

REPUBLIC OF KENYA



REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT

DATE:

14 APR 2026

DAY.

Tuesday

TABLED
BY:

Hon. Naom Wago, CBS, MP

CLERK-AT
THE-TABLE:

(Deputy Majority Whip)
Inzofu Mwale, HSC

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

KENYA NATIONAL LIBRARY SERVICE

FOR THE YEAR ENDED

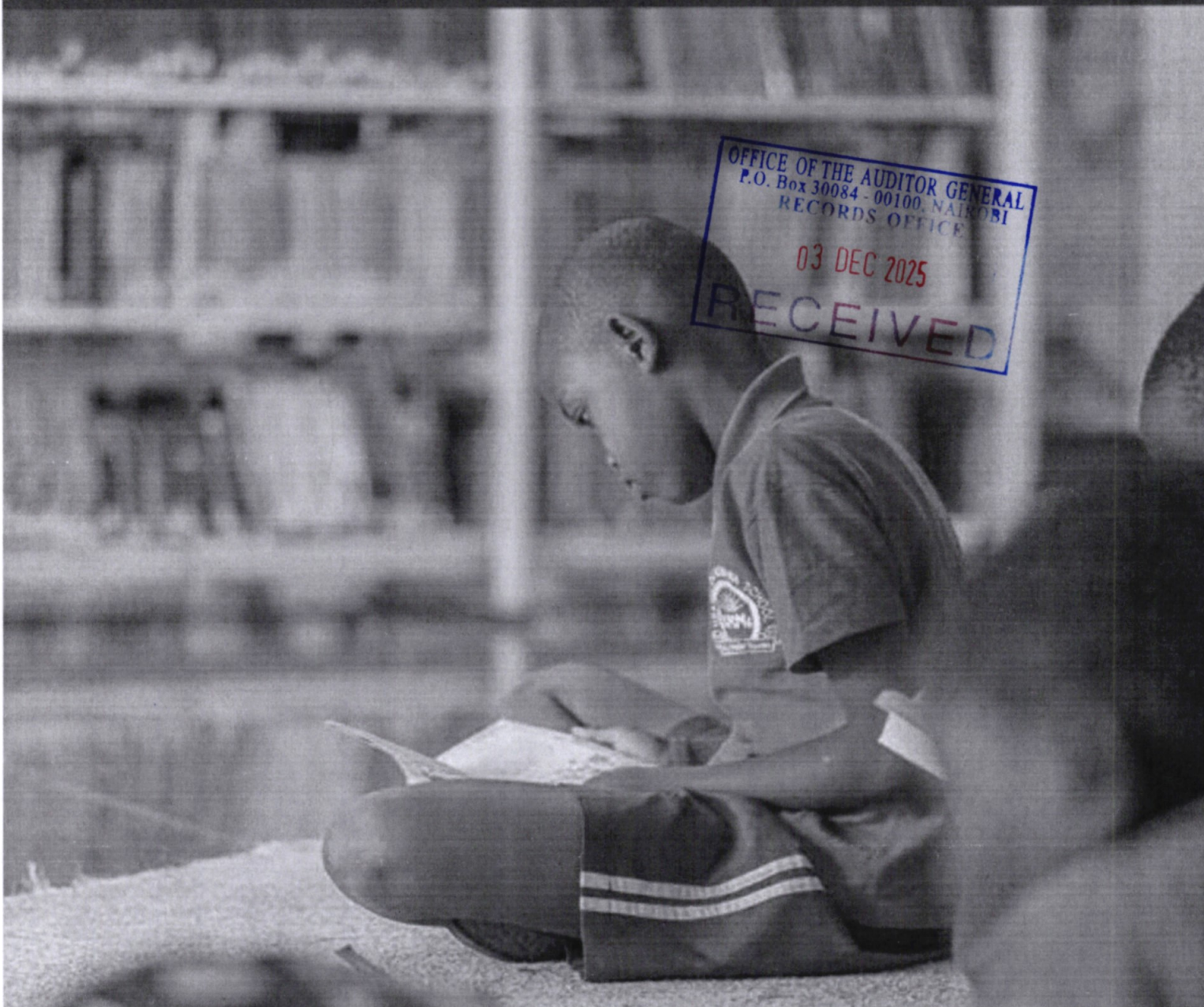
30 JUNE, 2025



kenya national
library service

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Financial Year ended 30th June 2025



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

TABLE OF CONTENT

PAGE

ANNUAL REPORT

1.	Acronyms, Abbreviations and Glossary of Terms	iv
2.	Key Entity Information And Management	v
3.	Board of Directors.....	ix
4.	Key Management Team	xiii
5.	Chairman's Report.....	xvii
6.	Report of The Chief Executive Officer	xix
8.	Corporate Governance Statement	xxvi
10.	Environmental and Sustainability Reporting.....	lii
11.	Report of The Directors.....	lx
12.	Statement of Directors' Responsibilities	lxi
13.	Report of The Auditor General For Knls	lxii

FINANCIAL REPORT

14.	Statement of Financial Performance	1
15.	Statement of Financial Position	2
16.	Statement of Changes In Net Assets	3
17.	Statement of Cash Flows	4
18.	Statement of Comparison of Budget And Actual Amounts	5
19.	Notes to The Financial Statements	6
	Appendix I. Implementation Status of Auditor-General's	28
	Appendix II. Projects Implemented by Knls.....	30
	Appendix III. Inter-Entity Transfers.....	31

1. ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS

A: Acronyms and Abbreviations

AIA	Appropriation in Aid
B2GO	Books to Go
CoG	Council of Governors
GoK	Government of Kenya
HE	His Excellency
ICPAK	Institute of Certified Public Accountants of Kenya
IGRTC	Inter-Governmental Relations Technical Committee
IPSAS	International Public Sector Accounting Standards
IPPF	International Professional Practices Framework
KARMA	Kenya Association of Records Managers and Archivists
KLA	Kenya Library Association
KNLS	Kenya National Library Service
MOU	Memorandum of Understanding
NGEC	National Gender and Equality Commission
NT	National Treasury
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
QAIP	Quality Assurance and Improvement Program
RDA	Resource Description and Access
SAGAs	Semi-Autonomous Government Agencies
SASDF	Sports Arts & Social Development Fund
TIKA	Turkish Cooperation Agency
TSILS	Total Solution for Integrated Library System

B: Glossary of Terms

Fiduciary Management - Members of Management directly entrusted with the responsibility of financial resources of the organization

Comparative Year - Means the prior period.

2. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Kenya National Library Service (KNLS) Board is a State Corporation under the Ministry of Gender, Culture and Children Services, State Department for Culture, The Arts and Heritage for the time being responsible for the Corporation. The Board was established by an Act of Parliament Cap 225 of the Laws of Kenya in April 1965. The entity is domiciled in Kenya and has 3 facilities performing the National Government Functions after 61 Branch libraries were transferred to County Governments effective 1st July 2023 as per the Constitution of Kenya, 2010 (Schedule 4).

(b) Principal Activities

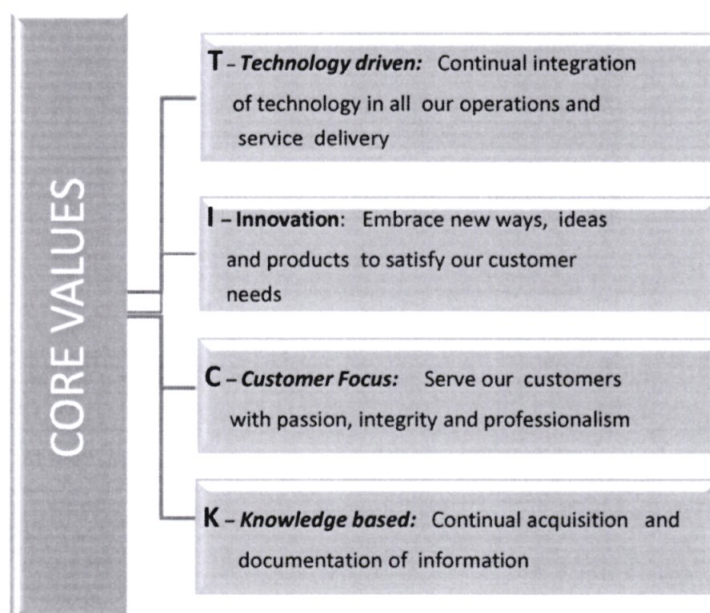
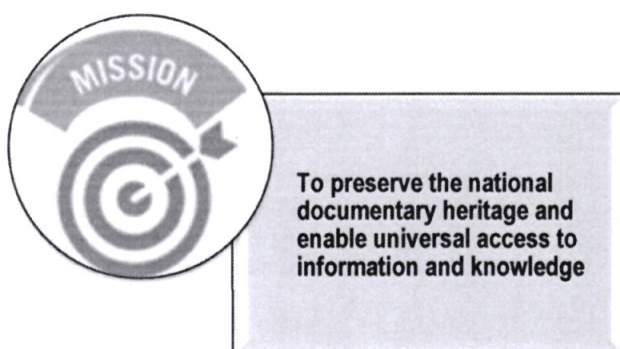
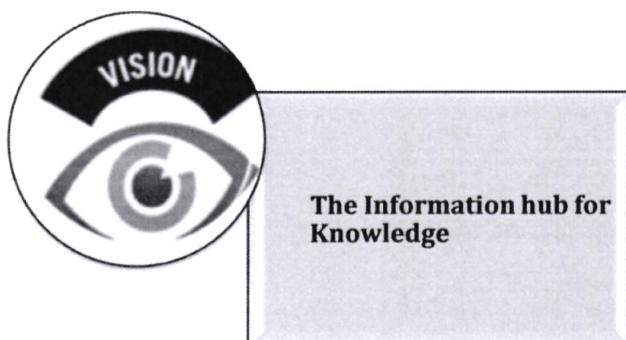
The Act of Parliament Cap 225 outlines the Board's principal activities as to promote, establish, equip, manage, maintain and develop libraries in Kenya as a National Library Service. One of the Board's main function is to preserve the national documentary heritage and to produce the Kenya national bibliography.

Core Functions

The following functions were deliberated and agreed upon between Council of Governors (CoG) and Kenya National Library Service (KNLS) with Inter-Governmental Relations Technical Committee (IGRTC) as the moderators and published under Gazette Notice Vol.CXXVI-No.219 number 16482 of 16th December 2024

1. Develop policy, legislation and set norms and standards for the library sector
2. Capacity building and Technical assistance to the County Governments
3. Acquire, preserve a collection of library resources including books published within and outside Kenya and such other materials and sources of knowledge necessary for a comprehensive national bibliography
4. Carry out and promote research in the development of libraries and related services.
5. Promote reading for knowledge, information and enjoyment through stimulation of public interest in books and participation in campaigns for the eradication of illiteracy
6. Administering international standards numbers for books, serials, Music
7. Publish the Kenya National Bibliography and Kenya Periodical Directory
8. Establish the National WebCat to publish catalogue for all libraries
9. Provide Library reference and referral services

Vision, Mission, Core Values of KNLS



(c) Key Management

The Kenya National Library Service day-to-day management is under the following key organs:

- Board of Directors
- Director General/CEO
- Director, Finance Planning and Resource Mobilization and
- Director, Acquisition and Distribution

No	Designation	Name
1	KNLS Board Chairman	Mr. Robert Theuri Maina
2	Alternate to the Principal Secretary, State Department for Culture, The Arts and Heritage	Dr. Naftali Chweya, OGW
3	Alternate to the Principal Secretary, State Department for Devolution	Dr. Silvia K. Vundi
4	Alternate to the Vice Chancellor, University of Nairobi	Angella Mumo
5	Alternate to the Principal Secretary, The National Treasury	Mr. Joel K. Bett
6	Alternate to the Principal Secretary, State Department for Social Protection and Senior Citizen Affairs	*Mr. Peter Ochieng
7	Alternate to the Principal Secretary, State Department for Social Protection and Senior Citizen Affairs	Philomena Wairimu Kamau
8	Independent Board Member	Dorcas A. Obwa
9	Independent Board Member	Mohammed Abdi Werar
10	Independent Board Member	Suleiman Issack Ali
11	Director General/CEO	Dr. Charles Nzivo
12	Director, Acquisition and Distribution	Philomena Mwirigi
13	Director, Finance Planning and Resource Mobilization	CPA Julie Musandu

**Mr. Peter Ochieng was replaced by Ms. Philomena Wairimu Kamau as the Alternate Board Member representing PS, Ministry of Labour and social Development on 27th January 2025*

(d) Fiduciary Management

The key management personnel who held office during the year ended 30th June 2025 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	Director General/CEO	Dr. Charles Nzivo
2.	Director, Acquisition and Distribution	Ms. Philomena Mwirigi
3.	Director, Finance Planning and Resource Mobilization	CPA Julie Musandu
4.	Principal Accountant	Mr. Joseph Kariuki
5.	Deputy Director, Human Resource Management and Development	Mr. Albert Nyauntu
6.	Deputy Director, Planning and Strategy	Mr. Cyrus Ndogo
7.	Deputy Director, Supply Chain Management	Ms. Janet Rotich

8.	Deputy Director, Information Communication Technology	Mr. Alex Ombongi
9.	Deputy Director, Corporate Communications	Mrs Nancy Ngugi
10.	Deputy Director, Internal Audit and Risk Assurance	Ms. Margaret Mwangi
11.	Deputy Director, Cataloguing, Classification and Distribution	Ms. Betty Kalugho
12.	Deputy Director, Resource Mobilization	Ms. Juliana Muchai
13.	Deputy Director, Preservation, Conservation and Publication	Mr. Richard Rono
14.	Deputy Director, Quality Assurance and Risk Management	Ms. Miriam Mureithi

(e) Fiduciary Oversight Arrangements

The overall oversight responsibility of KNLS rests with the Board of Directors as guided by the KNLS Board charter through its committees. It oversees the corporate governance, Risk management advises management in developing financial plans, and determines the strategic direction of the corporation, goals and objectives as well as evaluating management's performance in pursuing and achieving those goals.

The Board may establish committees, as it considers appropriate to assist in executing its functions/ Mandate.

In line with the Board's Charter, there are four standing committees with specific delegated authorities and terms of reference. These are; Audit, Finance & Project Development, Human Resource & Service Delivery and Marketing, Research & Resource Mobilization.

(f) Kenya National Library Service

P.O. Box 30573-00100
Kenya National Library Service Complex
Ragati/Hailleselasie Road Junction,
Community Area
Nairobi, Kenya

(g) Contacts

Mobile No : 0722-860567, 0202739893
Email : knls@knls.ac.ke
Website : www.knls.ac.ke

(h) Kenya National Library Service Bankers

Kenya Commercial Bank
Milimani Branch
NSSF Building
P.O. Box 69695
Nairobi, Kenya

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

3. BOARD OF DIRECTORS

During FY'2024/25 KNLS Board had a total of (11) eleven members. The Board Chairman, Alternate Board Member representing PS, State Department for Culture, the Arts and Heritage, Alt. Board member representing Ministry of Education, Alt. Board member representing University of Nairobi, Alt. Board member representing Ministry of Devolution, Alt. Board member representing Ministry of Labour and Social Development and Alt. Board member representing Ministry of Finance and Planning and three Independent Board Members

1. **Mr. Robert Theuri Maina**
Chairperson of the Board



Born in 1969, Mr. Robert Maina is the Chairperson of the Board of Directors serving his second term with effect from 28th February 2025 vide Kenya Gazette Notice No.2422. He holds a Bachelor of Education, (Moi University), Bachelor of Arts Biblical Studies and Leadership, and a Bachelor of Arts Ministerial Warfare both from the International College of Pastoral Studies.

Mr Robert Maina is the Presiding Bishop of Victors Assembly Church. He has vast experience of 13 years in matters of Education having served as a Graduate Teacher, Principal and a Lecturer in various institutions.

2. **Dr. Silvia K. Vundi**
Alternate to the Principal Secretary, State Department for Devolution



Born in 1972, Dr. Silvia K. Vundi holds a PHD in Peace & Conflict Studies and a Master of Education.

Dr. Silvia has over 25 years' experience in development of policies, frameworks, strategies and guidelines at International, National and Local Levels. She is widely published in Peer Reviewed Journals in Sociology of Education and Peace and Conflict Studies. She is a prequalified Subject Matter Expert (SME) with the International Peace Support Training College (IPSTC) Karen, Kenya.

Currently, the Deputy Director in the Capacity Building and Technical Assistance Department of the Ministry of Devolution.

She was appointed to the Board on 31st August, 2022 and serves as the Chairperson of the Marketing, Research and Resource Mobilization Committee

3. **Ms. Angella Mumo**
Alternate to the Vice Chancellor, University of Nairobi



Born in 1966, Ms. Angella Mumo holds a Master degree in Library and Information Sciences from Kenyatta University and currently undertaking her Doctorate in Library Studies at Moi University.

Angella has over twenty-five years' experience in Library Management System. She is a Librarian by profession with a passion in ensuring information/knowledge seen as the fifth factor of production is created, acquired, organized, preserved and disseminated/shared for development at personal, institutional, community, National and Global levels. She is currently the Director, Library and Information Services University of Nairobi.

She was appointed to the Board on 29th August, 2022 and serves as the Chairperson of the Human Resource and Service Delivery Committee.

4. Mr. Joel K. Bett
Alternate to the Principal Secretary, The National Treasury



Born in 1978, Mr. Joel K. Bett holds a Masters in Economics from University of Nairobi, among other Diploma and Management courses

Mr. Bett has over 12 years' experience having worked as an Economist with the Ministry of Co-operatives Development and Marketing and as a Senior Economist with Ministry of Industrialization and Enterprise Development.

He joined the National Treasury as a Senior Economist in 2015 and currently working as a Chief Economist/Monitoring & Evaluation specialist.

He was appointed to the Board on 30th September 2022 and serves as the Chairperson of the Finance and Project Development Committee

5. Mr. Peter Ochieng
Alternate to the Principal Secretary, State Department for Social Protection and Senior Citizen Affairs



Born in 1969, Mr. Peter Ochieng holds a Master of Education Administration and Planning – University of Nairobi, Master of Public Administration and Policy – Moi University.

Mr. Ochieng has vast experience in public service. In 2007 he joined the mainstream civil service as Chief Youth Officer- Ministry of Youth and Sports, Principal Youth Development Officer - Ministry of Public Service, Youth and Gender. Then rose to ranks of Assistant Director Youth Development, Senior Assistant Director Youth Development, Deputy Director Youth Development.

He also served Director Youth and Gender (Office of The Attorney General and Department of Justice) and then crossed to the Ministry of Labour and Social Protection as Director Social Development.

He became an alternate Board member representing the Principal Secretary Ministry of Labour and Social Development in December 2022. He was replaced by Ms. Philomena Kamau on 27th January 2025.

6. Ms. Philomena Wairimu Kamau
Alternate to the Principal Secretary, State Department for Social Protection and Senior Citizen Affairs



Born in 1972, Ms. Philomena Wairimu Kamau holds a Masters in Rural Sociology and Community Development (UON) and a Bachelors in Education (Arts) Kenyatta University.

Ms. Philomena has vast experience in public service having served for 18 years in the Ministry of Youth Affairs and 10 years in teaching. She is currently the Regional Coordinator Social Development Nairobi under State Department for Social Protection and Senior Citizen Affairs, in the Ministry of Labour and Social Protection.

She was appointed to the Board on 27th January 2025 via appointment letter Ref: ML&SP/9/45 replacing Mr. Peter Ochieng.

7. **Ms. Dorcas A. Obwa**
Independent Board Member



Born in 1980, Ms. Dorcas A. Obwa holds a Bachelor of Science in Information Science degree, Diploma in Archives and Records Management, Certificate in Archives Records Management and Library Information Studies.

Experience: Ms. Dorcas has over 19 years work experience. She has Extensive knowledge on contemporary archival and records management principles and practices. She has worked in the Ministry of Legal Affairs & Constitutional Development Southern Sudan Juba, Truth Justice and Reconciliation Commission Kenya and currently working as a Coordinator at Kisumu County.

She was appointed on 30th June 2023 via Gazette Notice No.8488.

8. **Dr. Naftal Chweya Oganga**
Alternate to the Principal Secretary, State Department for Culture, The Arts and Heritage



Born in 1970, Dr. Naftal Chweya Oganga holds a Doctor of Philosophy in Records and Archives Management from Moi University.

Dr. Chweya over 20 years' experience in the field of Records and Archives and is currently the Director Records Information Management in the State Department for Culture, the Art and Heritage. He is responsible for advising Government Ministries, State Departments and Public Agencies on effective records and information management.

Dr. Chweya is also a trainer in records management governance, digitization and computerization of records management systems and procedures.

He is a member of the Kenya association of records Managers and Archivists (KARMA), Kenya Library Association (KLA) and Records and Archives Management Practitioners, Kenya.

He was appointed to the Board on 28th November 2023.

9. **Mr. Mohammed Abdi Werar**
Independent Board Member



Born in 1986, Mr. Mohammed Werar is an astute Business Person and a community leader in Garissa County with vast experience in Governance and business management.

He was appointed to the Board on 21st July 2023

10. Mr. Suleiman Issack Ali
Independent Board Member



Born in 1998, Mr. Suleiman Issack is a young entrepreneur with vast experience in Business management.

He was appointed to the Board Member on 26th October 2023 and is currently serving as the Chairperson of Audit Committee.

