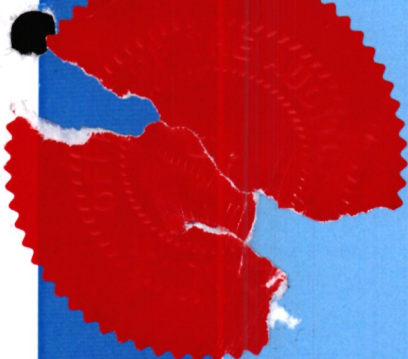





**OFFICE OF THE AUDITOR-GENERAL**

*Enhancing Accountability*



# REPORT

PARLIAMENT  
OF KENYA  
LIBRARY

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 06 JUN 2023	DRY. TVE
OF BY:	HON. KIMANI ICTHUNGIAH LEADER OF MAJORITY
CLERK-AT THE TABLE:	IMZOFV M.

## THE AUDITOR-GENERAL

### ON

## KENYA NATIONAL LIBRARY SERVICE

### FOR THE YEAR ENDED 30 JUNE, 2022





Read. Know. Empower

kenya national  
library service

**ANNUAL REPORT  
AND  
FINANCIAL  
STATEMENTS  
FOR THE  
FINANCIAL YEAR  
ENDING  
30<sup>TH</sup> JUNE 2022**



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



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## KEY ENTITY INFORMATION AND MANAGEMENT

### (a) Background information

Kenya National Library Service (knls) Board is a state corporation under the Ministry of Sports, Culture and Heritage which is 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 64 branches spread in 34 counties countrywide.

The Act gives the Board responsibility to manage both the National Library of Kenya and the Public Library System. Under the National Library of Kenya, the Board's key function is to preserve the national documentary heritage and to produce the Kenya national bibliography. Under the Public Library System, the principal objective of the Board is to provide library and information services to the Kenyan publics with a view to promoting a positive and sustained reading culture. The Board recognizes that information is a basic commodity in everyone's life, as it directly responds to their needs, through individual and community empowerment.

### (b) 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;

#### Vision, Mission, Core Values and Summary Strategic Objectives of Knls

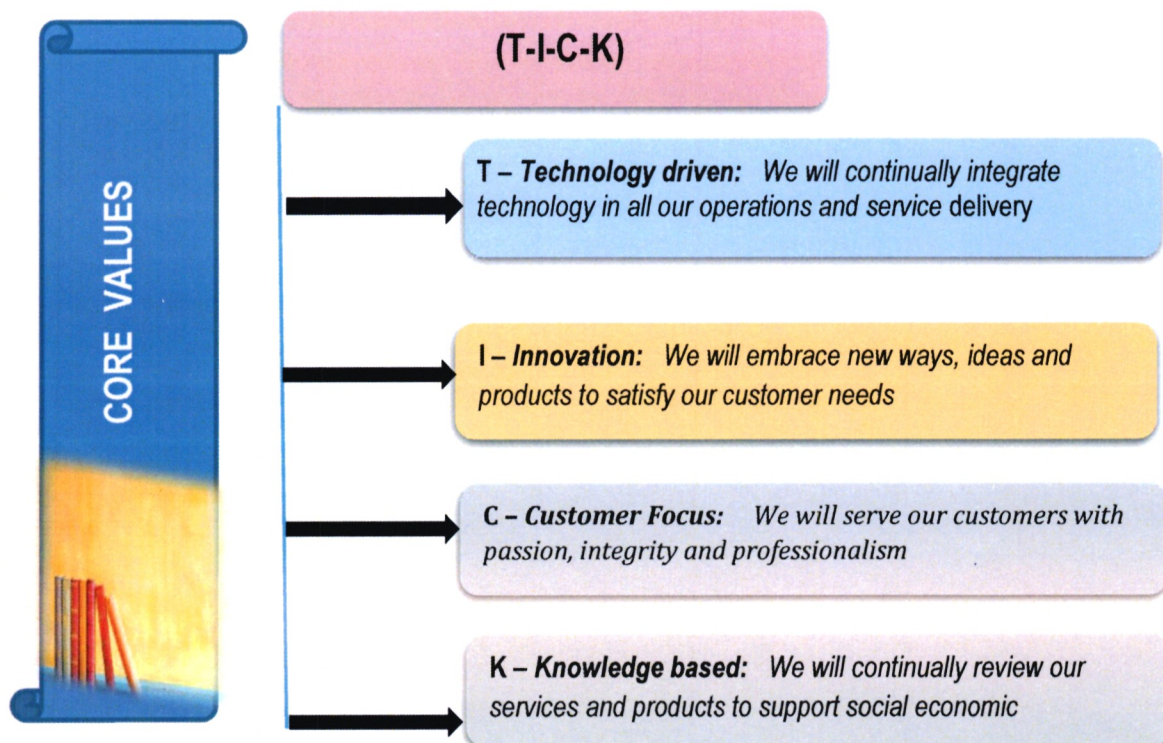


#### OUR VISION

**The Hub of Information and Knowledge**



**To preserve the national documentary heritage and enable access to information and knowledge for transformation of livelihoods**



### **Summary of Strategic Objectives**

- i. To maintain a national bibliographic control, preserve and conserve a comprehensive national documentary heritage and promote reading, research and reference services.
- ii. To upscale automation levels for enhanced access to services.
- iii. To strengthen institutional capacity, resource mobilization, brand visibility and corporate governance for effective service delivery.

