the Entity 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, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**o) Cash and cash equivalents**

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

**p) Comparative figures**

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

**q) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2021.

## 5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. 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. The Entity 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 the Entity. 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 the Entity.
- 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	2020-2021 Kshs	2019-2020 Kshs
<b>Unconditional grants</b>		
Transfers from The Government of Kenya	336,540,366	354,300,000
Other grants	-	-
<b>Total transfers from Government of Kenya</b>	<b>336,540,366</b>	<b>354,300,000</b>

### Transfers from Ministries, Departments and Agencies

Name of the Entity sending the grant	Amount recognized Statement Financial performance KShs	Amount to deferred of under deferred income KShs	Amount recognised in capital fund.	Total transfers 2020/21	Prior year 2019/2020
The Office of the Attorney General & Department of Justice	336,540,366	-	-	336,540,366	354,300,000
<b>Total Transfers from Ministries, Departments and Agencies</b>	<b>336,540,366</b>	<b>-</b>	<b>-</b>	<b>336,540,366</b>	<b>354,300,000</b>

## 7. RENDERING OF SERVICES

Description	2020-2021 Kshs	2019-2020 Kshs
<b>Service Fees</b>		
Service fees from publishing services	1,299,500	2,500,000
<b>Total revenue from the rendering of services</b>	<b>1,299,500</b>	<b>2,500,000</b>

Income from service fees is in regard to the rendering of publishing services for various specialized publications and other publication services for public legal information offered by Kenya Law in the year ending 30<sup>th</sup> June 2021.

## 8. SALE OF GOODS

Description	2020-2021 Kshs	2019-2020 Kshs
<b>Sale of goods</b>		
Sale of Kenya Law reports and other related legal publications	5,444,899	6,004,400
<b>Total revenue from the sale of goods</b>	<b>5,444,899</b>	<b>6,004,400</b>

This is revenue earned from the sale of Kenya Law Reports and other Legal publications that were published and sold in the year ending 30<sup>th</sup> June 2021.

## 9. USE OF GOODS AND SERVICES

Description	2020-2021 Kshs	2019-2020 Kshs
Cleaning Costs	1,210,692	998,968
Accessories to Computers	3,564,031	1,667,918
Security Costs	1,470,009	1,234,506
Contracted Professional Services	2,097,306	3,183,000
Subscriptions to Newspapers	412,887	425,040
Advertising	714,557	884,640
Membership fees dues, subscriptions to professional orgs. and trade bodies	164,740	301,680
Audit fees	800,000	900,000
Conferences and delegations	3,053,558	1,681,800
Contracted ICT Services	39,191,255	22,468,861
Postage & Courier Services	4,997,442	159,771
Motor fuel and oil	163,400	320,050
Cleaning of Motor Vehicle	84,600	-
Catering	4,855,256	4,223,702
Insurance	18,480,876	18,406,322
Computer Software	9,961,940	13,535,099
Parking Costs	2,013,880	1,350
Sanitary & Cleaning materials	344,807	346,154
General Office stationery	3,827,987	1,539,591
Publishing and Printing	10,434,014	88,711,421
Tradeshows & Exhibitions	158,400	1,549,834
Rental	27,665,400	26,681,871
Laundry costs	3,000	74,950
Cost of Sales	3,263,088	2,640,935
Temporary Committee Allowances	1,964,000	1,946,000
Education & Library	1,651,176	1,702,080
Telecommunication	952,051	585,996

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Training	5,708,277	6,936,253
Cooking Gas	11,000	-
Internet Costs	3,990,889	1,968,631
Travel, accommodation, subsistence and other allowances	10,500,084	19,296,631
Bank charges	324,026	235,487
<b>Total Use of Goods and Services</b>	<b>164,034,628</b>	<b>224,608,541</b>

**10. EMPLOYEE COSTS (72 members of staff)**

Description	2020-2021 Kshs	2019-2020 Kshs
Salaries and wages	58,474,949	58,046,963
Employer contribution to pension schemes	10,732,510	10,382,826
Housing benefits and allowances	66,918,849	65,075,268
Performance and other bonuses	375,000	320,000
<b>Total Employee costs</b>	<b>136,501,308</b>	<b>133,825,057</b>