11. Dr. Charles Nzivo
Director General/CEO



Born in 1968, Dr. Charles Nzivo was appointed Chief Executive Officer with effect from 9th September 2022.

Dr. Nzivo holds Doctorate (PhD) in Library Science from Wuhan University, Hubei, China. Msc. Information Science – Makerere University, Uganda; BA (Hons) University of Nairobi and a Certificate in African Library Leadership Skills from University of Illinois, USA.,

He has a wealth of experience in Library & Information Science having joined the Kenya National Library Service as a Graduate Assistant in 1994. He was Librarian in charge of Wundanyi and Eldoret KNLS libraries. He has also worked at National Library Division and National Reference. In 2013 he moved to the department of Research and Development and was thereafter appointed to the acting Deputy Director-Technical Services in 2021.

4. KEY MANAGEMENT TEAM

No	Passport size photo & Name	Area of Responsibility	Key Professional/academic Qualifications,
1.	Dr. Charles Nzivo 	Director General/CEO	• PhD Library Science • Msc. Information Science • BA (Anthropology)
2.	Philomena Mwirigi 	Director Acquisition and Distribution	• MA (Information and Library Management), • Bachelor of Library Studies (BLS)
3	CPA Julie Musandu 	Director, Finance, Planning and Resource Mobilization	• Master of Business Administration. • B.Com (Accounting Option), • CPA(K)

4.	Nancy Ngugi 	Deputy Director, Corporate Communications	• Master of Arts in Communication, • Bachelor of Arts Economics and Philosophy • PRSK (Member)
5	Cyrus Ndogo 	Deputy Director, Planning and Strategy	• MA (Project Planning and Management), • MBA-HRM, • B.Com Admin.
6.	Alex Nyaribo Ombongi 	Deputy Director, Information Communication Technology	• Master of Science in Computing, • Postgraduate Diploma in Computing, • BSC in Information Technology
7.	Margaret Wanjiku Mwangi 	Deputy Director, Internal Audit and Risk Assurance	• B.Com(Hons), Accounting Option • CPA(K), • Internal Audit Quality Assessor • ICM Diploma (Risk Management)

8.	Janet Chepkemai 	Deputy Director, Supply Chain Management	• MBA (Strategic Management) • B.Com (Procurement & Business Logistics) KISM, CIPS, NPLA
9	Albert N. Nyauntu 	Deputy Director, Human Resource Management and Development	• Msc, Human Resource Management • BA, Public Administration • Higher Diploma in Human Resource Management • Member, IHRM, KIM
10.	Betty Kalugho 	Deputy Director, Cataloguing Classification and Distribution	• Msc. Library & Information Studies, • Bachelor of Science (Information Science)
11	Juliana Muchai 	Deputy Director, Resource Mobilization	• Bachelor of Arts Degree • Experience in Resource mobilization, project management, community development

12	Joseph Kariuki 	Principal Accountant	CPA (K)
13	Richard K. Rono 	Deputy Director, Preservation, Conservation and Publication	• Bachelor of Arts degree In Library and Information Science
14	Ms. Miriam Mureithi 	Deputy Director, Quality Assurance & Risk Management	• Bachelor of Science in Information Science • Master Degree in Knowledge Management

5. CHAIRMAN'S REPORT



I am pleased to submit the annual report together with the audited financial statements of the Kenya National Library Service Board, for the financial year ended 30th June 2025.

The year that was marked with social disquiet, against the Finance Bill 2024,

which highlighted the need for improved public engagement and trust-building measures. The Board accomplished notable success in specific areas, some of which are highlighted here below.

During the year under review a significant breakthrough was achieved. Through various consultative meetings between Council of Governors (COG), IGRTC and KNLS, the library function was further delineated and Gazette Notice number 16482 was published on 16th December 2024. This gazette notice is a remarkable milestone in reaffirming KNLS's national mandate and aligns our institutional priorities with evolving societal needs in the areas of education, information access, cultural preservation, and digital transformation. As KNLS, we are committed to delivering on this mandate with innovation, integrity, and inclusivity. We look forward to the continued support of our partners, stakeholders, and the Kenyan public as we build a knowledge-driven society.

The National Library plays a pivotal role in promoting literacy and fostering a culture of reading and lifelong learning within a country. During the year under review, targeted programs, campaigns, and community outreach initiatives were undertaken to contribute to national education and development goals. While some of the programmes were sponsored by the KNLS Board through funds received from the exchequer,

others were sponsored by donors and other development partners through specific partnership agreements.

A range of capacity-building and technical assistance activities were carried out for County Governments during the year under review. These activities aimed to enhance the knowledge, skills, and resources available for effective library management. To strengthen the country's library infrastructure and promote literacy, a total of 22,607 books worth Kshs.18,086,992 were distributed to 16 counties. These donations represent a significant step in the KNLS's function to expand access to knowledge and promote lifelong learning across the country, as part of ongoing efforts to support libraries in post-devolution Kenya.

The effects of climate change, including droughts and floods, posed significant challenges to the agricultural sector and the country's overall development during the year under review. KNLS is proud to contribute to this vital cause, recognizing that libraries play a unique role in promoting not only literacy but also environmental awareness. Through numerous tree-planting initiatives, KNLS has planted over 9,115 trees in various parts of the country, marking a substantial milestone in ongoing efforts to combat climate change and promote sustainability. As custodians of knowledge, we are also committed to empowering communities with information and resources that support sustainable development.

CORPORATE GOVERNANCE

KNLS Board recognizes the importance of Corporate Governance and, as such, it carries out its mandate with honesty, openness, and integrity. The Board is responsible for overseeing the management of KNLS and provides guidance and direction to attain corporate objectives. In the year under review, KNLS marked a significant milestone in its journey toward enhancing transparency, accountability, and good

governance. During a full board meeting held at Maktaba Kuu, on 9th May 2025, the Board officially launched the Audit Committee Charter and the Internal Audit Charter. This momentous occasion underscored the institution's commitment to strengthening internal controls and reinforcing a culture of integrity across all operations.

ANNUAL STOCKTAKING

During the year under review, the Board closed Maktaba Kuu, Buruburu, and Nakuru libraries from 23rd June till 27th June 2025 for an annual stocktaking exercise. The exercise was aimed at evaluating the status of the library information materials and ascertaining any loss and physical condition of the materials. Data collected from all libraries has been incorporated into the annual financial statements report and is included as part of the Board's assets.

FINANCIAL POSITION

The financial position of the Board in the financial statements shows a net worth of **Kshs. 5.962B**

LOOKING AHEAD

The Board will embark on ensuring that the National Library functions are appropriately articulated in all decision-making processes. KNLS will continue to offer Capacity building and technical assistance to the County Governments and other stakeholders and ensure the developed norms and standards in the library sector are adhered to whenever applicable. The Board will also keep its focus on strengthening the partnership base to improve on organizational performance. KNLS remains dedicated to delivering on this vision with integrity, creativity, and collaboration ensuring every Kenyan, regardless of background or location, has the opportunity to read, know and be empowered.

CONCLUSION

On behalf of the KNLS Board, I would like to thank the management and staff for their continued hard work, commitment, and dedication to duty, which has translated to notable improvement in the organization's service delivery.



Mr. Robert Theuri Maina
Chairman - KNLS Board

6. REPORT OF THE CHIEF EXECUTIVE OFFICER



I am delighted to report on the 2024-2025 financial year achievements across the 3 KNLS facilities, Maktaba Kuu, Buruburu, and Nakuru.

KNLS was able to achieve implementation of planned programmes in line with allocated GoK funds, and support from development partners who focused on specific library programs mostly geared towards reading promotion.

IMPLEMENTATION OF THE NATIONAL GOVERNMENT FUNCTIONS

The management continues to implement National Government functions on National Library as outlined in the Gazette Notice No16482. KNLS is committed to delivering on this mandate with innovation, integrity and inclusivity.

During the year under review KNLS held various programmes aimed at delivering national mandate

PROMOTING READING FOR KNOWLEDGE, INFORMATION AND ENJOYMENT THROUGH STIMULATION OF PUBLIC INTEREST IN BOOKS AND PARTICIPATION IN CAMPAIGNS FOR ERADICATION OF ILLITERACY.

Promoting literacy is a crucial goal of KNLS, achieved through various initiatives aimed at fostering a culture of reading and learning in Kenya. During the year under review, targeted programs, campaigns, and community outreach initiatives were undertaken to contribute to national education and development goals.

In a ground breaking showcase of inclusivity, innovation and the transformative power of technology. The KNLS, in partnership with Canon Central & North Africa and The Kenya Society for the Blind, hosted the World Unseen Photography Exhibition at Maktaba Kuu, from 3rd to 8th

December 2024. The exhibition had over 700 participants throughout the week, which coincided with the International Day for Persons with Disabilities on December 3rd. The Kenya Society for the Blind also lauded the initiative, noting how partnerships like this help to amplify awareness about accessibility challenges while showcasing practical solutions. This exhibition demonstrated how creativity and technology can bridge gaps, ensuring that no one is left out of the artistic experience. It's a testament to our commitment to fostering inclusivity in all spaces."

During the year under review Kenya National Library Service (KNLS) hosted the former US Ambassador to Kenya, H.E Ambassador Meg Whitman for the grand launch of American Corner Mtaani, a dynamic cultural and information hub designed to empower young entrepreneurs and start-ups in Kenya. The event, also attended by Principal Secretary State Department for Culture, The Arts and Heritage Ms Ummy Bashir, and other distinguished guests, marked a significant milestone in strengthening diplomatic and cultural ties between Kenya and the United States. This partnership underscores a shared commitment to innovation, education, and community development. The addition of KNLS-American Corner Mtaani brings the total number of these centers in Kenya to six, joining others in Nairobi, KNLS Nakuru, Mombasa, and Lamu. These hubs provide access to educational resources, technology, and events designed to promote creativity and professional growth.

Aligned with the KNLS mission and vision to inspire innovation and lifelong learning, the workshops held in the spaces on Robotics, 3D Printing, Virtual Reality, Drone Technology, and Coding amongst others, offer participants a unique opportunity to explore the world of tech and innovation aimed to empower young minds with the tools they need to thrive in an increasingly digital world. American Corner Mtaani is part of the U.S. government's global network of cultural and information centers, providing a collaborative

space where Kenya's youth can access valuable resources, training, and mentorship to enhance their entrepreneurial and creative pursuits.

KNLS Maktaba Kuu has transformed into a more family-friendly and inclusive space that encourages young mothers to comfortably use the libraries. The National Gender and Equality Commission (NGEC) of Kenya has been actively involved in promoting supportive environments for breastfeeding mothers, including advocating for the establishment of lactation rooms in public and private spaces. This is further supported by the Health Act 2017, Breastfeeding Mothers Bill 2019 & 2024, and the Kenya's Ministry of Health Nutrition Plan-2020. The Turkish Cooperation and Coordination Agency (TIKA) supported the establishment of a lactation room for nursing mothers, and revamped the children section at KNLS, Maktaba Kuu. Upon completion, the two spaces were launched and the ceremony was attended by (among other guests), H.E Subutay YUKSEL (The ambassador of Turkiye in Kenya). This underscores KNLS commitment in supporting healthy early childhood development and the well-being of nursing mothers who visit the premises by creating a safe, decent breastfeeding environment.

Promoting local publishing through sensitization of authors and publishers nationally is a key function of Kenya National Library Service. In honoring Ngugi wa Thiongo's legacy, commemorative events have been held in Nakuru and Nairobi to pay tribute to a fearless advocate of decolonization, cultural identity, and the transformative power of storytelling. These gatherings have paid tribute to one of Africa's most influential authors, whose work has inspired generations and sparked critical conversations about language, culture, and identity. The events created a reflective atmosphere where attendees revisited Prof. Ngũgĩ's powerful narratives that have shaped African literature. His commitment to writing in indigenous languages has had a lasting impact on cultural preservation and education, reminding us all that language is both a tool of expression and a vessel of heritage. The commemorative events have been a call to action

to preserve and promote literature that speaks to our shared history. Libraries play a vital part in preserving the voices that shape our collective consciousness and ensuring they remain accessible to all.

CAPACITY BUILDING AND TECHNICAL ASSISTANCE TO COUNTY GOVERNMENTS

In a remarkable initiative to strengthen literacy and educational opportunities, the Kenya National Library Service (KNLS) in partnership with Book Aid International donated 22,607 books worth Kshs.18,086,992 to 30 public libraries in 16 different counties. This collaborative endeavor marks a significant step forward in our commitment to actively engage with counties following the devolution process, thereby fostering a widespread culture of reading and knowledge acquisition countrywide.

One of the KNLS Board's mandate is to provide capacity building and technical assistance to the county governments. In the year under review we have facilitated a capacity-building workshop at the KNLS Buruburu, Nairobi, aimed at equipping 14 County Governments without libraries with the knowledge and tools to establish and manage public libraries. Key representatives engaged in discussions on modern library operations and design.

Furthermore, embracing international standards and technological advancements is integral to KNLS's strategy. KNLS held an intensive RDA training that brought together librarians from various county governments and other information experts from across the country to deepen their understanding of international bibliographic standards. This specialized program aimed to give participants the skills needed to catalog and manage resources in a modern, globally connected information environment. The training offered not only technical knowledge but also a space for attendees to share insights and discuss challenges related to adopting new cataloging frameworks.

Through this workshops and trainings KNLS supports regional development by offering expert guidance and resources, KNLS endeavours to

empower county libraries to meet the informational needs of their communities effectively. These activities aim to strengthen the capacity of county governments/other organizations to manage and deliver high-quality library services that meet the information needs of their communities effectively. Investing in capacity building and technical assistance in librarianship, county governments can enhance the role of libraries as essential institutions for education, research, and community development.

CLIMATE CHANGE

Through numerous tree-planting initiatives, KNLS has planted over 9,115 trees in various parts of the country, marking a significant milestone in ongoing efforts to combat climate change and promote sustainability. Large-scale tree planting initiatives have been undertaken in Nzoia Forest, Ngong Forest, and Kobujoi Forest. These initiatives have brought together community members, government representatives, and conservation partners who have shared a common vision; to restore and protect our environment for future generations. Tree planting is not just an activity but a statement of purpose and a pledge to create a healthier, greener Kenya marking a significant milestone in ongoing efforts to combat climate change and promote sustainability. KNLS is proud to contribute to this important cause, recognizing that libraries have a unique role in promoting not only literacy but also environmental awareness.

In a move to promote eco-friendly transportation and reduction of carbon emissions in urban centres. KNLS has also signed an MOU with Arc ride Kenya to establish electric motorcycle swapping stations and facilitate acquisition of electric motorcycles across its three branches. This partnership is part of KNLS broader strategy to support sustainable urban mobility and environmental conservation in Kenya. This arrangement enables more Kenyans to access sustainable modes of transportation, supporting the government's green energy agenda. The

initiative aligns with global efforts to combat climate change and reinforces Kenya's commitment to a more sustainable, eco-conscious future for its urban populations.

CORPORATE GOVERNANCE

As outlined in Mwongozo and the Board's workplan for FY 2024/25, the performance of the Board for FY 2023/24 was evaluated by SCAC on 15th July 2024. The Board attained an overall score of 96.72. This exercise helps the Board to evaluate its performance, and consider improvements. Self-evaluation also shows the board takes its responsibilities seriously.

KNLS marked a major milestone in its journey toward enhancing transparency, accountability, and good governance. During a full board meeting held at Maktaba Kuu, the Board officially launched the Audit Committee Charter and the Internal Audit Charter. This momentous occasion underscored the institution's commitment to strengthening internal controls and reinforcing a culture of integrity across all operations.

The newly adopted charters clearly define the scope, roles, and responsibilities of both the Audit Committee and the Internal Audit Function. By providing a structured framework for oversight, these documents empower the Board and management to uphold the highest standards of financial stewardship and compliance. The charters also articulate essential principles that guide internal audit activities, including independence, objectivity, and accountability. Throughout the meeting, Board members and senior management reflected on the significance of these governance tools in promoting efficiency, safeguarding resources, and fostering public trust.

ANNUAL STOCKTAKING

During the year under review, the Board closed Maktaba Kuu, Buru Buru, and Nakuru libraries from 23rd June till 27th June 2025 for an annual stocktaking exercise. The exercise aimed to

evaluate the status of the library collections (information materials i.e. books and non-book library collections) and ascertain any loss and physical condition of the materials. Data collected from all libraries has been incorporated as part of the annual financial statements report and as part of the Board's assets.

FINANCIAL STEWARDSHIP

Like in other years, the Board continued to receive grants from the Government through the Ministry of Gender, Culture, and Children Services, to facilitate the provision of library and information services to the public. The main source of funds in the year under review remained as the Government of Kenya through the Exchequer, Appropriation in Aid and donor funding for specific and agreed projects. KNLS is determined to look into innovative and creative ways to steer the institution toward generating long-term AiA from designated programs and activities.

During the year under review, the Board received recurrent grants from the exchequer totaling to **Kshs.340,001,625**. Under AIA the board was able to record an amount of **Kshs.102,982,118**. In addition, under supplementary II, the National Treasury allocated **Kshs.43M** as AIA to offset part of the debt owed by the State Department of Sports for rent. Under Development, KNLS received **Kshs.10M** being funds allocated for construction of Karachuonyo Community library. The funds were as a result of public participation

Donor support translated to **Kshs.8,120,237**. However, it is important to note that donor support was pegged to specific library programs that had been agreed upon before the release of the respective funds.

PROPOSED RENOVATION AND ALTERATION OF MANDERA COMMUNITY LIBRARY

KNLS also received **Kshs.17,929,391** from the Sports, Arts, and Social Development Fund being the 3rd disbursement on the project which had a total cost of **Kshs.91,656,134**.

The process of equipping the library is ongoing. The supply of information materials and furniture is already completed awaiting supply of ICT equipment and a motorcycle.

CONCLUSION

In conclusion, I would like to thank the Board of Directors, Management, and Staff for their support and hard work in enabling KNLS to effectively discharge its mandate of providing quality, timely, and accessible library and information services to the public. I also thank the Government of Kenya, the National Treasury and the Ministry of Gender, Culture, and Children's Services, and all other stakeholders for their goodwill and steadfast support.

Lastly, I register our sincere gratitude to our library clients and our service providers for their loyalty, which made it easy for us to achieve our objectives. I am confident that, guided by the Board's vision and Mission, KNLS will continue to effectively participate in the transformation of livelihoods among the Kenyan communities as per the aspirations of the Government's Agenda.



Dr. Charles Nzivo
Director General/CEO

7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2024/2025

Kenya National Library Service Board (KNLS) has 5 strategic objectives within the current Strategic Plan for the FY 2022-2027. These strategic Objectives are as follows:

- 1) To maintain a National bibliographic control, preserve and conserve a comprehensive national documentary heritage.
- 2) To promote reading, research, advisory and reference services.
- 3) To leverage on emerging technologies for service delivery.
- 4) To develop and maintain infrastructure for library services
- 5) To strengthen institutional capacity

KNLS develops its annual work plans based on the above 5 strategic objectives. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. KNLS achieved its performance targets set for the FY 2024/2025 period for its 5 strategic pillars, as indicated in the table below:

	Strategic Objectives	Specific Objective	Key Performance Indicators	Activities	Achievements
1	To maintain a National Bibliographic Control, preserve and conserve a comprehensive national documentary heritage.	To enrich Kenya National Bibliography (KNB) publication & establish e-KNB format	No. of legal deposit copies	Collection of legal deposit copies from various publishers in the country	Publication of Kenya National Bibliography 2023.
		To promote preservation and conservation of information materials	No. of rare books and images collected and digitized	Digitization of images and rare books	Digitized over 960 books
2	To promote reading, research, advisory and reference services.	To promote literacy and reading culture in Kenya	No of reading promotion events held. No of reading extravaganza held. No. of availed information materials to public and other institutions libraries across the country.	Participated in world literacy day and also Nairobi ASK show and promoted reading culture Held reading Extravaganzas. Availing information materials to public and other	4 reading promotions event held, Two (2) reading extravaganza held in Buruburu and Nairobi area branch 47,003 information materials were availed.

				institutions libraries.	
		To promote authorship for knowledge development	No. of ISBNs issued to publishers.	Issuance of ISBN numbers.	6, 342 ISBNs were issued to various Publishers.
			No. of Research papers conducted	Conducted research on tacit knowledge from Ilichamus/Njemp community on their traditional medicine.	Research findings were documented and preserved for posterity.
3	To leverage on emerging technologies for service delivery.	To digitalize KNLS services.	No. of digitalized KNLS services	Digitalizing KNLS identified services.	Digitization and on boarding of 30 KNLS Services to E-citizen platform.
		To enhance e-content collection	No. of e-contents availed	Selection and acquisition of e-content.	Acquired 2939 e-content.
4	To develop and maintain infrastructure for library	To ensure security of KNLS land and assets	No. of Title deeds and other legal ownership documents of KNLS lands acquired.	Follow up of acquiring title deed for Nyahururu KNLS plot.	Title deed registration in the final stages.
5	To strengthen institutional capacity	To enhance resource mobilization for sustainability	No. of funding proposals developed and forwarded to donors	Identifying the potential donors. Developing and submitting the funding proposals to donors	Kshs.8.12 M Was donated by various donors from within and outside the country.
					Reading promotion activities were also sponsored by development partners. Book Aid International (BAI) from UK donated books to KNLS.
		To establish & strengthen strategic networks and linkages	No. of linkages	Writing MOUs with identified development partners.	Seven (7) strategic partners

	To offer technical support to the County Government post devolution.	No. of training offered to county government.	Training offered to the county government to strengthen the librarians and also the counties without libraries.	Two training were held to capacity build the county governments.
	To strengthen M, E & L	No. of Monitoring and Evaluation visits to the donor funded projects	Conduct impact assessment of donor funded programs	The resource mobilization team conducted 3 monitoring and evaluation visits.
	To mainstream National government development priorities (BETA)	No. of trees planted within the period under review No. of environment clubs established.	Climate change. Lobby and collaborate with partners in tree planting exercise Establishing the environment club and training the members.	9,115 trees planted in various part of the country. One environment club established.
		No. of farmers imparted with smart farming skills	Agriculture Provide access to information on Smart Farming	205 farmers were trained on smart farming in some selected regions.
		No. of sensitization forums organized and held within the period.	MSMEs Organize entrepreneurship training forums in partnership with relevant stakeholders	1 sensitization forums targeting the potential entrepreneurs were conducted.
		No. of lactating rooms established	Health Provide a conducive working environment	One (1) lactating room established.

8. CORPORATE GOVERNANCE STATEMENT

The Kenya National Library Service (KNLS) is a State Corporation established through an Act of Parliament, Cap 225 of the Laws of Kenya, in 1965. As a public entity, its corporate governance framework is guided by the principles and regulations for State Corporations, Cap 446, Mwongozo Code of Conduct for State Corporations, the Public Finance Management Act, 2012, and circulars from the Public Service Commission and the Office of the President.

The Kenya National Library Service Board upholds standards of corporate governance to ensure effective, transparent, and accountable management of its resources and fulfillment of its mandate as the National Library of Kenya.

APPOINTMENT OF BOARD MEMBERS, PROCESS OF APPOINTMENT AND REMOVAL OF DIRECTORS, THE SIZE, DIVERSITY, AND DEMOGRAPHICS OF THE BOARD, EXISTENCE OF THE BOARD CHARTER

The appointment of Board members to KNLS Board is done in accordance with the KNLS Board Act Cap 225, State Corporations CAP. 446 and the other prevailing Government guidelines. The Chairperson of the Board is appointed through gazettelement by the President, while members of the Board are appointed and Gazetted by the Cabinet Secretary of the Ministry responsible for Culture, and Heritage, in consultation with the President of Kenya, as per the State Corporations Act. The members of the Board other than the Chief Executive Officer (CEO) are appointed for a renewable period of two years.

Removal of Directors follow legal provisions outlined in the KNLS Act and other Government regulations. Section 6 of the Board charter outlines some of the reasons that warrant removal or cessation of Board Membership. These include inability to perform duties, conflict of interest, conviction of crime, forgery, fraud and expiry of terms. In accordance with the KNLS Board Act Cap 225, any member of the Board appointed under subparagraph 4.0 (4.1.4) and (4.1.5), may at any time resign by giving notice in writing to the Cabinet Secretary. However, if a member, without the permission of the Chairman of the Board, is absent for more than three consecutive Board meetings or, without such permission, is absent from Kenya for a period exceeding one year, he/she shall cease to be a member of the Board.

The Board composition in the year under review was as per the table below

SECTION B.		BOARD COMPOSITION: DIVERSITY AND INCLUSION					
S/N	Name Of Member	Designation (Chairperson/Member/Alternate Member)	Gender (M/F)	Pwd (Yes/No)	Age (Yrs)	Ethnic Community	Date Of Appointment/
1.	Robert Theuri Maina	Chairperson	M	No	56	Kikuyu	28/02/2025
2.	Dorcas A. Obwa	Independent Member	F	No	45	Luo	30/06/2023
3.	Mohammed Abdi Werar	Independent Member	M	No	39	Kenyan Somali	21/07/2023

4.	Suleiman Isaack Ali	Independent Member	M	No	27	Kenyan Somali	26/10/2023
5.	Angella Mbula Mumo	Alternate to Vice Chancellor, the UON	F	No	59	Kamba	30/08/2022
6.	Dr. Naftal Chweya Oganga	Alternate to PS Culture, The Arts and Heritage	M	No	55	Kisii	28/11/2023
7.	Dr. Silvia Kanyaa Vundi	Alternate to PS Devolution	F	No	53	Kamba	01/09/2022
8.	Joel Kipsang Bett	Alternate to PS National Treasury	M	No	47	Kalenjin	30/09/2022
9.	Peter Ochieng* (replaced)	Alternate to PS Social Protection and Senior Citizen Affairs	M	Yes	56	Luo	2/12/2022
10.	Philomena Wairimu Kamau	Alternate to PS Social Protection and Senior Citizen Affairs	F	No	53	Kikuyu	27/01/2025

The Board's operations are guided by a Board's Charter, which outlines the powers, responsibilities, and operating procedures for the Board.

Induction, Training, and Development

Capacity development for the Board is a priority. All members apart from Director appointed in January 2025 have undergone Board's induction organized by SCAC. An in-house training facilitated by the Public Sector Accounting Standards Board (PSASB) for members of the Audit Committee was held in October 2024. KNLS also organized a Board's sensitization by PPRA on Procurement matters in December 2024.

Board and Members' Performance

As outlined in Mwongozo and the Board's work plan for FY 2024/25, the performance of the Board for FY 2023/24 was evaluated by SCAC on 15th July 2024. The Board attained an overall score of 96.72. The table below indicates members' performance evaluation results for the year 2023/2024

	Name	Position	Score	% Score
1.	Bishop Robert Theuri Maina	Chairperson	4.88	97.64
2.	Dr. Naftali Chweya	Member	4.94	98.73
3.	Ms. Angela Mbula Mumo	Member	4.93	98.50
4.	Mr. Peter Ochieng	Member	4.91	98.27
5.	Dr. Silvia Kanyaa Vundi	Member	4.91	98.18
6.	Mr. Mohammed Werar Abdi	Member	4.86	97.20
7.	Ms. Dorcas Atieno Obwa	Member	4.89	97.80
8.	Mr. Joel Kipsang Bett	Member	4.90	98.00
9.	Mr. Suleiman Issack	Member	4.85	97.00
10.	Dr. Charles Nzivo	Director General/CEO	4.92	98.40

Number of Board Meetings Held and The Attendance to Those Meetings by Members

The Full Board meets at least once every quarter and is chaired the Chairperson. During the year under review Six (6) full Board meetings were held, out of which two (2) were special meetings;

The following table shows the number of meetings attended by each member

	Board Member	Position	No. of Meetings attended
1.	Bishop Robert Theuri Maina	Chairperson	6
2.	Ms. Dorcas Atieno Obwa	Member	6
3.	Mr. Mohammed Werar Abdi	Member	5
4.	Mr. Suleiman Issack	Member	6
5.	Dr. Naftali Chweya	Member	6
6.	Dr. Silvia Kanyaa Vundi	Member	6
7.	Ms. Angela Mbula Mumo	Member	6
8.	Mr. Joel Kipsang Bett	Member	6
9.	Mr. Peter Ochieng* -Replaced	Member	5
10.	Ms. Philomena Wairimu Kamau	Member	1

Succession plan

KNLS Board has an established succession management plan geared to ensuring continuity of business operations at all levels of the Board and Management. The terms of the Chairperson, independent and the Alternate Directors are scheduled to end at different times of the year thus enabling succession and continuity.

Policy to manage conflicts of interest.

KNLS has fully adopted the Code of Ethics that is enshrined in the Mwongozo which is the Code of Governance for State Corporations. The code of ethics entails among other things declaration of Conflict of Interest which must be embraced by both the Board and the employees of the organization. The Board members are expected to be sensitive to conflict of interest that may arise and be mindful of their fiduciary obligations to the corporation. The Board has put various measures in place to ensure there is no conflict of interest amongst its directors and staff. A Board member who identifies an area of conflict of interest shall be required to disclose any actual or potential conflict of interest to the Board. The Board's conflict of interest register is availed during every Board meeting for members' declaration.

Board remuneration

The non-executive Board members are paid taxable sitting allowances as approved by the Chief of Staff and Head of the Public Service following guidelines from the State Corporations Advisory Committee. The sitting allowance is paid when a member attends meeting of the Board or Committees. The Chairman of the Board is paid honoraria at a rate approved by the Government on monthly basis.

Transport expenses are reimbursed on travel for Board business at the prevailing AA rates. The members are also entitled to outpatient and inpatient medical cover and a personal accident cover as applicable.

Ethics and Conduct

KNLS has fully adopted the Code of Ethics that is enshrined in the Mwongozo which is the Code of Governance for State Corporations. The Board is also bound by the Public Officer Ethics Act, 2003, and the Leadership and Integrity Act, 2012, which prescribe a code of conduct and ethics for all public officers. KNLS has domesticated the Code of Conduct and Ethics for its employees and Board members.

Governance audit

Mwongozo the code of Governance for State Corporations requires that State Corporations to carry out an annual governance audit by a member regulated by the ICS and accredited for that purpose. During the year under review, no governance audit was conducted. However, the Board has allocated funds and made provisions to undertake Governance Audit in FY 2025/2026.

Communication policy

The KNLS Communication policy was revised in 2022 with the objective of ensuring that communication is well-coordinated, effectively managed, and responsive to the diverse information needs of KNLS stakeholders. The Access to Information Act, 2016 designates the Chief Executive Officer of a public entity as the information access officer. The Act further dictates that the CEO may delegate the performance of his or her duties as an information access officer under the Act to any officer of the public entity.

To ensure consistency and accuracy of KNLS message delivery, the Communication policy has outlined the protocols and roles that governs the organization's communications. The Chairperson of the Board is expected to communicate during times of key strategic announcements, crisis communications and on matters concerning KNLS. The Chief Executive Officer (CEO) is the official spokesperson for KNLS. He is supported by relevant directors, heads of departments and other technical experts depending on the subject matter in the spotlight at the time.

Terms of Reference of Committees

The Board in accordance with the Board's Charter and Mwongozo constituted four committees on 23rd April 2023 and 9th May 2025 as shown below:

Committee	23rd April 2023.	9th May 2025
1. Audit	i. Peter Ochieng (Chairperson) ii. Joel Bett iii. Dr. Silvia Vundi iv. Suleiman Issack	i. Suleiman Issack Ali - (Chairperson) ii. Dr. Silvia Vundi iii. Philomena Wairimu iv. Dr. Naftali Chweya
2. Finance and Projects Development	i. Joel Bett (Chairperson) ii. Dr. Naftali Chweya iii. Angella Mumo iv. Mohammed Werar	i. Joel Bett (Chairperson) ii. Dr. Naftali Chweya iii. Dorcas Obwa iv. Mohammed Werar
3. Human Resource and Service Delivery	i. Angella Mumo (Chairperson) ii. George Mbogo iii. Peter Ochieng iv. Suleiman Issack	i. Angella Mumo (Chairperson) ii. Joel Bett iii. Mohammed Werar iv. Philomena Wairimu
4. Marketing, Research and Resource Mobilization	i. Dr. Silvia Vundi (Chairperson) ii. Angella Mumo iii. George Mbogo iv. Suleiman Issack	i. Dr. Silvia Vundi (Chairperson) ii. Angella Mumo iii. Dorcas Obwa iv. Suleiman Issack Ali

The Committees of the Board have clear Terms of Reference (ToR) as guided by the KNLS Board Charter.

Audit Committee

The purpose of the Audit Committee is to provide a structured, systematic oversight of the entity's governance, risk management and internal control practices.

Responsibilities of the Audit Committee

1. Financial reporting process

- a. Review significant accounting and reporting matters to understand their impact on the financial reporting requirements.
- b. Review quarterly and annual financial reports and disclosures before release and consider the accuracy and completeness of the information and in accordance with financial reporting standards and applicable rules and regulations.
- c. Review in consultation with the internal auditors or the Office of the Auditor General, significant accounting and reporting issues and understand their impact on the financial reporting.
- d. Apply appropriate level of scepticism, ask probing questions, and engage in frank discussions with management on the results of the audit, including any difficulties encountered.

2. Internal controls and risk management systems

- a. Review the efficiency and effectiveness of the entity's risk management and control processes.
- b. Receive and consider reports on all matters of significance arising from work performed by other providers of financial, risk management and internal control assurance to senior management and the Governing Body.
- c. Advising on the adequacy of risk management, internal control framework and policies.
- d. Institute and oversee special/Ad hoc audits.

3. Oversight of the Internal Audit Function

- a. Establish a direct reporting relationship with the HIA and the internal audit function to enable the internal audit function to fulfil its mandate.
- b. Require the HIA be positioned at a level in the entity that enables internal audit services and responsibilities to be performed without interference from management.
- c. Review and approve the Internal Audit Charter which includes the internal audit mandate and the scope and types of internal audit services and policies and procedures;
- d. Communicate the Governing Body's perspective on the entity's strategies, objectives, and risks to assist the HIA with determining internal audit priorities.
- e. Review and approve Internal audit strategic plan, annual risk based audit plan, annual performance objectives, resource requirements and organizational structure of the internal audit function.
- f. Discuss with the HIA, at least annually, the sufficiency, both in numbers and capabilities, of internal audit resources to fulfil the internal audit mandate and achieve the internal audit plan.
- g. Consider the impact of insufficient resources on the internal audit mandate and plan and engage senior management and the HIA on remedying the situation.
- h. Ensure that the internal audit function has a Quality Assurance and Improvement Program (QAIP) and that the results of internal and external assessments are presented to the Committee.
- i. Ensure independent quality assurance review of the internal audit function is conducted at least once every three years but not more than five years.
- j. Review results of audit work, audit recommendations and management responses, with focus on most significant findings.
- k. Review the effectiveness of the internal audit function, including compliance with relevant laws and conformance with the International Professional Practices Framework (IPPF).
- l. Ensure that agreed audit recommendations and action plans are implemented.
- m. At least annually, meet separately with the HIA without the presence of management.
- n. Drive/participate in the assessment of the performance of the HIA.

- o. Review and assess the internal audit function's performance relative to its audit plan;
- p. Engage with senior management and the HIA to establish appropriate safeguards if HIA roles and responsibilities impair or appear to impair the internal audit function's independence.
- q. Engage with senior management to ensure that the internal audit function is free from interference when determining its scope, performing internal audit engagements, and communicating results.
- r. Set expectations with the HIA for:
 - i. The frequency with which the Governing Body wants to receive communications from the HIA.
 - ii. The criteria for determining which issues should be escalated to the Governing Body, such as significant risks that exceed the entity's risk appetite/tolerance
 - iii. The process for escalating matters of importance to the Governing Body.

In executing its mandate, the Committee held four meetings as shown in the table below;

	Board Member	Position	Meetings Attended
1.	Peter Ochieng*	Chairperson	3
2.	Suleiman Issack	Member	4
3.	Dr. Silvia Vundi	Member	4
4.	Joel Bett	Member	2

**When Mr. Peter Ochieng was replaced as a Board member on 27th January 2025, Mr. Suleiman Issack was appointed as the Chairperson of the Audit committee.*

Finance and Projects Development Committee

- i. To assist the full board in overseeing formulation, review and implementation of financial policies and procedures.
- ii. To receive and review budgets from management, and recommend to the full board for approval.
- iii. To review and recommend proposed projects and work plans to the full board for approval.
- iv. To review and recommend quarterly and annual financial reports prepared by the management to the full board for approval
- v. Receive and review capital assets disposal inventory and recommend to the full board for approval and disposal.

In executing its mandate, the Committee held six meetings out of which 2 were special as shown in the table below;

	Board Member	Position	Meetings Attended
1	Joel Bett	Chairperson	6
2	Dr. Naftali Chweya	Member	6
3	Dorcas Obwa	Member	6
4	Mohamed Werar	Member	4

Human Resource and Service Delivery Committee

- i. Review, consider and recommend to the Board for approval all the Human Resource policies relating to terms and conditions of service for employees.
- ii. Oversee, monitor and evaluate implementation of all the approved human resource policies by the management.
- iii. Review and recommend Human Resource Management Committees' reports on discipline, training and any other human resource report for Board's approval.

- iv. Receive and review changes proposed by management on the organization structure, performance management system, compensation guidelines and recommend to the Board for approval.
- v. Review management's proposals for appointment of union-employees and recommend for approval by the Board.
- vi. Advise the Board on the criteria for identifying, recruiting and appointment of managerial staff and recommend candidates to the full board for approval
- vii. Ensure in consultation with the Board and the CEO that succession plans are in place at all levels and review such plans regularly.
- viii. Review recommendations regarding any other issues related to Human Resource Management.

In executing its mandate, the Committee held four meetings as shown in the table below;

	Board Member	Position	Meetings Attended
1	Angela Mumo	Chairperson	4
2	Dr. Naftali Chweya	Member	4
3	Peter Ochieng*	Member	3
4	Mohamed Werar	Member	2

**Mr. Peter Ochieng was replaced by Ms. Philomena Wairimu Kamau as the Alternate Board Member representing PS, Ministry of Labour and social Development on 27th January 2025*

Marketing, Research and Resource Mobilization Committee

- i. The main focus of the committee is to raise KNLS' relevance and visibility to appropriate standards through implementation of marketing and resource mobilization strategies.
- ii. Advising on formulation, implementation and review of communication, marketing and resource mobilization policies, strategies and plans.
- iii. Advising on development and implementation research programmes and strategies.
- iv. Providing guidance on the application of customer-focused marketing strategies that will achieve increased readership levels.
- v. Offering expertise on formulation, strengthening and sustenance of partnerships with stakeholders to enhance the quality of library and information service delivery to the public.
- vi. Advising on development and implementation of Corporate Identity Manual to realize consistent reinforcement of KNLS brand.

In executing its mandate, the Committee held four meetings as shown in the table below;

	Board Member	Position	Meetings Attended
	Dr. Silvia Vundi	Chairperson	4
	Dr. Naftali Chweya	Member	4
	Dorcas Obwa	Member	4
	Angela Mumo	Member	4

9. MANAGEMENT DISCUSSION AND ANALYSIS

SECTION A: knls' OPERATIONAL AND FINANCIAL PERFORMANCE

OPERATIONAL PERFORMANCE

During the year under review, KNLS implemented various projects and programmes that were mostly focused on enabling access to library and information services; thus improving the reading culture of Kenyans. While some of the programmes were sponsored by the KNLS Board through funds received from the exchequer, others were sponsored by donors and development partners through specific partnership agreements.

PROMOTING READING FOR KNOWLEDGE, INFORMATION AND ENJOYMENT THROUGH STIMULATION OF PUBLIC INTEREST IN BOOKS AND PARTICIPATION IN CAMPAIGNS FOR ERADICATION OF ILLITERACY.

Celebrating National Reading Day

On July 12th 2024, KNLS coordinated the celebrations of the first-ever National Reading Day at Maktaba Kuu in partnership with Worldreader and other esteemed organizations. During the celebrations, the Mashujaa wa Kusoma Campaign was launched, challenging kids aged 3-12 to read 25 books in a month. The best readers were crowned Reading Heroes on October 20, 2024, and won amazing prizes! The National Reading Day was proclaimed by H.E. the President during the launch of the virtual library platform v.tabu in 2023 and is observed every 12th of July. It reminds us that reading is not just a skill, but a lifelong tool for empowerment, growth, and national transformation.



Mashujaa Wa Kusoma Awards: Celebrating Young Reading Heroes

11-Year-Old Kenyan Girl Sets Record After Reading 1,178 Books in 3 Months

by JOE MACHARIA on Wednesday, 23 October 2024 - 10:32 am



1,178 books in just three months. This inspiring achievement highlighted the transformative power of literacy and the importance of libraries in shaping young minds. The event also showcased the role of digital tools, like the Worldreader

On 21st October 2024, KNLS in partnership with Worldreader, celebrated the young readers who excelled in the Mashujaa Wa Kusoma Awards. The standout achiever was Racheal Nafula, an 11-year-old from Kibera

School for Girls, who read an impressive



BookSmart app, in facilitating access to books and fostering a culture of reading in Kenya. This celebration reinforced the message that reading has the power to change lives and inspire future generations.

KNLS Shines at the 2024 Nairobi ASK Show, Secures Second Place in Government Stand

KNLS demonstrated its unwavering dedication to promoting knowledge and learning, emerging as the second-best government stand in the education and research category at the 2024 Nairobi Agricultural Society of Kenya (ASK) Show. The year's event, themed "*Promoting Climate Smart Agriculture and Trade Initiatives for Economic Growth*," provided a platform for KNLS to showcase its role in advancing education, research, and innovation in Kenya. The show was held from September 23rd to 29th, 2024.



Former U.S. Ambassador Meg Whitman Launches American Corner Mtaani at KNLS



On 4th November 2024, the Kenya National Library Service (KNLS) hosted the former U.S. Ambassador to Kenya, H.E. Meg Whitman, for the grand launch of American Corner Mtaani, a dynamic cultural and information hub designed to empower young entrepreneurs and start-ups in Kenya. The event, also attended by Principal Secretary Ummy Bashir and KNLS CEO Dr. Charles Nzivo, among other distinguished guests, marked a significant milestone in strengthening diplomatic and cultural ties between Kenya and the United States. This partnership underscores a shared commitment to innovation, education, and community development.