**11. COUNCIL MEMBERS EXPENSES**

Description	2020-2021 Kshs	2019-2020 Kshs
Chairman/Directors' Honoraria	1,044,000	1,044,000
Sitting allowances	2,991,000	2,766,250
Induction and Training	1,744,565	-
Travel and accommodation	158,090	285,618
Other allowances	520,000	-
<b>Total Council member expenses</b>	<b>6,457,655</b>	<b>4,095,868</b>

**12. DEPRECIATION AND AMORTIZATION EXPENSES**

Description	2020-2021 Kshs	2019-2020 Kshs
Property, plant and equipment	10,492,463	9,802,117
Intangible assets	439,127	539,309
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>10,931,590</b>	<b>10,341,426</b>

### 13. REPAIRS AND MAINTENANCE

Description	2020-2021 Kshs	2019-2020 Kshs
Equipment and machinery	2,188,409	1,978,008
Motor vehicle	64,552	223,561
Furniture and fittings	23,700	184,200
Computers and accessories	2,146,799	2,465,350
Communications Equipment	121,700	38,000
<b>Total repairs and maintenance</b>	<b>4,545,160</b>	<b>4,889,119</b>

### 14. GRANTS AND SUBSIDIES

Description	2020-2021 Kshs	2019-2020 Kshs
Social development	545,102	106,000
<b>Total grants and subsidies</b>	<b>545,102</b>	<b>106,000</b>

### 15. CASH AND CASH EQUIVALENTS

Description	2020-2021 Kshs	2019-2020 Kshs
Current accounts	61,102,638	87,159,064
Others (Mpesa, Cash In hand)	1,816,779	1,494,411
<b>Total cash and cash equivalents</b>	<b>62,919,417</b>	<b>88,653,475</b>

#### Analysis of the Cash and Cash Equivalents

Description	Bank Account Number	Currency	2020-2021 Kshs	2019-2020 Kshs
<b>a) Current account</b>				
Kenya Commercial bank	1103135449	Kshs	57,233,771	83,589,909
Kenya Commercial bank(Grants)	1131298241	USD	4,783	4,783
Barclays Bank of Kenya	0451230484	Kshs	3,864,084	3,564,372
<b>Sub-Total</b>			<b>61,102,638</b>	<b>87,159,064</b>
<b>b) Others</b>				
Cash in hand		Kshs	88,344	25,110
M-Pesa	516800	Kshs	1,728,435	1,469,301
Sub total			<b>1,816,779</b>	<b>1,494,411</b>
<b>Total Cash and Cash Equivalents</b>			<b>62,919,417</b>	<b>88,653,475</b>

#### 16. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021 Kshs	2019-2020 Kshs
<b>Receivables from exchange transactions</b>		
Debtors – (Sale of legal publications)	14,984,691	24,542,605
<b>Total receivables from exchange transactions</b>	<b>14,984,691</b>	<b>24,542,605</b>

#### 17. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

##### 17 (a) Current Receivables from Non-Exchange Transactions

Description	2020-2021 Kshs	2019-2020 Kshs
<b>Current receivables</b>	-	-
Salary Advances	121,408	673,253
Other debtors (Temporary Imprests)	1,851,796	2,458,166
Prepaid Rent	0	6,568,285
Grants Receivable	15,000,000	0
Less: impairment allowance	-	-
<b>Total current receivables from Non-Exchange Transactions</b>	<b>16,973,204</b>	<b>9,699,704</b>

##### 17 (b) Long- term Receivables from Non-Exchange Transactions

Description	2020-2021 Kshs	2019-2020 Kshs
<b>Long-term Receivables</b>		
Other exchange debtors (Rent deposits)	3,780,255	3,780,255
Less: impairment allowance	-	-
<b>Total</b>	<b>3,780,255</b>	<b>3,780,255</b>
Current portion transferred to current receivables	-	-
<b>Total Long- term Receivables from Non-Exchange Transactions</b>	<b>3,780,255</b>	<b>3,780,255</b>

## 18. INVENTORIES

Description	2020-2021 Kshs	2019-2020 Kshs
Consumable stores	4,817,771	920,976
Library Books Inventory	7,349,484	7,307,724
Other goods held for resale (Kenya Law Reports and LOK publications)	230,488,070	213,884,755
Less: Allowance for impairment	-	-
<b>Total inventories at the lower of cost and net realizable value</b>	<b>242,655,325</b>	<b>222,113,455</b>

## 19. PROPERTY, PLANT AND EQUIPMENT

Cost	Motor Vehicles Kshs	Furniture and fittings Kshs	Computers Kshs	Plant and Equipment Kshs	Total Kshs
<b>As at 1 July 2019</b>	<b>17,900,000</b>	<b>55,505,024</b>	<b>55,433,218</b>	<b>13,785,117</b>	<b>142,623,359</b>
Additions in the year	-	35,000	-	-	35,000
Disposals	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-
<b>As at 30<sup>th</sup> June 2020</b>	<b>17,900,000</b>	<b>55,540,024</b>	<b>55,433,218</b>	<b>13,785,117</b>	<b>142,658,359</b>
Additions in the Year	0	70,000	4,778,220	10,900,003	15,748,223
Disposals	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-
<b>As at 30<sup>th</sup> June 2021</b>	<b>17,900,000</b>	<b>55,610,024</b>	<b>60,211,438</b>	<b>24,685,120</b>	<b>158,406,582</b>
<b>Depreciation and impairment</b>					
At 1 July 2019	10,735,596	21,557,072	40,827,605	7,362,427	80,482,700
Depreciation for the year ended 30 <sup>th</sup> June 2020	1,328,952	3,270,473	4,292,138	910,554	9,802,117
Impairment	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-
<b>As at 30 June 2020</b>	<b>12,064,548</b>	<b>24,827,545</b>	<b>45,119,743</b>	<b>8,272,981</b>	<b>90,284,817</b>
Depreciation for the year ended 30 <sup>th</sup> June 2021	1,082,441	2,963,915	4,075,627	2,370,480	10,492,463
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-
<b>Total Accumulated Depreciation</b>	<b>13,146,989</b>	<b>27,791,460</b>	<b>49,195,370</b>	<b>10,643,461</b>	<b>100,777,280</b>
<b>As at 30<sup>th</sup> June 2021</b>	<b>4,753,011</b>	<b>27,818,564</b>	<b>11,016,068</b>	<b>14,041,659</b>	<b>57,629,302</b>
<b>Net book values</b>					
<b>As at 30<sup>th</sup> June 2021</b>	<b>4,753,011</b>	<b>27,818,564</b>	<b>11,016,068</b>	<b>14,041,659</b>	<b>57,629,302</b>
<b>As at 30<sup>th</sup> June 2020</b>	<b>5,835,452</b>	<b>30,712,479</b>	<b>10,313,475</b>	<b>5,512,136</b>	<b>52,373,542</b>

## 20. INTANGIBLE ASSETS-SOFTWARE

Description	2020-2021 Kshs	2019-2020 Kshs
<b>Cost</b>		
<b>At beginning of the year as at July 2019</b>	<b>8,241,423</b>	<b>8,241,423</b>
Additions	-	-
<b>At end of the year as at June 2020</b>	<b>8,241,423</b>	<b>8,241,423</b>
Additions—internal development	-	-
<b>At end of the year as at June 2021</b>	<b>8,241,423</b>	<b>8,241,423</b>
<b>Amortization and impairment</b>		
<b>At beginning of the year as at July 2020</b>	<b>5,874,077</b>	<b>5,334,768</b>
Amortization	439,127	539,309
<b>At end of the year as at June 2021</b>	<b>6,313,204</b>	<b>5,874,077</b>
Impairment loss	-	-
<b>At end of the year as at June 2021</b>	<b>-</b>	<b>-</b>
<b>NBV as at 30<sup>th</sup> June 2021</b>	<b>1,928,219</b>	<b>2,367,346</b>