American Corner Mtaani is part of the U.S. government's global network of cultural and information centers, providing a collaborative space where Kenya's youth can access valuable resources, training, and mentorship to enhance their entrepreneurial and creative pursuits. Speaking at the event, former Ambassador Whitman emphasized its importance: "*American Corner Mtaani represents our shared vision of equipping young people with the tools they need to shape a brighter future. Through this space, we aim to foster innovation, collaboration, and mutual understanding between our nations.*"



The addition of KNLS-American Corner Mtaani brings the total number of these centers in Kenya to six, joining others in **Nairobi, KNLS Nakuru, Mombasa, and Lamu**. These hubs provide access to educational resources, technology, and events designed to promote creativity and professional growth. Some of the recently hosted activities in the space include;

Young Innovators Shine at AC Mtaani Coding Workshop

On 28th November 2024, vibrant energy filled AC Mtaani at Maktaba Kuu as young participants aged 9-17 joined an exhilarating coding workshop. This engaging session blended learning with fun, igniting curiosity and creativity in the next generation of innovators. The workshop provided hands-on opportunities to explore essential coding concepts in a playful yet impactful way. Games and interactive exercises kept the participants actively engaged, fostering their problem-solving and digital literacy skills. Aligned with the KNLS mission and vision to inspire innovation and lifelong learning, the workshop aimed to empower young minds with the tools they need to thrive in an increasingly digital world. One of the facilitators shared, *"It's incredible to see how quickly these young learners pick up coding concepts when it's presented in a fun and relatable way."* The coding workshops at AC Mtaani are part of an ongoing initiative to cultivate technological skills among young learners and nurture creativity in a supportive environment.



American Corner Mtaani Outreach Event - A Celebration of Technology and Innovation

On 11th December 2024, KNLS Buruburu Library hosted the American Corner Mtaani Outreach Event, aimed at inspiring youth aged between 13 and 35 with hands-on experiences in cutting-edge technologies. The event featured



exciting workshops on Robotics, 3D Printing, Virtual Reality, Drone Technology, and Coding, offering participants a unique opportunity to explore the world of tech and innovation. Attendees had the opportunity to engage with experts, acquire new skills, and connect with like-minded individuals who share a passion for technology. The event was generation, equipping them with valuable Whether students or curious tech enthusiasts, the attendees left inspired and ready to explore more in the ever-evolving tech landscape.

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Flight Lab Workshop Takes Off at American Corner Mtaani

On 14th November 2024, the American Corner Mtaani buzzed with excitement as participants gathered for an engaging Flight Lab workshop focused on drone technology. This interactive session provided attendees with a unique, hands-on introduction to the fascinating world of drones.

The workshop delved into the fundamentals of drone technology, exploring its diverse applications and the transformative potential it holds for industries such as agriculture, delivery services, disaster management, and more. Participants, many of whom were beginners, gained valuable insights into how drones operate



and their impact on the future. The session featured practical demonstrations, allowing attendees to experience the thrill of operating drones firsthand. The hands-on approach and engaging delivery by facilitators ensured a fun and educational experience for all. One participant shared their enthusiasm: *"I've always been curious about drones, but this workshop made the technology feel approachable and exciting. I can't wait to explore more!"* The success of the Flight Lab workshop reflects American Corner Mtaani's

commitment to offering innovative programs that inspire learning and creativity.

Celebrating Inclusivity Through Art: World Unseen Photography Exhibition Opens at KNLS

The KNLS, in partnership with Canon Central & North Africa and The Kenya Society for the Blind, hosted the **World Unseen Photography Exhibition** at Maktaba Kuu, from 3rd to 8th December 2024. The exhibition,



which coincided with the **International Day for Persons with Disabilities** on December 3rd, was a ground-breaking showcase of inclusivity, innovation, and the transformative power of technology. Visitors experienced tactile photographs enhanced with braille and audio descriptions, offering a multi-sensory experience that redefined how individuals with visual impairments can appreciate art.

The event was celebrated as a significant step toward making art universally accessible. Speaking during the launch, KNLS CEO Dr. Charles Nzivo remarked, *"This exhibition demonstrates how creativity and technology can bridge gaps, ensuring that no one is left out of the artistic experience. It's a testament to our commitment to fostering inclusivity in all spaces."*



Canon Central & North Africa, renowned for its innovative imaging solutions, has emphasized its dedication to creating a meaningful societal impact. Canon Regional Manager highlighted, *"This exhibition is a celebration of diversity and the belief that art is a language everyone should experience."* The Kenya Society for the Blind also lauded the initiative, noting how partnerships like this help to amplify awareness about accessibility challenges while showcasing practical solutions. The World Unseen Photography Exhibition drew a diverse audience, ranging from art enthusiasts and students to individuals with disabilities, all of whom were inspired by the unique approach to showcasing photography. Visitors shared heartfelt feedback, with many describing it as a transformative and thought-provoking experience that deepened their understanding of accessibility and inclusion.

What's on Your Shelf Podcast: A Special Episode on Disability Inclusion in Kenya

In a special episode of the #WhatsonYourShelf podcast, KNLS took a deep dive into Kenya's progress towards disability inclusion, with a conversation featuring Dr. Samuel Kabue, a renowned disability rights advocate. Dr. Kabue shared his perspectives on the evolution of disability inclusion in Kenya, particularly under the leadership of five Kenyan presidents. With over 40 years of experience, Dr. Kabue discussed the advancements in disability legislation, such as the Persons with Disabilities Act, and the vital role of the National Council for Persons with Disabilities. This thought-provoking episode highlighted Kenya's position as a leader in disability rights within the African context, marking significant milestones in social inclusion.

The Fifth Librarians & Archivists Gathering at Kenya National Library Service

On 29th November 2024, KNLS hosted the Fifth Librarians & Archivists Gathering, an event that has become a vital platform for knowledge exchange in the library and archival sectors. Launched in 2023 by Dr. Kyama Mugambi from Yale University, the gathering continued its focus on promoting collaboration among librarians and archivists to tackle common challenges. The November event centered on Appraisal and Survey of Records, discussing best practices for records management and preservation. The gathering highlighted KNLS's commitment to empowering libraries and archives through cutting-edge services such as digital storage, the Digitization Lab, and the Virtual Library Platform. Participants left with practical solutions and a renewed sense of purpose in advancing the library and archival sectors.

Final Photography Workshop of 2024: A Creative Journey at K-Hub

From 25th to 29th November 2024, KNLS hosted its final photography workshop of the year at The K-Hub, Maktaba Kuu. This hands-on workshop provided beginners and enthusiasts with an opportunity to dive into the art of photography. Participants learned key techniques, from understanding their camera settings to exploring basic editing tools. The workshop aimed to nurture creativity while empowering individuals with the skills to capture and tell compelling visual stories. Attendees not only gained practical knowledge but also explored their potential in the world of photography, making this workshop an exciting finale to a year of artistic growth.

Likizo Reading Buddies Challenge: A Holiday Reading Adventure

KNLS in partnership with Worldreader, kicked off the Likizo Reading Buddies Challenge, an exciting holiday reading adventure for kids aged 3 to 12. This engaging initiative invites young readers to participate in weekly quizzes every Friday, where they can win prizes such as shopping vouchers, movie tickets, and data bundles. The challenge encourages children to explore books across various age groups and helps nurture a love for reading during the festive season. Parents showing top engagement and consistency were also rewarded with grand prizes, including shopping vouchers and e-readers. The challenge aimed to make the holiday season the best reading experience for children across Kenya.

Eco Kite Festival at Ngong Hills: A Day of Fun and Sustainability

The Eco Kite Festival, held on 16th November at Ngong Hills, celebrated both creativity and sustainability. This year's theme, "Have Fun Recycling," encouraged participants to craft kites using recycled materials, promoting eco-friendly practices. The event was a wonderful fusion of nature, fun, and environmental consciousness, as families and friends gathered to enjoy a day of flying kites against the stunning backdrop of Ngong Hills. By incorporating recycled materials, the event underscored the importance of sustainable living while providing an unforgettable experience for attendees, reinforcing the message of environmental responsibility in a fun and creative manner.

Get-Kreatives 2024 Workshop: Empowering African Youth through Photography and Digital Storytelling

In partnership with Kreative Foundation, KNLS hosted the Get-Kreatives 2024 Workshop, offering African youth an incredible opportunity to enhance their photography and digital storytelling skills. Held from 14th to 18th October, the workshop provided participants with hands-on experience in planning and executing personal photography projects. They learned the art of visual storytelling and how to engage communities through their work. The workshop culminated in a public exhibition, allowing participants to showcase their creative projects

Launch of the Children's Section and a Lactation Room for Nursing Mothers

The Turkish Cooperation and Coordination Agency (TIKA) supported the establishment of a lactation room for nursing mothers, and revamped the children section at KNLS, Maktaba Kuu. Upon completion, the two spaces were launched on 7th March 2025. The ceremony was attended by (among other guests), H.E Subutay YUKSEL (The ambassador of Turkiye in Kenya), and Yasemin Cansuz Kurt.



transformation of KNLS into a more family-space will encourage the young mothers to library. The National Gender and Equality of Kenya has been actively involved in environments for breastfeeding mothers, for the establishment of lactation rooms in spaces. This is further supported by the Health Act 2017, Breastfeeding Mothers Bill 2019 & 2024, and the Kenya's Ministry of Health Nutrition Plan-2020.

The guests were received by the KNLS Board Chairman. The friendly and inclusive comfortably use the Commission (NGEC) promoting supportive including advocating public and private

Launch of Kerarapon School Library

In partnership with BAI, KNLS assisted in establishing a school library at Kerarapon School, in Kajiado North Constituency. The library was launched on 21st March 2025. This achievement was attained courtesy of the Explorer School Library that is supported by BAI in partnership with KNLS. The project focuses on transforming unused, dilapidated classroom in a primary school, and converts them into a fully functioning school library. The transformation is not only in the physical form, but also in the minds and attitudes of the heads of institutions, and their teachers who get their minds transformed to the wonder and joy of having a functioning and utilized school library. The project also covers the furnishing and stocking of the library. Through the support of Book Aid International, KNLS is enabling access to information materials for the Kenyan child regardless of their physical frontiers.



Mwangaza Primary School Library Launch



Mwangaza Primary School also benefited from the Explorer School Library project. The library which was launched on 30th January 2025, will serve the school population that comprises a population of 1,500 pupils and 42 teachers. The project was handed over to the school and the community during the launch by the Guest of Honor, KNLS Board Chairman Bishop Robert Theuri Maina, in the company of the KNLS Director General, Dr. Chrls Nzivo. Other than the students, the initiative was well

received by the teachers, community, including parents, who expressed gratitude for the opportunity to enhance their children's learning experiences. Other stakeholders, who graced the occasion included the Isiolo County Government officials who reinforced the importance of collaborative efforts in promoting literacy.

Britannica Library Goes Live in KNLS Virtual Library

On 21st March 2025, KNLS officially launched Britannica Library, that is now accessible to the public through the KNLS Virtual Library - vtabu. This will expand digital access to credible information and provide users with trusted, interactive, and engaging content. Britannica Library offers a wealth of high-quality resources for research, learning, and discovery. The people of Kenya have access to



Britannica Library, which is the Encyclopedia Britannica's flagship online knowledge collection. Under the agreement between Britannica and KNLS, readers can use the collection in the library or access it remotely. "Every year, Britannica's worldwide team of editors and contributors write, illustrate, expand, update, adapt and revise tens of thousands of articles," said Matthew Ward, EMEA Director for Britannica. "They bring unmatched intellectual rigor to

every story, graphic, video, or quiz we publish, because, in an ever-changing world, having up-to-date, trustworthy information isn't just our job, it's our mission."

Celebrating National Sovereignty and Children's Day at Maktaba Kuu

On 24th April 2025, KNLS joyfully commemorated National Sovereignty and Children's Day at the vibrant Maktaba Kuu Children's Section. This special day carried significance as it coincided with World Book Day, creating a unique opportunity to celebrate the power of stories and the promise of young readers. The event was graced by esteemed guests, including Madam Tessie Mudavadi, who served as Guest of Honor, and His Excellency Subutay Yüksel, the Ambassador of Türkiye. Their presence underscored the importance of nurturing bonds of friendship between nations while championing literacy and cultural understanding.

Throughout the day, children were treated to storytelling sessions, films, and engaging activities designed to spark their curiosity and imagination.

Laughter and excitement filled the library as young readers immersed themselves in worlds of adventure and discovery. Each story shared was a poignant reminder that books possess a unique power to inspire dreams, encourage empathy, and foster lifelong learning.



A Cultural Symphony at the KNLS Hekima Auditorium

On June 20th 2025, the Hekima Auditorium transformed into a lively hub of cultural exchange as KNLS proudly hosted the Chinese Orchestra. This extraordinary musical group captivated the audience with performances that highlighted the rich heritage of traditional Chinese instruments. The evening was more than just a concert; it was an immersive experience that bridged cultures and united hearts through the universal language of music. Special thanks go to Dr. Wei Fanjian, Dean of Music at Shandong University, whose leadership and passion shone through every note

played. Also present were arts directors, lecturers, and talented undergraduate and postgraduate students from SDNU, all of whom brought their expertise and artistry to the stage. Their commitment to cultural preservation and artistic excellence was truly inspiring. A highlight of the evening was the inclusion of instrumental martial artists whose energetic display added a dynamic touch to the program. Their performance skillfully combined discipline, movement, and melody, leaving the audience in awe. This collaboration emphasized the importance of cultural diplomacy and the role of libraries as spaces for learning, exchange, and celebration. It was a beautiful reminder that music and culture have the power to transcend borders and forge meaningful connections.

Reading Extravaganza Ignites Young Imaginations at Buruburu Library

On 17th June 2025, KNLS Buruburu hosted an unforgettable Reading Extravaganza that brought together students, teachers, and literacy advocates under the theme "Unlocking Imaginations through Books." The atmosphere buzzed with excitement as young readers gathered to celebrate stories and the power of the written word. Throughout the day, participants enjoyed lively read-aloud sessions, where



voices rose in unison to bring beloved characters and tales to life. These shared moments of storytelling ignited curiosity and sparked conversations that extended far beyond the library walls. The event also featured engaging discussions that highlighted the importance of nurturing a reading culture, particularly among the youth who hold the future in their hands.

Unlocking Worlds through Reading at Maktaba Kuu

On 13th June 2025, Maktaba Kuu came alive with energy and excitement as students gathered under the theme “Unlocking Worlds through Reading.” This inspiring Reading Extravaganza was a celebration of books, imagination, and the transformative power of storytelling.



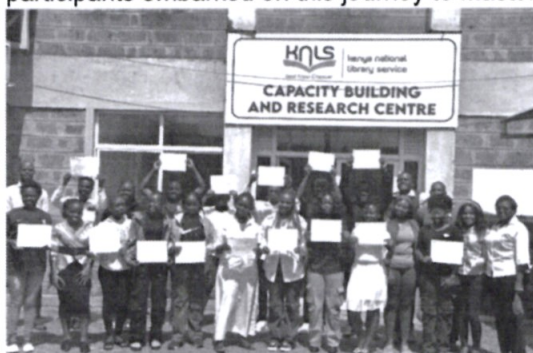
Interactive discussions encouraged students to share their thoughts and connect over their favourite books. The atmosphere was electric as young readers explored the endless possibilities that literacy has to offer. What made the event particularly special was the enthusiasm and

curiosity of the participants. Their willingness to engage, ask questions, and express ideas showcased the powerful impact of creating spaces where reading is celebrated. Each moment underscored the essential role of libraries in fostering a culture of learning and creativity.



Digital Literacy Program Cohort 6 Graduates at Buruburu

On 11th June 2025, KNLS celebrated the graduation of Cohort 6 from the Digital Literacy Program at Buruburu Library. What began as a group of strangers evolved into a close-knit community of learners who, over eight weeks, built confidence, acquired essential skills, and discovered a shared purpose in the digital age. Fifteen determined participants embarked on this journey to master basic and



intermediate digital tools that would empower them in their personal and professional lives. Under the guidance of dedicated instructors, they explored topics ranging from online safety and productivity software to social media and digital communication. By the end of the program, each graduate had not only acquired practical knowledge but also developed the confidence to navigate the digital world with greater independence. The camaraderie among the

cohort was evident as participants shared their experiences and reflected on how the program had transformed their perspectives on technology. This milestone underscores KNLS's commitment to equipping communities with the skills they need to thrive in a rapidly evolving information landscape. As digital literacy becomes ever more critical, initiatives like this one ensure that no one is left behind.

Honouring the Literary Legacy of Ngũgĩ wa Thiong'o



On 4th June, KNLS Nakuru Branch hosted a special commemorative event dedicated to celebrating the literary legacy of Prof. Ngũgĩ wa Thiong'o. This gathering paid tribute to one of Africa's most influential authors, whose work has inspired generations and sparked critical conversations about language, culture, and identity. The event created a reflective atmosphere where attendees revisited Prof. Ngũgĩ's powerful narratives that have shaped African literature. Excerpts from *The River Between*, *Decolonising the Mind*, and other

notable works were shared to remind everyone of the depth and relevance of his storytelling. His commitment to writing in indigenous languages has had a lasting impact on cultural preservation and education, reminding us all that language is both a tool of expression and a vessel of heritage.

Speakers underscored the importance of continuing to share Ngũgĩ's work with new generations. His stories serve as a mirror that reflects our struggles, triumphs, and dreams. They challenge readers to think critically about identity and to embrace the richness of African culture. The commemorative event was more than a celebration; it was a call to action to preserve and promote literature that speaks to our shared history. KNLS is proud to make Prof. Ngũgĩ's books accessible in our libraries, where readers can discover and reflect on the transformative power of his words. In honoring his legacy, KNLS reaffirms its commitment to nurturing a reading culture rooted in pride, knowledge, and the pursuit of justice.

KNLS Marks Internal Audit Awareness Month

On 27th May 2025, KNLS celebrated Internal Audit Month with a special meeting dedicated to recognizing the role of internal auditors in driving accountability and excellence. The event brought together senior management, audit professionals, and representatives from the Institute of Internal Auditors Kenya for an engaging session of learning and reflection. During the meeting, the Head of Internal Audit led a discussion on Domain III of the Global Internal Audit Standards, which focuses on the governance of the internal audit function. Participants also explored Domain I, which defines the purpose of internal audit and its role in strengthening organizational effectiveness. The meeting emphasized that senior leadership bears significant responsibility for supporting the audit process and ensuring its independence. By fostering a strategic partnership with the internal audit function, managers can unlock valuable insights that drive improvement and safeguard institutional integrity. The event featured a goodwill message from Dr. Joyce Omina, CEO of the Institute of Internal Auditors Kenya. Her remarks underscored the importance of continuous professional development and collaboration in advancing the impact of internal audit across the public sector.

Books-To-Go Project, Mumbuni Comprehensive School Final Evaluation, 15th May 2025.

The B2GO project design aims at ensuring that schools are supported to create library spaces and develop book lending schemes. This is to increase the Schools' capacity to deliver education during school closure, and enable learners to continue reading and learning in school, and at home. Mumbuni Comprehensive School received 2141 UK Books, 203 published locally and an additional 48 Junior Secondary Readers from the KNLS Board. They received 200 branded book bags and a training component for the Head of Institution-HOI, the Deputy and three of their senior teachers.

The final evaluation was conducted on 21st May 2025 where the following success was recorded:

- i. The school had introduced a 'reading hour/library lesson' into the school timetable to enable regular reading during the week.
- ii. The school has established a well-run book lending system.
- iii. The teacher-librarians at Mumbuni Comprehensive School had received the requisite skills, and high levels of confidence to run lending systems, and manage the library.

The successful implementation of the Books-To-Go Project at Mumbuni Comprehensive School has led to receiving of a grant to implement the Books-To-Go Project-Thirime Comprehensive School, Kiambu County.

1.2 CAPACITY BUILDING AND TECHNICAL ASSISTANCE TO COUNTY GOVERNMENTS

1.2.1 Empowering Counties Without Libraries

On August 29-30, KNLS held a two-day capacity-building workshop at the KNLS Buruburu, Nairobi, aimed at equipping 14 County Governments without libraries with the knowledge



and tools to establish and manage public libraries. Key representatives engaged in discussions on modern library operations and design.



1.2.2 Project Design-Mini Inspiring Readers Project, Makueni County

KNLS partnered with Book Aid International (UK) to implement this project. The Project aims to extend outreach services to schools in Makueni County. To facilitate the smooth implementation of the project, KNLS identified two hub libraries within the county to provide the necessary services to the schools. The two libraries are Kithasyu and Mutyambua, each supporting five schools as follows;

Kithasyu Hub: Kivuthini Comprehensive School; Maikuu Comprehensive School; Ngukuni Comprehensive School; Yieni Comprehensive School; and Thange Comprehensive School.

Mutyambua Hub: Masue AIC Comprehensive School; Muambwani Comprehensive School; Mukameni Comprehensive School; Kithatha Comprehensive School; and Uthangathi Comprehensive School.

A Stakeholders' engagement forum was conducted in February through a meeting at the County Headquarters, followed by a visit to the 10 beneficiary schools. The stakeholders were informed about the project components and their respective roles in the project implementation. On 25th March 2025, Librarians from the 2 hub libraries underwent a TOT training to enable them to participate in the Teachers' training that was held on 26th to 28th March 2025. A total of 30 teachers were inducted into the project and trained on the management of School Libraries and how to promote literacy using the donated resources.