## 21. TRADE AND OTHER PAYABLES

Description	2020-2021 Kshs	2019-2020 Kshs
Trade payables	43,220,620	72,069,917
<b>Employee payables</b>		
HELB payable	-	21,429
Insurance Payable	135,997	101,032
Loan payable	922,284	778,893
NHIF Payable	114,100	115,200
NSSF payable	28,800	31,400
Waumini Sacco Payable	15,000	10,000
Welfare payable	100,800	50,400
PAYE Liability for Employees	2,346,545	-
Sheria Sacco payable	1,519,011	-
Mortgage payable	139,424	-
<b>Third-party payments</b>		
VAT payable	707,318	1,580,456
Audit fees payable	2,644,000	1,844,000
PAYE Liability for allowances	577,060	234,060
<b>Total trade and other payables</b>	<b>52,470,959</b>	<b>76,836,787</b>

## 22. CURRENT PROVISIONS

Description	Leave provision	Bonus provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Balance b/d (1.07.2020)</b>	-	-	-	1,844,000	1,844,000
Additional Provisions	-	-	-	800,000	800,000
<b>Total provisions as at 30.6.2021</b>	-	-	-	<b>2,644,000</b>	<b>2,644,000</b>
<b>Balance b/d (1.07.2020)</b>	-	-	-	<b>1,844,000</b>	<b>1,844,000</b>

## 23. TRANSFERS FROM DONORS- DEFERRED INCOME REALIZED

Description	2020-2021 Kshs	2019-2020 Kshs
National government	-	-
International Donors	5,456,081	5,007,996
Public contributions and donations	-	-
<b>Total deferred income</b>	<b>5,456,081</b>	<b>5,007,996</b>

Transfers from Donors - Deferred income realized movement is as follows:

Description	National government	International funders	Public contributions and donations	Total
Balance brought forward	-	160,602,698	-	160,602,698
Additions	-	-	-	-
Transfers to Capital fund	-	-	-	-
Transfers to income statement	-	(5,456,081)	-	(5,456,081)
<b>Balance carried forward 30.6.2021</b>	-	<b>155,146,617</b>	-	<b>155,146,617</b>

## 24. EMPLOYEE BENEFIT OBLIGATION

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	2020-2021	2019-2020
	Kshs	Kshs	KShs	Kshs	Kshs
Current benefit obligation	1,436,536	-	-	1,436,536	-
Non-current benefit obligation	-	-	-	-	-
<b>Total employee benefits obligation</b>	<b>1,436,536</b>	-	-	<b>1,436,536</b>	-

**Retirement benefit Asset/ Liability**

The entity 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 2021 which was duly paid in the month of July 2021.

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

Description	2020-2021 Kshs	2019-2020 Kshs
Valuation at the beginning of the year	98,181,670	78,591,033
Changes in valuation during the year	44,883,960	19,590,637
<b>Valuation at end of the year</b>	<b>143,065,630</b>	<b>98,181,670</b>

Kenya Law also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution 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. The entity 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 the Council'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
<b>As at 30<sup>th</sup> June 2021</b>				
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	-	-
<b>Total</b>	<b>94,877,412</b>	<b>94,822,412</b>	-	-
<b>As at 30<sup>th</sup> June 2020</b>				
Receivables from exchange transactions	24,542,605	10,750,434		
Receivables from non-exchange transactions	9,699,704	9,699,704		
Bank balances	88,653,475	88,653,475	-	-
<b>Total</b>	<b>122,895,784</b>	<b>109,103,613</b>	-	-

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 the entity has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has significant concentration of credit risk on amounts due from the Judiciary of Kshs. 11,076,100.

The Council and management sets the 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 the entity'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 the entity 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.

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Description	Less Than 1 Month Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs
<b>As at 30<sup>th</sup> June 2021</b>				
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
<b>Total</b>	<b>200,603,773</b>	<b>-</b>	<b>-</b>	<b>200,603,773</b>
<b>As at 30<sup>th</sup> June 2020</b>				
Trade payables	72,069,916	-	-	72,069,916
Other Current Liabilities (Salaries clearances & VAT )	3,966,871	-	-	3,966,871
Provisions	800,000	-	-	800,000
Deferred income unrealized	160,602,698	-	-	160,602,698
Employee benefit obligation	-	-	-	-
<b>Total</b>	<b>237,439,485</b>	<b>-</b>	<b>-</b>	<b>237,439,485</b>

**iii) Market risk**

Kenya Law has put in place an internal audit function to assist in assessing the risk faced by the entity 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 the entity'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.