1.2.3 Building Capacity through RDA Training at Maktaba Kuu

On June 10th, KNLS reaffirmed its dedication to improving library services by hosting an intensive RDA training at the Maktaba Kuu Sanaa Centre Auditorium. The event brought together librarians from various

county governments and other information experts from across the country to deepen their understanding of international bibliographic standards. This specialized program aimed to equip participants with the skills necessary to catalog and manage resources in a modern, globally connected information environment. The training offered not only technical knowledge but also a space for attendees to share insights and discuss challenges related to adopting new cataloging frameworks. RDA stands for a forward-thinking approach to cataloging that promotes smooth data sharing, interoperability, and a better user experience across libraries of all sizes. Participants took part in detailed sessions covering the core principles and practical uses of RDA, exploring how consistent metadata can improve resource discovery for library users. As libraries continue to evolve in the digital age, such training efforts help information professionals stay prepared to deliver high-quality services that adhere to global best practices.

1.2.4 KNLS Distributed 2,500 Books to Garissa Libraries

On 4th October 2024, KNLS, in partnership with Book Aid International, donated 2,500 books to the County Government of Garissa. The donation is part of KNLS's ongoing efforts to support libraries in post-devolution Kenya. These books will benefit libraries in Garissa, Mbalambala, and Masalani, thereby strengthening the county's library infrastructure and promoting literacy. The County Chief Officer attended the donation event for Information & Library Services, hosted by Madam Nimo Bashow, and the KNLS Director of Acquisition and Distribution, Madam Philomena Mwirigi. The donation represents a significant step in KNLS's mission to expand access to knowledge and promote lifelong learning nationwide. Kenya National Library Service remains committed to expanding access to quality information resources across the counties below is a summary of County Public Libraries supported during the year under review.

Books Distribution to counties

No	County	Library	Books	Cost
	Elgeyo Marakwet County	Lagam Public Library	200	214,000
	Narok County	Narok Public Library	350	350,500
		Lelechonik Public Library	350	324,500
	Nandi County	Kapsabet Public Library	400	400,00
	Baringo County	Kabarnet Public Library	10	10,481
		Eldama Ravine Public Library	10	10,481
	Siaya County	Rambula Public Library	273	250,000
		Ukwala Public Library	273	250,000
		Nylima Public Library	273	250,000
	Kisumu County	Koru Public Library	207	180,000
		Kisumu Public Library	207	180,000
	Nairobi County	Eastlands Community Library	500	360,000
		Kibera Public Library	400	350,000
		MYSA Library	300	200,000
	Nyandarua County	OI kalou Public Library	300	275,000
	Mandera County	Laefey Community Library	5,000	4,500,000
		Elwak Community Library	5,000	4,500,000
	Garissa County	Garissa Public Library	250	250,000
		Mbalambala Public Library	200	150,000
		Masalani Public Library	200	150,000
	Meru County	Meru Public Library	400	305,000
		Gatimbi Public Library	400	305,000
		Mikumbune Public Library	400	305,000
	Isiolo County	Isiolo Public Library	193	135,000
	Makueni County	Kithasyu Public Library	427	390,000
		Mutyambua Public Library	427	390,000

		Kinyambu Public Library	427	390,000
	Tharaka Nithi County	Gatunga Community Library	3,500	2,860,938
	Kilifi County	Kilifi Public Library	270	106,592
	Bungoma County	Bukembe Community Library	300	220,000
TOTAL SUMMARY OF BOOKS DISTRIBUTED AND TOTAL COST INCURRED			22,607	18,086,992

1.2.5 Capacity Building & Professional Development for 2024/2025 FY'

No. of Attendants	Course	Venue	Date	Training Provider
1	Cyber Security & IT Governance seminar	A & L Hotel, Machakos	2 nd to 6 th September, 2024	KNLS
1	Master of Library & Information & Archives Management	Xiangtan University, China	September 2023 to July, 2025 Xiangtan University, China	Peoples' Republic of China & KNLS
1	Master of Public Administration	Sun Yat - sen University	September, 2024 to July, 2025	Peoples' Republic of China & KNLS
1	Heads of procurement and Supply Chain Management Forum	White sands Hotel, Mombasa	12 th - 16 th August, 2024	KNLS/KISM
2	Certificate on Total Solution for Integrated Library System (TSILS) offline, (Physical- regular ITEC)	National Institute of Technical Teachers Training and Research (NITTTR) Chennai, India	14 th to 30 th October, 2024	Government of India & KNLS
1	IHRM Conference	Sawela Lodge, Naivasha	29 th October – 1 st November, 2024	IHRM & KNLS
1	Critical Administrative Skills improvement & development program	Naivasha Resort, Naivasha	11 th to 15 th November, 2024	The Administrative Professionals of Kenya (APK) & KNLS
1	Global Internal Audit	Lake Naivasha Sopa Resort	2 nd to 6 th September, 2024	IIA
1	Training of Trainers	Accra, Ghana	7 th to 11 th October, 2024	The Africa Library and Information Association and Institutions (AfLIA) & KNLS
2	2024 Annual Conference	Tom Mboya Labour College in Kisumu City.	28 th October-2 nd November, 2024	Association of Government Librarians (AGL) & KNLS
3	Seminar on digital culture construction for the "belt and road countries	Beijing, China	29 th October, 2024 to 11 th November, 2024	Central academy of cultural and tourism
1	Strategic Leadership & Development Program	KSG	4 TH November to 13 th December, 2024 to 3 rd January 2025 – 15 th February 2025	Kenya School of Government (KSG)
34	Productivity Mainstreaming training	Sanaa Centre, Maktaba Kuu Building	25 th to 29 th November, 2024	NPCC

1	3 rd Edition of the Supply Chain Management National Dialogue	Sarova WhiteSands Hotel & Spa	25 th to 29 th November, 2024	KISM
78	National Values and principles of Governance	Hadithi Hall Maktaba Kuu Building	28 th November, 2024	PSC
34	Productivity Mainstreaming	Sanaa Centre, Maktaba Kuu Building	9 th & 10 th December, 2024	NPCC
2(one virtually)	41 st Annual Seminar Edition II 2024	Mombasa-Sarova whitesands	18 th to 22 nd November, 2024	ICPAK
1	Global Internal Audit Standards training	Mombasa	10 th to 14 th February, 2025	Institute of Internal Auditors
1	Records Digitization training	Lake Naivasha Resort.	14 th February, 2025	Kenya Association of Records Managers and Archivists (KARMA)/KNLS
48 librarians	Training on KOHA – Librarians were from National and County Governments	Sanaa Centre Maktaba Kuu Building	19 th to 21 st February, 2025	KNLS
25	Quality Assurance training	Sanaa Centre, Maktaba Kuu Building	25 th February, 2025	KNLS
5	Workshop on Tax compliance, online corporation tax filing & training on changes in Finance Act, 2024		17 th to 21 st March, 2025	KRA
36youth	Micro Small & Medium Enterprises (MSMEs) training	Hekima Hall, Maktaba Kuu Building	30 th June, 2025	KSG
1	Innovation Africa Summit	Addis Ababa, Ethiopia	28 th to 30 th April, 2025	Ethiopian Government in collaboration with African – Brains
49 Staff	Productivity Mainstreaming	Hadithi Centre	9 th May, 2025	National Productivity and Competitiveness Centre (NPCC)
2 Staff	IHRM Congress	Sarova Whitesands , Mombasa	27 th to 30 th May ,2025	IHRM
2 Staff	Seminar on digital cultural department for belt and road countries	Beijin, China	5 th to 18 th June, 2025	The Central Academy of Cultural and Tourism Administration, China,
54 Staff	Resource Description and Access (RDA)	Sanaa Centre, Maktaba Kuu Building	4 th to 5 th June, 2025	Library of Congress/KNLS
85 Staff	Mindset/Change Management training	Sanaa Centre, Maktaba Kuu Building		KSG

Students on attachment – KNLS engaged One Hundred and Sixty (160) students as follows: – 5 on volunteer program, 150 on attachment and 5 on internship. They were deployed in different departments within KNLS.

2.0 FINANCIAL RESULTS AND REVIEW OF PERFORMANCE

2.1 Recurrent Grant

The National Treasury in the printed estimates for the FY' 2024/2025 allocated KNLS Board a gross amount of **Kshs.430,001,625** under Recurrent expenditure, as per Statement of total funds broken down as follows:

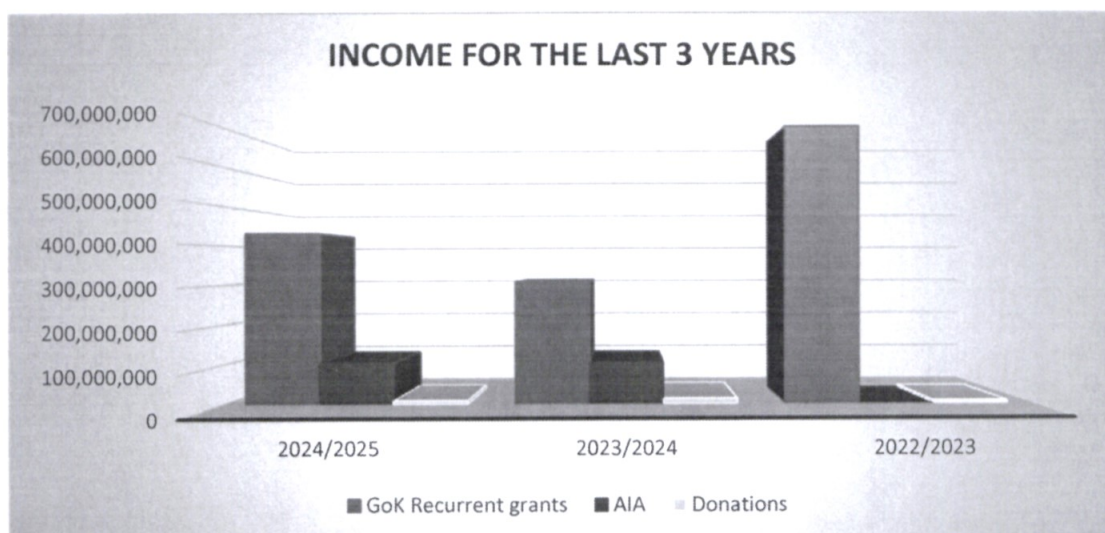
GOK Funds	340,001,625
A-I-A	<u>90,000,000</u>
Total Recurrent grants	<u>430,001,625</u>

During the year 2024/25 KNLS received GoK recurrent grants transfer of **Kshs.340,001,625** and collected AIA of **Kshs.102,982,118** which was utilized to fund KNLS employees' salaries and operational costs.

Further KNLS received Donor funds of **Kshs.8,120,237** which are pegged to specific programmes as per the donors/KNLS signed MOU

The following is a summary of the income KNLS has received in the last three financial years:

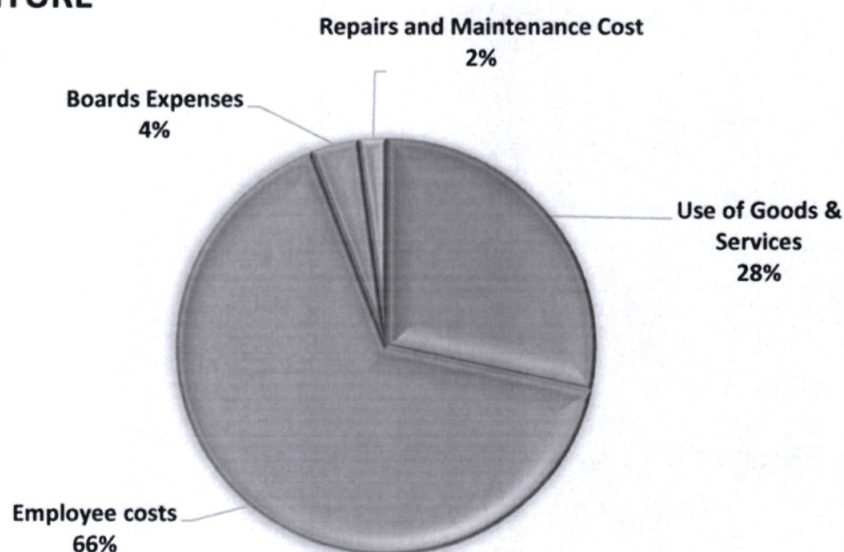
Income	2024/2025	2023/2024	2022/2023
GoK Recurrent grants	430,001,625	307,261,000	698,120,180
Development Grants	10,000,000	0.00	0.00
AIA	102,982,118	103,039,623	105,394,752
Donations	8,120,237	13,491,519	6,133,412.35



The following is a summary of the expenditure incurred by KNLS in the last three financial years:

Expenditure	2024/2025	2023/2024	2022/2023
Use of Goods and Services	128,587,849	111,329,121	148,832,357
Employee Costs	297,790,337	292,739,372	680,808,685
Board Expenses	16,798,890	9,791,524	14,432,044
Repairs and Maintenance Costs	9,665,796	9,681,818	14,095,834

EXPENDITURE



2.1.1 Donations

During FY 2024/2025, KNLS continued to enjoy support from her long-time partners who sponsored various library programmes. Donor funds are conditional and are strictly pegged to specific projects arrived at through an MOU signed by the donor and KNLS. The following are donations received from our partners;

Payee	2024/2025	2023/2024	2022/2023
Book Aid International	3,079,640	3,781,097	822,132.35
US Embassy	5,005,597	8,067,159	2,757,015
Eifl	0	1,440,963	0
LEGO Foundation	0	0	2,554,265
Others	35,000	202,300	0
Grand Total	8,120,237	13,491,519	6,133,412.35

2.2 Development Grant

During the year, KNLS received Kshs.10M from the exchequer for development of Karachuonyo Community Library. The funds were allocated during the public participation forum in Homabay County.

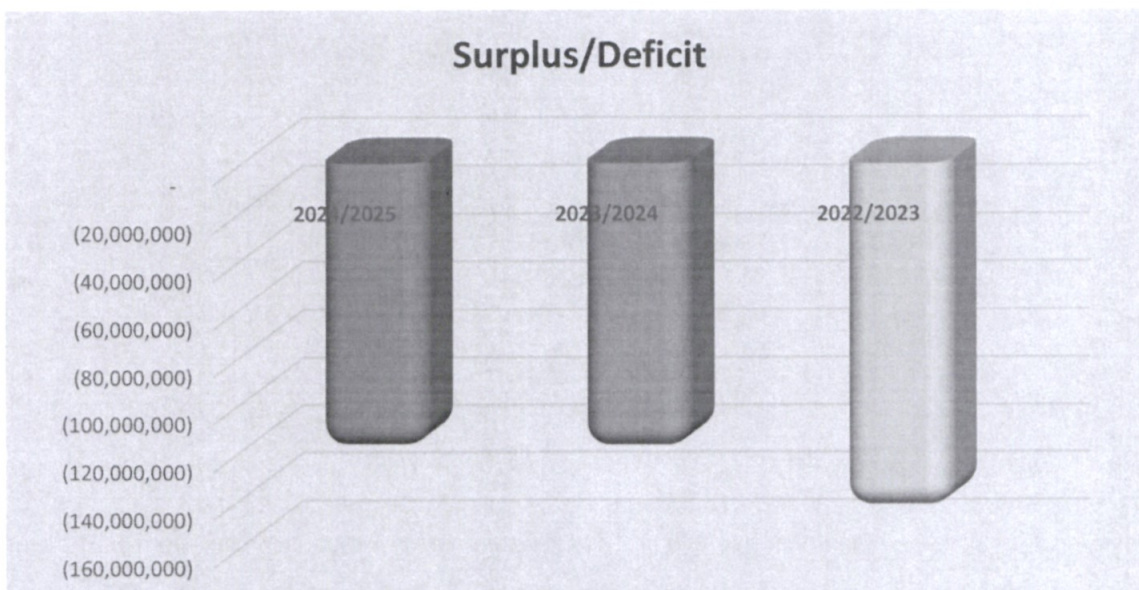
For the fourth fiscal year running KNLS was not allocated any financial resource under Development budget. However, in a letter vide Ref. No:RES 1132/22/01/A/25 dated 22nd June 2023 from The National Treasury and Economic Planning, on the request from the Board for consideration under Second Revision of the Financial Year 2022/23 Budget, directed that the Capital grant of **Kshs.46,279,404** for a completed project be prioritized through the FY'2024/25 Medium Term Budget Process.

It was expected that this amount would be availed in the FY'2024/2025 to offset the pending payments that had been carried over the last 2 Financial Years after completion and commissioning of the project.

2.3 Deficit Trend for The Last Three Financial Years

KNLS recorded a deficit of **Kshs.119,231,211** as compared to a deficit of **Kshs.119,535,753** in the previous FY'2023/2024.

Surplus/ (Deficit) Trend	2024/2025	2023/2024	2022/2023
		Kshs.	Kshs.
Surplus/Deficit	(119,231,211)	(119,535,753)	(144,380,544)



3.0 KEY PROJECTS AND INVESTMENT DECISIONS KNLS IS PLANNING/ IMPLEMENTING

The main sources of KNLS Board's funds for projects and investment decisions are the Exchequer from Government and Donor funding. Donor funds are conditional and are strictly pegged to specific projects arrived at through an MOU signed by the donor and KNLS. During FY'2024/25 KNLS did not have key projects for implementation.

4.0 KNLS COMPLIANCE WITH STATUTORY REQUIREMENTS

The Board has continued to make timely remittance of statutory deductions including; Pay As You Earn (PAYE), Social Health Insurance Fund (SHIF), National Social Security Fund, Affordable Housing Levy, HELB and Pension scheme in order to protect the welfare of its staff.

In addition, the Board has ensured compliance with relevant legislations in regard to submission of Quarterly and Annual Financial Reports, Procurement and Management Reports.

5.0 MAJOR RISKS FACING KNLS

The Kenya National Library Services (KNLS) recognizes the importance of identifying, assessing, and mitigating risks that could impact the achievement of its strategic and operational objectives. KNLS is

committed to Risk Management as an integral part of its corporate governance and operations, developing strategies and systems to minimize risks. KNLS is committed to: Proactive risk identification and assessment, Employee training to enhance risk aware-culture and accountability, Strong governance and leadership by aligning Risk Management with its business strategy and operational objectives, and Continuous improvement and innovation in risk mitigation strategies.

The following key risks were prone to the organization during the financial year;

NO	RISK CLASS	RISK TYPE	PROBABILTY	IMPACT	PROPOSED MIIGATION
1.	Financial risk	Inadequate or delayed disbursement of government or donor funds	High	Disruption of library programs, delayed payments, inability to acquire new resources.	Engagement proactively with Treasury and development partners; prepare contingency budgets; diversify funding sources.
2.	Operational risk	Inefficient internal processes and outdated ICT systems.	Medium	Reduced service delivery, increased operational costs and reputational damage.	Continuous process improvement and investment in the ICT infrastructure and automation of library services.
3	Legal and Regulatory Compliance Risk	Non-compliance with regulatory, procurement, or financial reporting standards	Medium	Legal penalties, audit queries, and loss of credibility	Regular compliance audits, staff training, and strict adherence to public procurement and financial regulations.
4	Technological Risk	Threats to digital assets and user data through cyberattacks or data breaches.	High	Loss of critical data, service disruption, and reputational damage.	Implementation of cybersecurity policies; regular system updates and staff cybersecurity awareness training.
5	Human resource risk	Staff turnover or skills mismatch	Medium	Loss of institutional memory and reduced productivity and operational efficiency	Continuous professional development, performance-based incentives, and succession planning.
6	Strategic risk	Misalignment between library strategy and National development goals	Low	Not meeting stakeholder expectations	Periodic review of strategic plan to align with Vision 2030, Government agenda(BETA) and other emerging government priorities

7	Safety risk	Deterioration of library buildings and facilities.	Medium	Safety hazards, poor user experience, and limited access to services.	Regular maintenance and capital investment plans; seek infrastructure support from government and partners.
8	Reputational risk	Damage of KNLS brand image, credibility and public perception	Low	Loss of customer trust and loyalty	Strict ethical guidelines through governance digital and cybersecurity safeguards on customer data

6.0 MATERIAL ARREARS IN STATUTORY AND OTHER FINANCIAL OBLIGATIONS

Compliance with Laws and Regulations and Standards

The organization continued to comply with legal and regulatory requirements and the various Acts it operates under and as at the end of the FY 2024/2025, the Board did not have any material Statutory arrears. However, as at 30th June 2025, KNLS had some unsettled financial obligations in form of Payables of Kshs. 165,078,325.

7.0 FINANCIAL PROBITY AND SERIOUS GOVERNANCE ISSUES

KNLS Board recognizes the importance of corporate governance and as such it carries out its mandate with honesty, openness and integrity. The Board is responsible for overseeing the management of KNLS and provides guidance and directions in order to attain corporate objectives. To achieve these, the Board has in its Charter four committees namely:

- i) Finance & Projects Development
- ii) Human Resource and Service Delivery
- iii) Audit Committee
- iv) Marketing, Research & Resource Mobilization

Each of the above committees handles matters relating to their areas of operation and reports back to the full board for necessary action to be taken.

As at 30th June 2025, KNLS had no financial improbity or governance issues reported by internal audit, office of the Auditor General or any other National Government agency providing oversight. The organization complied with the requirements of the Constitution of Kenya 2010.

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

i) Sustainability Strategy and Profile

A Sustainability Strategy and Profile serves as a foundational framework for an organization's commitment to environmental stewardship, social responsibility, and long-term economic viability.

It outlines the core values, goals, and actions that guide the organization in minimizing its environmental footprint, promoting ethical practices, and contributing positively to the communities it operates in.

The profile provides a clear overview of the organization's sustainability priorities, initiatives, and performance metrics, demonstrating a transparent and accountable approach to sustainable development. During the period under review, KNLS implemented environmental and sustainability measures as follows:

a. Political and macroeconomic efforts of enhancing KNLS sustainability.

- i. Explores ways of engaging and collaborating with other development partners to sustain the operations seamlessly. A Public Private Partnership (PPP) committee was constituted to champion this course.
- ii. Transformation strategy was also adopted whereby all the HODs explored various income stream within their department and will be reporting quarterly the level of achievements.
- iii. Leveraging partnerships to fund and implement sustainability-linked programs. This includes partnerships like:
 - TİKA (Turkish Cooperation Agency) – for infrastructure and inclusive design.
 - Worldreader – for digital access.
 - Government of Kenya – for alignment with the 15 Billion Tree Program and national green growth goals.

ii) Environmental performance

The Kenya National Library Service has undertaken a series of proactive initiatives to ensure the long-term sustainability of its environmental activities. These efforts are exemplified by the implementation of various policies and practices, such as the proper disposal of electronic waste, the consolidation of water dispenser units, the sharing of IT assets, and the promotion of using soft copies instead of hard copies for documents and printing both sides of paper documents where hard copies are unavoidable. The adoption of a Just-In-Time philosophy for store item replenishment minimizes the storage of large stocks, reducing waste and inefficiencies.

In a move to promote eco-friendly transportation, KNLS signed a Memorandum of Understanding (MoU) with Arc Ride Kenya Limited to establish a motorcycle charging stations. The partnership, formalized on 8th July, 2024, is part of KNLS's broader strategy to support sustainable urban mobility and environmental conservation in Kenya. The collaboration will see the rollout of electric motorcycle charging stations across key KNLS library branches, enabling riders to seamlessly swap battery packs, thereby reducing downtime and operational costs. This initiative aims to encourage the adoption of electric motorcycles, which are both cost-effective and environmentally friendly, thereby contributing to the reduction of carbon emissions in urban centers.

Additionally, KNLS in collaboration with various stakeholders will implement a check-off system, making it easier for staff and library users to purchase electric motorcycles through a convenient and affordable payment plan. This arrangement will enable more Kenyans to access sustainable modes of transportation, supporting the government's green energy agenda. The initiative aligns with global efforts to combat climate

change and reinforces Kenya's commitment to a more sustainable, eco-conscious future for its urban populations.

Furthermore, Kenya National Library Service has significantly expanded digitization services, including books, newspapers, artworks, and maps—boosting preservation and reducing its environmental footprint (fewer hard-copy print runs), developing and implementing various innovative systems, including an intranet, an Electronic Document Management System based on Microsoft SharePoint, an online ERP System automating back-office services. These technological advancements not only enhance the efficiency and effectiveness of the Board's operations but also contribute to its overall sustainability goals. To guide in the disposal of e-waste, KNLS has an e-waste policy which provides guidelines on the disposal.

On 23rd May, 2025 KNLS joined hands with the Ministry of Gender Culture & Children's Services and the Nandi County Government to advance environmental conservation through a large-scale tree planting initiative. The exercise, held at Kobujoi Forest, was graced by the Principal Secretary Ms. Umami Bashir, CBS as the Chief Guest alongside Nandi Governor Hon. Stephen Sang. The event brought together community members, government representatives, and conservation partners who shared a common vision: to restore and protect our environment for future generations. Over the day, participants planted 5,000 trees, marking a significant milestone in ongoing efforts to combat climate change and promote sustainability.

KNLS was proud to contribute to this important cause, recognizing that libraries have a unique role in promoting not only literacy but also environmental awareness. As custodians of knowledge, we are committed to empowering communities with information and resources that support sustainable development.



Promoted the use of eco-friendly products, reducing waste and encouraged sustainable lifestyle through "Have fun recycling" training.



For environmental sustainability, the library in collaboration with other partners has continuously empowered the community through “Miti Sato” trainings that are held Saturday on how to adopt a tree, art of potting, pot making, storytelling, tips for successful seed ball planting among others topics.



iii) Employee Welfare

Kenya National Library Service has the Human Resource instruments which have been approved by the Public Service Commission (PSC). The instruments include: Human Resource Policy Manual, Career progression guideline, Organizational structure and Grading structure.

The instruments provide guidance on aspects of recruitments and selection, career progression of staff, performance management, diversity mainstreaming, training and development and salary administration. KNLS reviews the organization structure, optimum establishment, HR policies from time to time as and when need arises to enhance performance and service delivery.

Annually stakeholder engagement participation is planned and implemented by management. The forums provide sufficient opportunity to the stakeholders to voice their views that may influence the operations of the organization.

The principles of affirmative action, gender, and persons with disability is encapsulated in our Human Resource Policy. All matters of diversity, inclusivity and equal opportunity is guaranteed during recruitment, promotion, and entire spectrum of service delivery. Our facilities are friendly and accessible to all persons regardless of their physical and visual disability. Currently 3.5% of employees are people with disabilities while female and male employees are 59.8% and 40.2% respectively of the total workforce. Through affirmative action our target is to raise the percentage of people with disability in the organization to 5% of all employees.

Knls ensure compliance with the Occupational Safety and Health Act of 2007 (OSHA-2007).

Additionally, knls provides Comprehensive Benefits Act Coverage and Group Personal Accident Coverage for both Board members and employees as stipulated in the terms and conditions of service.

iv) Market Place practices

Market place practices are the norms and strategies that businesses use to operate effectively and ethically within their markets.

a) Responsible Marketing and Advertisement /Responsible engagement with the citizens.

In line with our commitment to ethical practices, the Kenya National Library Service (KNLS) has prioritized responsible marketing and advertisement throughout FY2024/2025. This report outlines our efforts to uphold high ethical standards in our marketing strategies, ensuring that our communication is honest, transparent, and respectful to all stakeholders.

Ethical Marketing Practices

To maintain ethical marketing practices, we have implemented the following measures:

- i. **Transparent Communication** We ensure that all marketing materials are clear, accurate, and free from misleading information. This includes transparent pricing, truthful service descriptions, and clear terms and conditions for all our programs and initiatives.
- ii. **Consumer Privacy Protection** Respecting consumer privacy is paramount. We have stringent policies in place to safeguard personal data collected during marketing campaigns, complying with all relevant data protection regulations.
- iii. **Targeted Advertising** We ensure that our advertising targets appropriate audiences without exploiting vulnerable groups. This includes adhering to guidelines for marketing to children, avoiding manipulative tactics, and being mindful of cultural sensitivities.
- iv. **Training and Compliance** To ensure adherence to ethical standards, we conduct regular training sessions for our marketing team. These sessions cover the latest regulations, ethical guidelines, and best practices in responsible marketing.
- v. **Monitoring and Feedback** We continuously monitor our marketing activities to ensure compliance with ethical standards. Feedback from consumers and other stakeholders is actively sought and used to improve our practices.
- vi. **Conclusion** Our commitment to responsible marketing and advertisement is integral to our corporate ethos. By maintaining ethical marketing practices, we not only comply with regulatory requirements but also build trust with our consumers and enhance our brand reputation. We will continue to prioritize these efforts.

b) Responsible competition practice.

Kenya National Library Service is taking all step to ensure that it is responsible in competition at marketplace by adhering to procurement laws and policies as enshrined in Article 227 of CoK 2010.

Knls Management undertake trainings on yearly basis to all shortlisted suppliers specially to reserved groups to ensure there is fair competition and transparency in procurement activities that are carried out.

Following practices are adhered to:

i. **Establish Clear Rules and Policies:**

Kenya National Library Service developed and enforced contractual rules that defined the scope of collaboration and set confidentiality guidelines.

ii. **Prevent Anti-Competitive Conduct:**

Knls Implemented operational rules to prevent members from accessing sensitive competitor information and ensure interactions remain within legal boundaries.

iii. **Conduct Regular Audits:**

Internal and External audits are performed to assess the effectiveness of compliance programs, policies, and training.

iv. **Promote Transparency and Trust:**

Knls has designed systems for ratings and reviews to be fair, avoiding manipulation from fake or undisclosed incentivized reviews.

v. **Provide Dispute Resolution:**

There are mechanisms offered, whether manual or automated to resolve disputes between buyers and third-party sellers.

vi. **Ensure Fair Participation:**

Knls endeavor to oversee marketplace participants to ensure they comply with terms of service and consumer protection laws as stipulated in the Trade Competition Act,

For Government and Regulators:

Enforce Competitively Neutral Laws:

Knls adopted and enforced competition laws that subject all market participants to the same rules regardless of their ownership or tribe.

i. **Regulate Digital Markets:**

Knls Management has developed legal and regulatory frameworks to address the unique challenges of digital marketplaces, such as platform monopolization and cross-border operations.

ii. **Promote Consumer Protection:**

The organization strived to implement measures to protect consumers from unfair practices by setting standards for service quality and verifying providers.

iii. **Conduct Market Studies:**

Undertaking of market studies is crucial to understand competition dynamics, identify potential issues, and monitor the implementation of recommendations.

iv. **Key Principles for Responsible Competition:**

Level Playing Field:

In any organization, all competitors should have a similar opportunity to compete without unfair advantages or disadvantages.

Transparency:

Information about products, services, and marketplace operations should be readily available to promote informed decision-making.

Fairness:

All participants, including buyers, sellers, and consumers, should be treated fairly under the marketplace's rules.

Trust:

Marketplaces should build trust through measures like service verification, background checks, and data from social connections.

c) **Responsible Supply chain and supplier relations**

KNLS (Kenya National Library Service), as a public institution, is expected to uphold good business practices that reflect transparency, accountability, and ethical standards. Here's how KNLS maintains responsible relationships with its suppliers:

Honoring Contracts

- **Legal Compliance:** KNLS adheres to the Public Procurement and Asset Disposal Act (PPADA), ensuring all contracts are awarded and managed in accordance with Kenyan law.
- **Contract Execution:** Once a supplier contract is signed, KNLS ensures it is fulfilled as per the agreed terms and conditions, demonstrating integrity and professionalism in business dealings.
- **Clear Communication:** Any changes or delays are communicated clearly, with a commitment to resolving disputes amicably and fairly.

Respecting Payment Practices

- **Timely Payments:** KNLS strives to process payments to suppliers within the timelines stipulated in contractual agreements and government regulations.
- **Transparency:** Suppliers are informed of the payment process, required documentation, and timelines to reduce uncertainty and build trust.
- **Fair Treatment:** Invoices are handled without unnecessary delays, and any discrepancies are communicated promptly to avoid financial strain on suppliers.

Allowing Competitive Procurement of Services

- **Open Tendering Process:** KNLS conducts open and competitive bidding in line with public procurement laws to ensure fairness and value for money.
- **Equal Opportunity:** All qualified vendors are given an equal opportunity to participate, promoting inclusivity and reducing favoritism.
- **Use of Approved Supplier Lists:** Prequalified suppliers are selected through transparent evaluations, ensuring only competent and reliable vendors are contracted.
- **Due Diligence:** KNLS performs due diligence on suppliers to ensure they meet ethical standards, such as fair labor practices and legal compliance.
- **Capacity Building:** Where possible, KNLS may engage with small and medium enterprises (SMEs), youth- and women-owned businesses, contributing to inclusive economic growth.
- **Feedback Mechanisms:** Suppliers can raise concerns or complaints through established channels, ensuring continuous improvement in supplier relationships.

d) Product stewardship or Awareness creation

Product stewardship and safety is majorly governed by Kenya Bureau of standards (KEBS and Ministry of Health focusing on Health and safety of the products that knls purchase throughout products Lifecycle.

Knls do market surveillance for compliance for products being purchased to ensure it meets safety standards. This is done through ensuring that KEBS labels are well done.

The Ministry of health sets guidelines for managing health products and technologies to ensure safety, quality, and accessibility aligning with the Universal Health Coverage goals. Knls religiously remits SHA contribution on monthly basis.

In terms of technology Knls works closely with Ministry if ICT and draws its strategic direction and policies to be in line with the required standards

Kenya National Library Service has transparency and communication policy for sharing information with stakeholders, including farmers, policymakers and the public to build trust.

Sustainability: Moving towards a circular economy approach by integrating input from various stakeholders to minimize waste and emissions

Kenya National Library developed a virtual Library to harness innovative technologies and digital tools to enhance product stewardship in all areas including engineering, medical and agriculture.

Data Centre and Digitization lab forms part of the circular economy for innovation technology.

v) Corporate Social Responsibility / Community Engagements

KNLS and Nation Media Foundation Support Flood-Affected Schools in Kisumu County

In response to the devastating floods that affected Kisumu County, the Kenya National Library Service (KNLS), in collaboration with the Nation Media Foundation (NMF), extended vital support to three primary schools in Nyando Sub-county. The floods displaced many families and disrupted the learning environment, leaving schools in urgent need of assistance. Recognizing the importance of educational continuity, KNLS and NMF acted swiftly to deliver donations of textbooks, reading materials, and essential learning resources. This intervention aimed to help students continue with their studies despite the adversity they faced.

The initiative underscored the critical role of partnerships in addressing emergencies that threaten children's access to education. Beyond providing immediate relief, the support also emphasized the importance of nurturing a culture of reading and learning resilience among young learners. KNLS remains committed to working with partners to ensure no child's education is left behind, even in times of crisis.



Donation of Medical Books to Navakholo KMTC Campus

On 23rd September 2024, the Kenya National Library Service (KNLS), in partnership with Book Aid International, made a significant contribution to the Navakholo KMTC campus through a donation of medical books valued at Kshs. 2.5 million. This initiative was designed to enrich the institution's library collections and enhance learning resources for students pursuing medical and health-related courses. The event brought

together educators, students, and stakeholders who highlighted the importance of access to high-quality educational materials in shaping competent healthcare professionals.

The donation demonstrated KNLS's ongoing commitment to supporting institutions of higher learning and promoting literacy in specialized fields critical to national development. By collaborating with Book Aid International, KNLS helped ensure that future healthcare workers are better equipped with the knowledge they need to serve communities effectively. This partnership reflects the organization's broader dedication to investing in the education sector and fostering a culture of reading and lifelong learning.



Support for Children at Ngewa Autism Center



On 13th December 2024, the Kenya National Library Service (KNLS), together with the Nation Media Foundation and Worldreader, carried out an impactful community engagement at the Ngewa Autism Center. This initiative included the donation of books, e-readers loaded with accessible content, food, and diapers to support the children and their caregivers. The e-readers, provided through Worldreader's innovative digital library platform, offered the children an opportunity to access stories and learning materials designed to enhance their cognitive development and communication skills.

The support extended beyond educational resources to address immediate needs that improve the well-being of the children and ease the burden on their families. This collaboration highlighted the value of partnerships in creating inclusive learning environments and supporting vulnerable communities. KNLS remains committed to fostering education, compassion, and equal opportunities for all children across Kenya, especially those living with disabilities.



11. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the Kenya National Library Service Board affairs.

Principal activities

The principal activity of the Kenya National Library Service is to promote, establish, equip, manage, maintain and develop libraries in Kenya as a National Library Service;

Results

The performance of KNLS for the year ended 30th June 2025 are set out on pages 1-32 in the subsequent pages of this document.

Directors

The members of the Board of Directors who served during the year are shown on page viii-xiii. During the year Mr. Peter Ochieng an Alternate to the Principal Secretary, State Department for Social Protection and Senior Citizen Affairs was replaced by Mr. Philomena Wairimu Kamau an alternate Director representing the Principal Secretary under the same Ministry with effect from 27th January 2025.

Surplus Remission

KNLS is a service State Corporation and does not generate surplus funds. All the AIA generated from the various income streams forms part of its total budget. The entity did not make any surplus during the year 2024/2025 and hence no remittance to the Consolidated Fund.

Auditors

The Auditor General is responsible for the statutory audit of the *Kenya National Library Service* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board;

Dr. Charles Nzivo

Director General/CEO, KNLS

Date: 26/08/2025

12. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, requires the Directors to prepare financial statements in respect of Kenya National Library Service which give a true and fair view of the state of affairs of the Board at the end of the financial year/period and the operating results of the *Kenya National Library Service* for FY2024/25. The Directors are also required to ensure that the Kenya National Library Service Board maintain proper accounting records which disclose with reasonable accuracy the financial position. The Directors are also responsible for safeguarding the assets of Kenya National Library Service

The Directors are also responsible for the preparation and presentation of KNLS Financial Statements, which give a true and fair view of the state of affairs of the Board as at the end of the financial year ended on June 30, 2025. This responsibility includes: -

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Kenya National Library Service Board.
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the Kenya National Library Service Board.
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

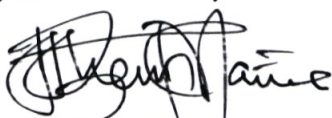
The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS) accrual basis and in the manner required by the PFM Act 2012 and the State Corporations Act. The Directors are of the opinion that financial statements give a true and fair view of the state of the Board's transactions during the financial year ended June 30, 2025 and financial position as at that date.

The Directors further confirm the completeness of the accounting records maintained, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Kenya National Library Service Board 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 Kenya National Library Service Financial Statements were approved by the Board on 26/08/2025 and signed on its behalf by:



Mr. Robert Theuri Maina
Chairperson - KNLS Board



Dr. Charles Nzivo
Director General/CEO

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON KENYA NATIONAL LIBRARY SERVICE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya National Library Service set out on pages 1 to 29 which comprise of the statement of financial position

as at 30 June, 2025 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya National Library Service as at 30 June, 2025 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.

Basis for Qualified Opinion

1. Long Outstanding Current Receivables from Exchange Transactions

The statement of financial position and Note 19 to the financial statements reflects balance of Kshs.45,382,729 in respect to current receivables from exchange transactions. The balance includes Kshs.31,738,317 which has been outstanding for more than one (1) year.

In the circumstances, the recoverability of the current receivables from exchange transactions balance of Kshs.31,738,317 could not be confirmed.

2. Long Outstanding Trade Payables from Exchange Transactions

The statement of financial position and Note 26 to the financial statements reflects balance of Kshs.165,078,325 in respect to trade payables from exchange transactions. The balance includes Kshs.46,827,334 which has been outstanding for more than one (1) year.

In the circumstances, the accuracy and completeness of the trade payables from exchange transactions balance of Kshs.46,827,334 could not be confirmed

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya National Library Service Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material Uncertainty Related to Going Concern

The statement of financial position reflects current assets and liabilities balances of Kshs.129,591,586 and Kshs.189,607,381 respectively, resulting to a negative working capital of Kshs.60,015,795. Further, the statement of financial performance reflects

amounts of Kshs.452,576,378 in respect to total revenue and Kshs.571,807,589 in respect to total expenditure resulting in an operating loss of Kshs.119,231,211. The Organization may be technically insolvent and therefore unable to meet its financial obligations as and when they fall due on the basis of the negative working capital position.

My opinion is not modified in respect of this matter

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, a number of paragraphs were raised. However, management has not resolved the prior year matters and has not explained the delay in resolving the issues as at 30 June, 2025.

Other Information

The Management is responsible for the Other Information set out on page ii to Ixi which comprise of Key Entity Information and Overall Performance, Statement of Governance, Statement of the Chairperson, Statement of the Chief Executive Officer, Management Discussion and Analysis, Statement of Performance Against Predetermined Objectives, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Kenya National Library Service financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion

on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Under Staffing of the Organization

Review of Human Resources documents revealed that the Kenya National Library Service has an approved staff establishment of three hundred and seventeen (317), while the in-post was one hundred and sixty-eight (168) leading to a shortage of one hundred and forty-nine (149) staff or 47% of the approved workforce. Further, it was noted that some departments were being manned by a single staff who initiates an activity to finalization without segregation of duties due to the understaffing.

In the circumstances, the efficiency and effectiveness in delivery of services could not be confirmed.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Corporation Secretary

Review of documents revealed that the Organization had no Corporation Secretary to assist in organizing Board activities and offer guidance when undertaking its responsibilities. The Board risks operating outside the set legal frameworks if not guided by a Corporation Secretary as provided for in paragraph D9 of Mwongozo guidelines.

In the circumstances, the effectiveness of the governance system could not be confirmed.

2. Incomplete Policy on Parking Charges

The statement of financial performance and Note 9 to the financial statements reflects revenue from rental income from facilities of Kshs.83,544,286 which includes

Kshs.1,741,751 relating to revenue received from parking charges and hire of halls. However, the Organization has not completed the development of Parking Charges Policy to guide in the billing. Instead, a draft policy is currently in use.

In the circumstances, the effectiveness of internal control system in billings could not be confirmed.