The entity 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 the entity'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. The entity capital structure comprises of the following funds:

Description	2020-2021 Kshs	2019-2020 Kshs
Revaluation reserve	-	-
Retained earnings	168,251,025	142,525,621
Capital fund	23,656,276	23,656,276
<b>Total funds</b>	<b>191,816,301</b>	<b>166,181,897</b>
Total borrowings	-	-
Less: Cash and bank balances	(62,919,417)	(88,653,475)
Net debt/(excess cash and cash equivalents)	128,896,884	77,528,422
<b>Gearing</b>	<b>67.19%</b>	<b>46.65%</b>

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 the entity 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 the Council's 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 include:

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

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

Description	2020-2021 Kshs	2019-2020 Kshs
<b>Transactions with related parties</b>		
<b>a) Sales to related parties</b>		
Sales of legal publications to Judiciary	72,500	889,000
Sales of legal publications to SLO&DOJ	-	100,000
Sales of legal publications to Homabay County	45,000	-
Sales of legal publications to TransNzoia County	135,000	-
Sales of legal publications to Office of the Auditor General	61,000	-
Sales of legal publications to Uasin Gishu County	149,500	-
Sales of legal publications to Clerk of National Assembly	50,000	-
Sales of legal publications to Baringo County	102,000	-
Sales of legal publications to Cooperative Tribunal	147,000	-
Sales of legal publications to Kenya Deposit Insurance Corporation	338,000	-
<b>Total</b>	<b>1,100,000</b>	<b>989,000</b>
<b>b) Purchases from related parties</b>		
Training and conference fees paid to govt. agencies	987,960	858,275
<b>Total</b>	<b>987,960</b>	<b>858,275</b>
<b>Grants /Transfers from the Government</b>		
Grants from National Government	336,540,366	354,300,000
<b>Total</b>	<b>336,540,366</b>	<b>354,300,000</b>
<b>Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for 72 employees	136,501,308	133,016,175
<b>Total</b>	<b>136,501,308</b>	<b>133,016,175</b>
<b>b) Key management compensation</b>		
Directors' emoluments	4,555,000	4,095,868
Compensation to key management	41,097,928	37,030,089
<b>c) Total</b>	<b>45,652,928</b>	<b>41,125,957</b>

**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 raised the issue of shortage of staff as a key audit matter in the financial year 2019/2020 audit. This matter has not been resolved and was still outstanding as at 30<sup>th</sup> June 2021. Internally, we acknowledge that this is an urgent matter that needs to be addressed. Kenya Law has developed new Human resource instruments that have been approved by the State Corporations Advisory Committee (SCAC) and is planning to engage the National Treasury for additional funding to recruit additional staff, acquire additional office space, furniture and computers.

Editor / Chief Executive Officer (Ag)

Chairperson of the Council

Date..... 31.12.2021.....

Date ...31.12.2021.....

**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	Date received	Nature:	Total	Amount	Where Recorded/recognized	Source
Transferring the funds	Date as per bank statement	Recurrent/Development/Others	Kshs		Statement of Financial Performance	Capital Fund
State Law Office & Department of Justice	27/8/2020	Recurrent		80,385,091	80,385,091	-
State Law Office & Department of Justice	3/11/2020	Recurrent		80,385,092	80,385,092	-
State Law Office & Department of Justice	5/3/2021	Recurrent		70,385,091	70,385,091	-
State Law Office & Department of Justice	24/6/2021	Recurrent		90,385,092	90,385,092	-
State Law Office & Department of Justice	7/7/2021	Recurrent		15,000,000	15,000,000	-
<b>Total</b>				<b>336,540,366</b>	<b>336,540,366</b>	<b>-</b>



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