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 effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Organization's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial

statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Galbungu, CBS
AUDITOR-GENERAL

Nairobi

9 December, 2025

14. STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2025

		2024/2025 KSHS.	2023/2024 KSHS.
Revenue from non-exchange transactions	NOTE		
Transfers from government	6	340,001,625	307,261,000
Inter-account Transfer	6		-
Other Grants			
Earned income	7	507,506	507,506
Conditional Grants met	7a	9,085,129	13,022,486
Sub-Total		349,594,260	320,790,992
Revenue from exchange transactions			
Interest Income	8	-	-
Rental income from facilities	9	83,544,286	93,157,094
Rendering of Services	10	2,733,978	23,715
Library Fees	11	4,963,818	4,942,240
Other Income	12	11,740,036	4,916,574
Sub-Total		102,982,118	103,039,623
Total Income		452,576,378	423,830,615
Expenditure			
Use of Goods & Services	13	128,587,849	111,329,121
Employee costs	14	297,790,337	292,739,372
Boards Expenses	15	16,798,890	9,791,524
Depreciation & Amortization	16	118,964,716	119,824,532
Repairs and Maintenance Cost	17	9,665,796	9,681,818
Total Expenditure		571,807,589	543,366,367
Surplus/(Deficit)		(119,231,211)	(119,535,752)



Dr. Charles Nzivo
Director General/CEO

Musandu

CPA Julie Musandu
Director, Finance, Planning &
Resource Mobilisation
ICPAK Member No. 5463



Mr. Robert Theuri Maina
Chairperson – KNLS Board

Date 02/12/2025

Date 2nd December 2025

Date 2nd December 2025

15. STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

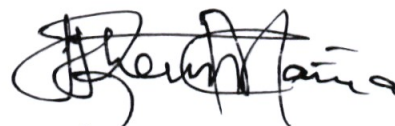
		2024/2025	2023/2024
		KSHS	KSHS
CURRENT ASSETS	NOTES		
Cash & Bank balances	18	47,941,347	49,762,561
Receivables from exchange transactions	19	45,382,729	81,962,955
Receivables from non-exchange transactions	20	32,610,974	6,152,011
Inventory	22	3,656,536	4,006,219
SUB -TOTAL		129,591,586	141,883,746
NON CURRENT ASSETS			
Property, Plant & Equipment	23	5,554,415,144	5,630,164,671
Intangible Asset	24	0	15,737,333
Stock - Books	25	467,773,534	422,792,159
SUB-TOTAL		6,022,188,678	6,068,694,163
Total Assets		6,151,780,264	6,210,577,909
CURRENT LIABILITIES			
Trade payables from exchange transactions	26	165,078,325	170,663,306
Refundable Deposits(Rental)	27	7,384,214	7,071,854
Current Provisions	28	7,386,256	7,373,460
Provisions for deferred Liability	29	106,255	3,838,838
Deferred income	30	9,652,331	10,617,223
Total Liabilities		189,607,381	199,564,681
NET ASSETS			
Accumulated Fund		3,683,415,488	3,799,507,860
Revaluation Reserve		1,151,426,611	1,151,426,608
Capital Reserve		197,123,861	169,194,470
Capital Donations		930,206,923	890,884,290
Total Equity		5,962,172,883	6,011,013,228
TOTAL EQUITY & LIABILITIES		6,151,780,264	6,210,577,909



Dr. Charles Nzivo
Director General/CEO

Musandu.

CPA Julie Musandu
Director, Finance, Planning &
Resource Mobilisation
ICPAK Member No. 5463



Mr. Robert Theuri Maina
Chairperson – KNLS Board

Date.....

02/12/2025

Date.....

2nd December 2025

Date.....

2nd December 2025

16. STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30 JUNE 2025

	Accumulated Fund	Revaluation Reserve/Additions	Capital Reserves	Capital Donations	Total
Balance as at 30th June 2023	3,918,775,396	4,161,008,617	112,209,355	855,695,278	9,047,688,646
Adjusted for:					
Prior Year adjustment:	268,217				268,217
Contribution to Impairment					-
Additions : Books				35,189,012	35,189,012
Fixed Assets					-
Construction of Mandera library			56,985,115		56,985,115
Revaluation for Motor Vehicles		12,968,000			12,968,000
Revaluation for transferred Assets	-	(2,176,582,477)			(2,176,582,477)
Revaluation A/c Prior Year Adjustment		(793,604,397)			(793,604,397)
Revaluation A/c Prior Year Adjustment		(52,363,132)			(52,363,132)
Capitalized Assets(VL)					-
Deficit for the year	(119,535,752)				(119,535,752)
Balance as at 30th June 2024	3,799,507,861	1,151,426,611	169,194,470	890,884,290	6,011,013,232
Adjusted for:					
Prior Year adjustment: (Audit Fees)	(700,000)				(700,000)
Contribution to Impairment					-
Additions : Books				39,322,633	39,322,633
Fixed Assets					-
CWIP Virtual Library			-		-
Construction of Karachunyo CBL			10,000,000		10,000,000
Construction of Mandera library			17,929,391		17,929,391
Deferred Liability reversed	3,838,838				3,838,838
Revaluation for transferred Assets					-
Capitalized Assets(VL)					-
Deficit for the year	(119,231,211)				(119,231,211)
Balance as at 30th June 2025	3,683,415,488	1,151,426,611	197,123,861	930,206,923	5,962,172,883

Nature and purpose of reserves

KNLS creates and maintains reserves in terms of specific requirements as follows

- **Capital Reserve** – this is used to record contribution made by Government in form of development grants transfers
- **Revaluation Reserve** – this is used to indicate the re-valued amounts on the plant property and equipment, and any other adjustments on the same.

17. STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	NOTE	2024/2025 Kshs.	2023/2024 Kshs.
Revenue from non-exchange transactions			
Transfers from government	7b	310,703,564	307,261,000
Inter-account Transfer	6		-
Other Grants			
Conditional Grants met	7a	9,085,129	13,022,486
Sub-Total		319,788,693	320,283,486
Revenue from exchange transactions			
Interest Income	8	-	-
Rental income from facilities	9	83,544,286	93,157,094
Rendering of Services	10a	39,314,203	23,715
Library Fees	11	4,963,818	4,942,240
Other Income	12a	10,309,286	4,916,574
Sub Total		138,131,593	103,039,623
Total Receipts		457,920,286	423,323,109
Payments			
Use of Goods & Services	13a	133,158,475	111,329,121
Employee costs	14a	295,916,131	292,739,372
Boards Expenses	15	16,798,890	9,791,524
Repairs	17	9,665,796	9,681,818
Total payments		455,539,292	
Net cashflow from operating activities		2,380,994	
Investing Activities			
Purchases (Fixed Assets)	7	(5,511,151)	(3,767,727)
Purchases (Books)		(4,653,743)	(8,291,731)
Additional work in progress		(21,966,704)	(74,682,882)
Net cash flows from Investing activities		(32,131,598)	(86,742,340)
Financing Activities			
GOK Grants	6b	10,000,000	-
Sports fund	6b	17,929,391	56,985,115
Net cash flows from Financing Activities		27,929,391	56,985,115
Increase/Decrease in cash & Cash Equivalents		(1,821,214)	(5,864,885)
Cash and cash Equivalent at the Beginning	18	49,762,561	55,627,446
Cash and cash Equivalent at the End	18	47,941,347	49,762,561

18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

	Original Budget 2024/25	Adjustments	Final Budget 2024/25	Actual on Comparable Basis	Performance Difference	% of Utiliz- ation	Remarks on Material Variance (10% and above)
	Kshs. a		Kshs. b	Kshs. c	Kshs. d	e=c/b *100	
Budget Carryovers		49,762,561	49,762,561	49,762,561			
Receipts							
Government Grants -Recurrent	340,001,625		340,001,625	310,703,564	29,298,061	91.38	
Sports fund grants	34,000,000	-	34,000,000	17,929,391			
Appropriation In Aid	90,000,000	9,500,000	99,500,000	138,131,593	(38,631,593)	138.83	a
Roll Over Donations	10,799,530		10,799,530	9,085,129	1,714,401	84.13	
Public Contribution and Donations	11,000,000	(2,800,000)	8,200,000	8,120,237	79,763	99.03	
Total Receipts	485,801,155	6,700,000	492,501,155	483,969,914	(7,539,368)		
Payments							
Compensation of Employee	303,704,875	(9,757,983)	293,946,892	295,916,131	(1,969,239)	100.67	
General Expenses	156,942,280	12,950,483	169,892,763	133,158,475	36,734,288	78.38	b
Repair Maintenance	14,650,000	(2,882,500)	11,767,500	9,665,796	2,101,704	82.14	c
Boards Expenses	10,504,000	6,390,000	16,894,000	16,798,890	95,110	99.44	
Depreciation	-		-	-	-		
Total Current payments	485,801,155	6,700,000	492,501,155	492,501,155	36,961,863	93.27	
Capital Expenditure	84,676,986	9,998,963	94,675,949	32,131,598	62,544,351	33.94	d
Surplus for the period	(84,676,986)	(9,998,963)	(94,675,949)	46,061,584	(107,045,581)		

Budget Notes

1. Material Variance (10% over or above)

Capital Expenditure 33.94%

The variance of **Kshs. 72.7M** is attributed to:

- Unfunded portion of the Mandera Project Kshs.16.1M
- Virtual Library e-content which is yet to be procured – Kshs.50M

2. Reason for Revised Budget

- Receipt of AIA from GOK under supplementary II **Kshs.43M** being outstanding rental income owed by State Department for Sports.
- Receipt of additional AIA of **Kshs. 9.5M** which needed to be appropriated.

3. Budget Reconciliation

Description of Particulars	Amount in Kshs
Actual Surplus Amounts as per the statement of Budget	46,061,584
Add: Development grant (Karachuonyo CBL)	10,000,000
Less: Cash Donations	(8,120,237)
Closing Cash and Cash Equivalent as per the statement of Cash flows	47,941,347

19. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Kenya National Library Service is established by and derives its authority and accountability from Act of Parliament, CAP 225 of the Laws of Kenya. KNLS is wholly owned by the Government of Kenya and is domiciled in Kenya. The principal activity is to promote, establish, equip, manage, maintain and develop libraries in Kenya as a National Library Service;

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the KNLS accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the KNLS.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

There were no new and amended standards issued in the financial year.

ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.*

Standard	Effective date and impact:
IPSAS 43: Leases	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities. KNLS is leasing out spaces for rental purposes. The impact if applicable will be seen in the presentation of Financial Statements for FY2025/2026.
IPSAS 44: Non- Current Assets Held for Sale and	Applicable 1st January 2025 The Standard requires,

Discontinued Operations	Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. KNLS is currently not holding any current asset for sale
IPSAS 45: Property Plant and Equipment	Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. The application of IPSAS 45 will be made in FY2025/2026. The rare books that knls hold will be treated as Heritage assets in line with the Standard. This will give clarity and have proper treatment of Heritage assets.
IPSAS 46: Measurement	Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by: - Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. - Clarifying transaction costs guidance to enhance consistency across IPSAS. - Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. The standard will be considered where applicable during FY'2025/2026
IPSAS 47: Revenue	Applicable 1st January 2026 This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. The Standard will be applied in FY'2025/2026 (where applicable) and will bring clarity especially on uncertainty of revenue and cash flow arising from revenue transactions and are yet to be paid.
IPSAS 48: Transfer Expenses	Applicable 1st January 2026 The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. This Standard is not applicable to KNLS.

IPSAS 49: Retirement Benefit Plans	Applicable 1st January 2026 The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. <i>This is effective January 2026 and will be considered where applicable in the KNLS case in FY'2026/2027</i>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	Applicable 1st January 2027 The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <i>The Standard is not applicable to KNLS</i>

iii. Early adoption of standards

KNLS did not early - adopt any new or amended standards in year 2024/2025.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Taxes, Levies and fines

Kenya National Library Service 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 KNLS 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 KNLS 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 realized in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

Kenya National Library Service 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 benefits or service potential associated with the transaction will flow to KNLS.

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 Current FY was approved by the National Assembly on June 2024. 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, KNLS recorded additional appropriations of **Kshs.102,982,118** on the 2024/2025 budget following the governing body's approval.

The KNLS 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.

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 KNLS 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.

Value Added Tax

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

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of VAT included
The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Property, plant and equipment

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.

Freehold land is not depreciated.

Depreciation on all other assets is calculated on the straight line method to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life using the following annual rates:

Description	Annual Rate
○ Freehold land	Nil
○ Buildings	2%
○ Motor vehicles	25%
○ Fixtures, furniture & fittings	12.5%
○ Equipment	20%
○ Computers	33%
○ Capital work in progress is not depreciated until such a time as the asset is brought into use.	

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss. On disposal of revalued assets, amounts in the revaluation reserve relating to that assets are transferred to retained earnings in the statement of changes in equity.

e) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. 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. Intangible

assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

- **Computer Software**

Computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives which are estimated to be 3 years.

Costs associated with developing or maintaining computer software programmes are recognized as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the company, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Direct costs include software development staff costs and an appropriate portion of relevant overheads.

Computer software development costs recognized as assets are amortized over their estimated useful lives which are estimated to be 3 years.

f) Research and development costs

All research costs are expensed as incurred. Development costs are capitalised only after technical and commercial feasibility of the resulting product or service have been established;

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale
- ii) Its intention to complete and its ability to use or sell the asset
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset
- v) 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

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *KNLS does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements.* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a. Financial Assets

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial

assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

b. Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

h) Inventories

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

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

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 KNLS.

i) Provisions

Provisions are recognized when KNLS 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 KNLS 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

k) Contingent liabilities

KNLS 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.

l) Contingent assets

KNLS 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 KNLS 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.

m) Nature and purpose of reserves

KNLS creates and maintains reserves in terms of specific requirements as follows

- Capital Reserve – this is used to record contribution made by government in form of development grants transfers
- Revaluation Reserve – this is used to indicate the re-valued amounts on the plant property and equipment, and any other adjustments on the same.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

KNLS 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.

p) 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.

q) Related parties

KNLS 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 Board of Directors, the Director General and Senior managers.

r) 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 Kenya Commercial Bank and Mpesa holding account at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

s) Comparative figures

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

t) 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, 2025.

5. SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the KNLS 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.

Estimates and assumptions

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. KNLS 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 KNLS. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

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 KNLS
- 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 the relevant note. (Note 21a)

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. example provision for bad debts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

REVENUE FROM NON-EXCHANGE TRANSACTIONS

	2024/2025 Kshs.	2023/2024 Kshs.
6 Transfers from other Governments		
Unconditional Grants		
Govt Grants- Recurrent Grants	340,001,625	307,261,000
Total	340,001,625	307,261,000

6b	Name of Entity sending the grant	Amount recognized to Statement of Comprehensive Income	Amount Deferred	Amount recognized in Capital fund	Total grant income during the year FY 2024/2025	FY' 2023/2024
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
	Ministry of Culture, Heritage and Children Services	340,001,625	-	10,000,000	340,001,625	307,311,000
	Sports Fund	-	-	17,929,391	17,929,391	-

6c Public contributions and donations	2024/2025 Kshs.	2023/2024 Kshs.
Cash Donations - BAI	3,079,640	309,484
- US Embassy	5,005,597	8,067,159
- EiFL	-	1,440,963
- Others	35,000	3,673,913
Total	8,120,237	13,491,519
7 Earned income (Fixed Asset Donations)	507,506	507,506
7a Reconciliation of public contributions & donations		
Balance unspent at the beginning of year	10,617,223	10,148,190
Current year receipts - Books	-	-
- Cash	8,120,237	13,491,519
Conditions met - transferred to revenue (Cash)	(9,085,129)	(13,022,486)
Conditions to be met - remain liabilities	9,652,331	10,617,223
7b Revenue from non- exchange as per performance	340,001,625	
Less: Increase in non-exchange receivables	(28,333,169)	
Less: Decrease in deferred income	(964,892)	
Revenue from non-exchange as per cashflow	310,703,564	

REVENUE FROM EXCHANGE TRANSACTION

		2024/2025	2023/2024
8	Interest Income	-	-
9	Rental income from facilities		
	Hire Of Halls	1,197,827	821,324
	Bill Boards	-	16,500
	Parking Charges	543,924	425,241
	Rent	69,905,872	77,728,610
	Service charge from rentals	11,896,663	14,165,418
	Total	83,544,286	93,157,093
10	Rendering of Services		
	Photocopies	-	18,765
	KNB & KPD Sales	9,150	4,950
	Consultancy Services	2,724,828	-
	Total	2,733,978	23,715
10a	Rendering of services per performance	2,733,978	
	Add: Decrease in exchange receivables	36,580,225	
	Rendering of services as per cashflow	39,314,203	
11	Library Fees		
	Membership Fees- Institution	26,200	222,700
	Entrance Fees - Non Members	4,814,338	3,962,310
	Daily access - Executive	123,280	518,440
	Book loan fees - Adult	-	212,810
	Book loan fees - Junior	-	25,980
	Total	4,963,818	4,942,240
12	Other Income		
	Sundry Income	1,798,732	42,653
	Fines and Over dues	4,650	238,014
	Disposal Income	17,900	100,000
	Bad Debt Recovered	-	89,468
	Clearing Fee	159,038	430,521
	Commission from payroll deductions	89,272	46,461
	Attachment Charges	23,550	65,000
	Lost And Paid For Books(100%)	46,552	36,644
	Annual Renewal Fee	-	-
	ISBN Fees	4,915,682	3,544,577
	Resurfaced Books	1,341,479	-
	ICT Training Charges	148,050	-
	Insurance Claims receipts	2,933,460	-
	Virtual library servers	261,672	323,236
	Total	11,740,036	4,916,574
12a	Other income as per performance	11,740,036	

less: Resurfaced books	(1,341,479)
Less: Commissions from payroll deduction	(89,272)
Other income as per cashflow	10,309,286

13 Use of Goods and Services

Utilities Supplies and Services	19,100,562	18,064,556
Communication Expenses	9,383,767	7,261,813
Transportation Cost	5,746,344	6,326,358
Travel Cost-Foreign	1,742,298	151,032
Publishing & Printing Services	610,530	278,954
Subscription To Newspaper, Mag	222,403	191,380
Advertising, Awareness & Publicity	10,612,930	6,756,494
Hospitality supplies and services	12,644,222	4,574,627
Training Expenses	12,326,955	5,154,088
Insurance General	8,897,313	7,985,597
Specialized Materials and supplies	3,327,956	1,659,376
Office and General Supplies & Services	3,952,109	2,155,233
Contracted Guards & Cleaning	23,420,291	23,844,305
Transport Costs & Charges For	20,094	1,834,888
Legal Dues, Arbitration & Comp	308,000	31,460
Contracted Professional Services	4,341,915	4,436,839
Withdrawn books	336,480	9,111,799
Bad Debt and provisions	17,100	253,260
Bank & Mpesa Charges/Commission	262,956	322,045
Management Fee-Audit Fee	700,000	700,000
Membership Fees, Dues & Subscription	826,853	821,021
Research, Feasibility Studies & Project Supervision	5,056,750	3,974,718
Purchase of Loose Assets	264,809	
Refined Fuels & Lubricants For	4,465,213	5,439,281
Total	128,587,849	111,329,124

13a Use of goods and services as per performance

add: decrease in payables	5,584,981
Less: increase in provisions	(12,796)
Less: increase in refundable deposits	(312,360)
Less: increase in provisions for deferred liability	106,255
Less: Decrease in inventory	(349,684)
Withdrawn books	(336,480)
Contribution to impairment	103,220
Total use of goods as per cashflow	133,158,475

14 Employee Costs

Basic Salary (Permanent Employees)	136,101,652	128,974,018
Casual Labour	20,930	303,653
House Allowance	77,354,028	75,256,338
Acting Allowances	-	71,036
Hardship Allowance	-	9,839
Other Allowance - Extraneous duty	224,000	632,000
Special Duty Allowances	183,099	216,779
Other Allowances-Remunerative	1,680,000	1,600,000
Leave Allowance	2,002,500	1,454,028
Book Allowance	293,750	91,500
Personal Assistance Allowance	960,000	720,000
Retirees Allowances	461,889	312,686
Medical Insurance Cover	14,817,557	29,635,114
Telephone Allowance	1,061,000	508,936
Commuter Allowance	21,905,265	20,395,469
Employer Contribution To Pension Scheme	33,387,526	26,767,088
Living Allowance	1,005,840	527,040
Housing Levy	4,218,504	3,151,052
Director's Gratuity	2,112,796	2,112,796
Total	297,790,337	292,739,372
14a Employee cost as per performance	297,790,337	
Increase in ex staff debtors	2,435,038	
Decrease in staff debtors	(4,309,244)	
Total employee as per cashflow	295,916,131	
15 Board Expenses		
Chairman's Honorarium	988,072	1,044,000
Directors' allowances & Other expenses	15,810,818	4,253,100
Other allowances & Board Expenses	-	4,494,424
Total	16,798,890	9,791,524
16 Depreciation & Amortisation Expense		
Property, Plant & Equipment	103,227,383	104,087,199
Intangible Assets	15,737,333	15,737,333
Total	118,964,716	119,824,532
17 Repairs and Maintenance Cost		
Repair, Maintenance: Buildings	3,096,268	900,449
Repair, Maintenance: Furniture	99,330	17,392
Repair, Maintenance: Equip	271,355	1,697,235
Repair, Maintenance: Motor vehicle	2,510,314	1,779,303
Repair, Maintenance: Computer	3,688,529	5,287,439
Total	9,665,796	9,681,818
18 Cash and Cash Equivalents	A/C NO.	
	2024/2025	2023/2024

Cash in hand		-	9,390
Mpesa Account		9,500	9,500
Bank Recurrent account	1103249614	497,518	17,167,252
Bank Development Account	1103249754	10,016,905	665,609
Bank Savings & Reserve A/C	1103127063	37,241,532	31,729,117
Bank Savings & Reserve - foreign A/C	1108728294	175,891	181,694
Total		47,941,347	49,762,561

**The amount in the Recurrent Account is intended to pay for services already rendered and recorded as creditors. The amount in the Development Account represents the grant received for the construction of the Karachuonyo Library. The amount in the Savings and Reserve Account comprises donor funds earmarked for the completion of various projects and programmes.*

18(a)	Detailed Analysis of Cash & Cash Equivalents	A/C NO.	2024/2025	2023/2024
	a) Current account		Kshs	Kshs
	Kenya Commercial Bank	1103249614	497,518	17,167,252
	Kenya Commercial Bank	1103249754	10,016,905	665,609
	Sub- total		10,514,424	17,832,861
	Other accounts			
	a)Savings account			
	Kenya Commercial Bank	1103127063	37,241,532	31,729,117
	Kenya Commercial Bank	1108728294	175,891	181,694
	Sub- total		37,417,423	31,910,811
	b) Pesa Pal Account		-	
	Jambo Pay			
	Safaricom Ltd-M-pesa Till		9,500	9,500
	Sub- total		9,500	9,500
	d) Cash in hand		-	9,390
	Total		47,941,347	49,762,562
			As at 30th June 2025	As at 30th June 2024
19	Current Receivables from Exchange Transactions			
	Trade Debtors : Rental space		43,224,836	83,005,861
	: Direct consignment (Books)		3,992,830	792,030
			47,217,666	83,797,891
	Less: Provision for doubtful debt		1,834,937	1,834,937
	Total		45,382,729	81,962,954
19a	Ageing Analysis (Trade Debtors)		As at 30th June 2025	As at 30th June 2024
	No. of Days			
	0-90		7,420,729	11,544,934
	91-180		6,710,640	5,460,847
	181-365		1,347,980	13,387,264
	Over 365		31,738,317	53,404,847
	Total		47,217,666	83,797,892
20	Trade Receivables non exchange transactions			

Staff Debtors	500,000	4,809,244
Other Debtors (MOSHE)	1,555,100	1,555,100
Ex Staff Debtors	2,435,038	-
Gok Grants	28,333,169	-
Refundable Deposit	2,222,705	2,222,705
Total	35,046,012	8,587,049
Less: Provision of bad & doubtful debts	2,435,038	2,435,038
Total	32,610,974	6,152,011

20a Ageing Analysis (Non-Exchange)

No. of Days	As at 30th June 2025	As at 30th June 2024
0-90	34,446,012	4,341,361
91-180	-	138,450
181-365	350,000	-
Over 365	250,000	4,107,238
Total	35,046,012	8,587,049

21 Provision for Doubtful Debt

The provision for doubtful debt has been made based on the recommendations of the Audit report. KNLS has not adopted a tailor-made policy on this but has made presumptions as provided for in IPSAS 19.

21a Movement in Provision for Bad & Doubtful debts	2024/2025	2023/2024
Opening Balance	4,269,974	4,417,145
Additions in the year	-	100,500
Payments	-	(89,468)
Write off	-	(158,203)
Balance	4,269,974	4,269,974

22 Inventory

The items mainly comprise consumables whose turnover is very high. First in first out valuation method is used and inventories are stated in the financial statements at cost, which is lower than net realized value.

	2024/2025 Kshs	2023/2024 Kshs
General office	1,841,354	2,594,098
Uniform & Clothing	-	-
Library Processing Tools	546,944	824,626
Computer Accessories	1,268,238	587,495
Total	3,656,536	4,006,219

23 PROPERTY, PLANT & EQUIPMENT SCHEDULE

No.	DESCRIPTION	LAND (KSH)	BUILDING (KSH)	EQUIPMENT (KSH)	MOTOR VEHICLES (KSH)	FURNI.& FITTINGS (KSH)	COMPUTERS (KSHS)	Work in Progress	GRAND TOTAL (KSH)
1	Total Cost/Valuation as at 01.07.2024	2,015,750,500	3,697,616,837	50,524,829	45,342,950	122,899,935	33,135,100	129,347,517	6,094,617,668
2	ADDITIONS - Purchases	-	-	87,197	-	527,737	4,896,218	21,966,704	27,477,856
3	ADDITIONS - Donations	-	-	-	-	-	-	-	-
4	Works Capitalized	-	-	-	-	-	-	-	-
5	CWIP Buildings (addition)-Mandera	-	-	-	-	-	-	-	-
6	CWIP - Virtual Library	-	-	-	-	-	-	-	-
7	CWIP capitalized	-	-	-	-	-	-	-	-
8	Disposals	-	-	-	-	-	-	-	-
9	Revaluations: Old	-	-	-	-	-	-	-	-
10	Valuations New	-	-	-	-	-	-	-	-
11	Total Cost/Valuation as at 30.09.2024	2,015,750,500	3,697,616,837	50,612,026	45,342,950	123,427,672	38,031,318	151,314,221	6,122,095,524
13	Total Depreciation as 01.07.24	-	271,798,105	36,071,202	35,616,950	90,535,392	30,431,347	-	464,452,996
14	Depreciation for the FY 2024.25	-	73,952,337	7,246,549	3,242,000	15,428,459	3,358,039	-	103,227,383
15	Total Depreciation as at 30.06.25	-	345,750,442	43,317,751	38,858,950	105,963,851	33,789,386	-	567,680,379
16	Net Book Value 30.06.2025	2,015,750,500	3,351,866,395	7,294,275	6,484,000	17,463,821	4,241,932	151,314,221	5,554,415,144
17	Net Book Value 30.06.2024	2,015,750,500	3,425,818,732	14,453,627	9,726,000	32,364,543	2,703,753	129,347,517	5,630,164,672

23a Property, Plant & Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows;

	Cost	Accumulated Depreciation	NBV
Land	2,015,750,500	0	2,015,750,500
Buildings	3,697,616,837	345,750,442	3,351,866,395
Plant, Machinery & Equipment	50,612,026	43,317,751	7,294,275
Motor Vehicles Including motorcycles	45,342,950	38,858,950	6,484,000
Computers and related equipment	38,031,318	33,789,386	4,241,932
Office Equipment, Furniture and Fittings	123,427,672	105,963,851	17,463,821
CWIP	151,314,221	0	151,314,221
Total	6,122,095,524	567,680,379	5,554,415,144

Property Plant & Equipment includes the following assets that are fully depreciated

	Cost or Valuation	Normal Annual Depr. Charge
Motor Vehicles including motor cycles	45,342,950	38,858,950
Computers and related equipment	-	-
Total	45,342,950	38,858,950

24 Intangible Assets - Software Cost

Balance C/Forward

Prepayment for Audit Software

Additions in the year

Amortisation for the year

2024/2025

Kshs

15,737,334

-

-

(15,737,334)

0

2023/2024

Kshs

31,474,667

-

-

(15,737,333)

15,737,334

25 Movement of Book Stock

2024/2025

No. of

Value

Books

(Kshs)

378,788

422,792,159

Opening balance

Less: Devolved

-

-

Add: Govt purchases

3,681

4,653,743

Donor Purchases

-

-

Donations

15,093

39,322,633

Resurfaced books (2024/2025)

2,454

1,341,479

Less: Withdrawn books

(717)

(336,480)

Total

399,299

467,773,534

2023/2024

No. of

Value

Books

(Kshs)

1,918,447

1,433,290,039

(1,540,160)

(1,044,897,231)

1,377

8,291,731

-

-

16,365

35,189,012

156

30,407

(17,397)

(9,111,799)

378,788

422,792,159

The withdrawn books represent the net effect of value of books weeded from the system and lost books (including stolen books). KNLS is an agent of Book Aid International (BAI). The Board receives books on behalf of other institutions and distributes them.

The stock of books consists of reading materials for users of all levels. Books purchased are valued at cost price whereas books donated to KNLS are valued at cover price. Where no value is indicated, the books are valued at Kshs 800/- per copy for adult books and kshs 500 for children.

The books have not been depreciated as recommended in IPSAS 17. KNLS has developed a draft policy on the same which will guide the depreciation of these books going forward. However, they have been recognized and valued as stated in paragraph II.

26 Trade Payables Exchange transactions	2024/2025	2023/2024
	Kshs.	Kshs.
Trade Creditors	84,106,914	164,539,155
Advance Receipts	643,357	1,381,507
Third party payments	16,339,047	4,742,645
Taxes and deferred tax liability	63,816,219	
Other creditors	172,788	-
Total	165,078,325	170,663,307
27 Refundable deposits (Rental)	2024/2025	2023/2024
Safaricom Shop - Buruburu	1,910,481	1,729,007
Equity Bank - Buruburu	2,309,128	2,309,128
CFC Bank - Buruburu	876,114	832,242
Agha Khan University Hospital - Buruburu	1,576,442	1,507,092
Candy Shop - Mombasa	22,000	22,000
Kenya Film Classification - Nakuru	171,044	171,044
Kenyatta University - Garissa	39,241	39,241
Plancad Computer Services	20,500	20,500
Maktaba Sacco	459,264	441,600
Total	7,384,214	7,071,853
28 Current Provisions - Audit Fees	2024/2025	2023/2024
Balance at the beginning	3,500,000	3,500,000
Additional Provisions	700,000	700,000
Provision Utilized	(2,800,000)	(700,000)
Total	1,400,000	3,500,000
28a Director's Gratuity	2024/2025	2023/2024
Balance at the beginning	3,873,460	1,760,664
Provisions for the year	2,112,796	2,112,796
Total	5,986,256	3,873,460
Total Current Provisions	7,386,256	7,373,460
29 Deferred Liability from Exchange Transactions	2024/2025	2023/2024
Balance B/Fwd	3,838,838	13,865,968
Provision of Internet Services	-	(9,416,184)
Deferred liability reversed	(3,838,838)	-
Rent deposit top-up	106,255	(610,946)
Total	106,255	3,838,838
30 Deferred Income	2024/2025	2023/2024
Description	Description	Description
Balance B/fwd	10,617,223	10,148,190
International funders	8,120,237	13,491,519
Public contributions and donations	(9,085,129)	(13,022,486)
Total	9,652,331	10,617,223

31 Capital Donations	2024/2025		2023/2024	
	Book Donations	Fixed Assets	Book Donations	Fixed Assets
Balance brought forward	760,026,327	2,460,468	724,837,315	2,967,974
Additions in the year			35,189,012	-
Transfers to Income Statement		(507,507)		(507,507)
Balance carried forward	760,026,327	1,952,961	760,026,327	2,460,467

32 Cash generated from Operations	Note	2024/2025 Kshs	2023/2024 Kshs
Surplus(Deficit) for the year		(119,231,211)	(119,535,753)
Adjusted for :			
Depreciation	24	103,227,383	104,087,199
Amortization of software	25	15,737,333	15,737,333
Resurfaced books	12	(1,341,479)	-
Withdrawn books	27	336,480	9,111,799
Bad debt Recovered	12	-	(89,468)
Commission from payroll deductions	12	(89,272)	(46,461)
Contribution to provisions	27	12,796	2,812,796
Earned income(Depreciation for donated assets)	7	(507,506)	(507,506)
Contribution to impairment		(103,220)	-
Bad Debt	13	-	152,760
Provision for Bad Debt	13	-	100,500
Operating Deficit Before Working Capital Changes		(1,958,695)	11,823,199
(Increase) / Decrease In inventory	22	349,684	(833,481)
(Increase) / Decrease In receivables	19/20	10,121,262	60,869,419
(Increase) /Decrease in provisions for doubtful debts	13	-	(7,115)
Increase / (Decrease) in Deferred Income	29	(964,892)	469,033
Increase / (Decrease) In payables	26/27/28	(5,166,366)	(48,428,714)
Net Cash Outflow From Operating Activities		2,380,993	23,892,341

33. Financial Risk Management

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. KNLS 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 company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The company's financial risk management objectives and policies are detailed below:

(i) Credit risk

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as 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 factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

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

	Total amount	Fully performing	Past due but not impaired	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Receivables from exchange transactions	47,217,666	7,420,729	8,058,620	31,738,317
Receivables from non-exchange transactions	35,046,012	34,446,012	350,000	250,000
Bank balances	47,941,347	47,941,347	0	0
Total	130,205,025,	89,808,088	8,408,620	31,988,317
At 30 June 2024				
Receivables from exchange transactions	83,797,892	30,393,045	51,569,910	1,834,937
Receivables from non-exchange transactions	8,587,049	4,479,811	1,652,200	2,435,038
Bank balances	49,762,561	49,762,561	-	0
Total	142,147,502	84,635,417	53,242,110	4,269,975

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

The board of directors sets the company's 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 KNLS 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. KNLS manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by KNLS 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. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 Month	Between 1-3	Over 5 Months	Total
As at 30th June 2025	Ksh:	Ksh:	Ksh:	Ksh:
Trade payables		37,827,510	46,279,404	84,106,914
Provisions for deferred Liability	-	-	3,945,093	3,945,093
Deferred income	-	-	9,652,331	9,652,331
Total	-	37,827,510	59,876,828	97,704,338
	Less than 1 Month	Between 1-3	Over 5 Months	Total
As at 30th June 2024	Ksh:	Ksh:	Ksh:	Ksh:
Trade payables	15,417,945	2,105,430	99,812,533	117,335,908
Provisions for deferred Liability	-	-	3,838,838	3,838,838
Deferred income	-	-	10,617,223	10,617,223
Total	15,417,945	2,105,430	114,268,594	131,791,969

34. Related Party Transactions

34a) Nature of related party relationships

Entities and other parties related to KNLS 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 KNLS, holding 100% of the KNLS'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
- iv) Key management.
- v) Board of directors.

Transactions with related parties

a. Sales to related parties

Sale of goods
Sales of Service

Total

b. Grants from the Government

Grants from National Government
Grants from Sports, Arts and Social Development Fund
Total income

c. Expenses incurred on behalf of related party

Payment of salaries and wages for 170 employees

	2024/2025 Kshs.	2023/2024 Kshs.
	-	-
	-	-
	-	-
	340,001,625	307,261,000
	17,929,391	56,985,115
	357,931,016	364,246,115
	297,790,337	292,739,372

Payment for good and services	128,587,849	121,010,940
Total	426,378,187	413,750,312
Key Management compensation		
Directors' emoluments/Board Members	16,798,890	9,791,524
Compensation to the CEO	8,545,472	8,545,472
Compensation to Key Management	33,007,788	32,780,282
Total	58,352,150	51,117,278
Total expenses	484,730,337	464,867,590

34b. Contingent Liabilities

Description	2024/2025 Kshs	2023/2024 Kshs
Corporation Tax - Principle	33,989,444.53	0.00
Interest & Penalties	31,742,925.41	
Total	65,732,369.94	0.00

Note: During the year under review, KNLS was assessed by Kenya Revenue Authority on payment of Corporation Tax. As a result, a demand notice of **Kshs.65,732,370** was issued on 27th March 2025 broken down as follows being Corporation Tax arrears for 10 (ten) years from 2014/15 to 2023/24. KNLS is looking for ways to resolve the matter.

- 34c.** An amount of **Kshs.3,838,838** incurred for Clearing and Forwarding of books by two related Companies.

DEFERRED LIABILITY SCHEDULE 2024/2025				
DATE	VENDOR/CUSTOMER	INVOICE NUMBER	DESCRIPTON	AMOUNT
13.02.2020	Attic General Enterprises Ltd	919	Clearing and forwarding of Donated books	1,886,158.00
16.04.2020	Wiseline Hauliers Ltd	WHL 02356	Clearing and forwarding of Donated books	1,952,680.00
			Total	3,838,838.00

These payments were flagged out to be fraudulent by the Kenya Anti-Banking Unit and were presented to Court for adjudication. No judgement has been concluded on this matter and therefore, the Board has not made any settlement.

35. Events after the Reporting Period

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

36 Ultimate and Holding Entity

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Gender, Culture and Children Services, its ultimate parent is the Government of Kenya.

38. Currency

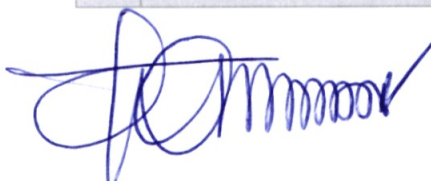
The financial statements are presented in Kenya Shillings (Kshs) and rounded to the nearest Kshs.

APPENDIX I. IMPLEMENTATION STATUS OF AUDITOR-GENERAL'S RECOMMENDATIONS

The following is the summary of issues raised by the external auditor and management comments that were provided to the auditor.

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Long outstanding receivables from Non Exchange Transactions Kshs 1,555,100 relating to amount advanced to state department for culture and heritage to cater for facilitation to attend a sector workshop group in Mombasa in the FY 2021-2022	The balance of other debtors of kshs 1,555,100 which have been outstanding for more than one year refers to an amount that was advanced to State Department for Culture and Heritage to cater for facilitation to attend Sector Working group meeting in Mombasa in the FY2021/22. The then PS had committed to refund the money in FY2022/23. However, the money has never been refunded to date. Various requests for refund have been made to the State Department with no success.	Not Resolved	FY2025/2026
2.	Long outstanding trade payables from Exchange transactions Kshs 117,335,908 which has been outstanding for more than one year.	i) Extra Net Communication kshs.789,519.20 This arose out of budget cuts and management is making effort to have National Treasury allocate resources for their settlement.	Not Resolved	FY2025/2026
		ii) NHIF Kshs.19,750,123.00 This arose out of budget cuts and management is making effort to have National Treasury allocate resources for their settlement.	Resolved	
		iii) Internet Solutions Kshs.13,575,480.00 This arose out of budget cuts and management is making effort to have National Treasury allocate resources for their settlement.	Resolved	
		iv) Maktaba Kuu kshs.51,602,250.00 This arose out of of non allocation of Development funds and management is making effort to have National Treasury allocate resources for their settlement.	Paid kshs 5,698,511 Retention money for Mandera Library Refurbishment Partly resolved	
		v) Ex Staff Kshs28,090.00 This arose from staff over deductions and surcharges	Not resolved. The Board commits to refund the over deductions.	FY'2025/2026
3.	Material Uncertainty related to going concern	The negative working capital of Kshs. 57,680,935 is a result of liabilities retained after	Not resolved	FY2025/2026

	The statement of financial position reflected a negative working capital amounting to kshs 57,680,935	transfer of the Public Library Function to the County Governments on 1st July 2023. KNLS transferred assets only and assumed the liabilities attached to the devolved functions pre transfer. KNLS has additionally suffered budget cuts which have negatively affected the working capital as they are usually effected after commitments for goods and services has been made. Management is in the process of developing Productivity and Transformation Strategy to enhance revenue collection and address budgetary gaps.		
4.	Lack of corporation secretary	Management wrote to the National Treasury on 18th March 2024 seeking approval for recruitment of a corporation secretary. The request was rejected vide letter sent to the Director General on 3rd July 2024 vide TNT/CONF/88/01"TY2" (69). The corporation was advised to await completion of the reorganization of Government. The Board will make another appeal for consideration for the Corporation Secretary.	Not Resolved KNLS made an appeal to the National Treasury for additional funding and awaits the outcome	2025/2026
5.	Lack of policy on parking charges The corporation does not have an approved parking charges policy to guide in billing.	Management has entered into a parking lease agreement under Public Private Partnership arrangements for purposes of charging parking fees. Management commits to develop a policy on Parking charges based on the Parking Licence guidelines.	Partially Resolved.	


Dr. Charles Nzivo
DIRECTOR GENERAL /CEO

Date: 02/12/2025

APPENDIX II. PROJECTS IMPLEMENTED BY KNLS

Status of the project completion at the end of FY'2024/25

Project	Total project cost	Total expended to date	Completion % to date	Budget	Actual FY 2024.25	Sources of Funds
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
Renovation and Alteration of Mandera Community Library	91,656,134	74,150,510	81%	91,656,134	17,165,391	Sports, Arts and social development Fund

APPENDIX III. INTER-ENTITY TRANSFERS

KENYA NATIONAL LIBRARY SERVICE				
Grants Received from the Ministry of Gender, Culture, And Children Services				
Break down of Transfers from the State Department for Culture, The Arts and Heritage				
A	Recurrent Grants	Bank Statement Date	Amount (Kshs)	FY to which the amounts relate
		12/08/2024	28,333,468.65	FY'2024/2025
		11/09/2024	28,333,468.65	FY'2024/2025
		09/10/2024	28,333,468.65	FY'2024/2025
		06/11/2024	28,333,468.65	FY'2024/2025
		04/12/2024	28,333,468.65	FY'2024/2025
		02/01/2025	28,333,468.65	FY'2024/2025
		10/02/2025	25,500,121.85	FY'2024/2025
		14/02/2025	2,833,346.85	FY'2024/2025
		12/03/2025	28,333,468.70	FY'2024/2025
		08/04/2025	28,333,468.60	FY'2024/2025
		02/05/2025	28,333,468.60	FY'2024/2025
		12/06/2025	28,333,468.50	FY'2024/2025
		02/07/2025	28,333,470.00	FY'2024/2025
Total Recurrent Grant			340,001,625.00	
B	Development Grants	Bank Statement Date	Amount (Kshs)	Remarks
		19/06/2025	10,000,000	Development of Karachuonyo Community Library
Total Received from State Department for Culture, The Arts and Heritage (A +B)			350,001,625.00	

The above amounts have been communicated to and reconciled with the Ministry

Head of Finance
Kenya National Library Service

Head of Accounting Unit
State Department for Culture,
The Arts and Heritage

Name JOSEPH M. KARIUKI

Name JASON GITONGA

Sign [Signature]
7th July 2025

Sign [Signature]

Official Stamp.....

Official Stamp.....
HEAD OF ACCOUNTING
STATE DEPT. OF HERITAGE



Kenya National Library Service
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