### **(c) Key Management**

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

- Board Members
- Chief Executive Officer
- Deputy Director (Finance and Administration) and
- Deputy Director (Technical Services)

**(d) Fiduciary Management**

The key management personnel who held office during the quarter ended 30<sup>th</sup> June 2022 and who had direct fiduciary responsibility were:

No	No. Designation	Name
1	Ag. Chief Executive Officer	CPA Jack Wafula*
2	Ag. Director/Chief Executive Officer	Dr. Charles Nzivo*
3	Ag. Deputy Director (Finance & Administration)	CPA Julie Musandu*
5	Ag. Principal Accountant (Head of Finance)	Mr. Joseph Kariuki *
4	Ag. Principal Human Resource Officer (Head of HR)	Mr. Elias Ireri
6	Principal Planning Officer	Mr. Cyrus Ndogo
7	Principal Supply Chain Officer	Ms. Janet Rotich
8	Principal Librarian (National Library Division)	Ms. Philomena Mwirigi
9	Principal ICT Officer	Mr. Alex Ombongi
10	Principal Public Relations Office	Mrs Nancy Ngugi
11	Principal Internal Auditor	Ms. Margaret Mwangi
12	Principal Librarian (CDBD)	Ms. Betty Kalugho
13	Principal Resource Mobilization	Ms. Juliana Muchai
14	Senior Communication Officer	Mr. Timothy Mahea
15	Administrative Officer II	Mr. Moses Muchemi

\*Mr. Jack Wafula resigned from knls Board services on 27<sup>th</sup> May 2022.

\*Dr. Charles Nzivo – Ag. Director/CEO effective 27<sup>th</sup> May 2022

\*Ms Julie Musandu – Ag. Deputy Director effective 1<sup>st</sup> June 2022

\*Mr. Joseph Kariuki – Ag. Principal Accountant (Head of Finance), effective 1<sup>st</sup> June 2022.

**(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, 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 it 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 Committee, Finance & Project Development Committee, Human Resource & Service Delivery Committee and Marketing, Research & Resource Mobilization Committee.

The fully constituted Board's term expired on 20<sup>th</sup> October 2019 except for The Chairman Hon. Noah Katana Ngala and Mr. Stephen G. Mau Kimani - alternate Board member representing the Principal Secretary State Department for Culture and Heritage effective November 2019.

**(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, 0702-578178  
Email : [knls@knls.ac.ke](mailto:knls@knls.ac.ke)  
Website : [www.knls.ac.ke](http://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  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya,

## **BOARD OF DIRECTORS**

### **(k) Board Members**

During the Financial Year ended 30<sup>th</sup> June 2022, three members i.e the Chairman and the Rep. from the Parent Ministry - State Department of Culture in consultation with the Ag. Chief Executive Officer, guided on policy issues that needed approval.

### **Hon. Noah Katana Ngala, EGH**



**Born in 1948**, Hon, Katana Ngala is the Chairman of Kenya National Library service with effect from 24<sup>th</sup> June 2016.

He served in various Ministries as an Assistant Minister and Minister between 1979 and 2002. These included Local Government and Urban Development, Office of the President, Co-operative Development, Tourism & Wildlife, Lands and Settlement Ministry of Home Affairs, Heritage and Sports. He has also served in various political parties.

***His tenure came to an end with the appointment of the new Chairman effective 5<sup>th</sup> August 2022.***

### **Stephen G. Mau Kimani**



**Born in 1967**, Mr. Stephen G. Mau Kimani became an alternate Board member representing the Principal Secretary State Department for Culture and Heritage in November 2019. Mr. Mau holds a Master of Library and Information Science degree (KU); Postgraduate Diploma in Librarianship (MUK) and Bachelor of Arts degree (UON).

**Experience:** Mr. Mau is a career civil servant with vast experience in the field of library and information services. Currently the Ag. Director in the Department of Library Services, he has served as a librarian in various government ministries and departments including ministry of information, Kenya Institute of Mass Communications etc

### **Appointment of Knls Board Chairperson**

### **Mr. Robert Maina Theuri**



**Born in 1969**, Mr. Robert Maina is the Chairman of Kenya National Library service with effect from 10<sup>th</sup> February 2023. He holds Bachelor of Education, (Moi University), Bachelor of Arts Biblical Studies and Leadership and Bachelor of Arts Ministerial Warfare both from International College of Pastoral studies.

**Experience:** 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.

### **CPA Jack Wafula Emusolo**



**Born in 1978**, Mr. Wafula s the Ag. Chief Executive Officer with effect from 1<sup>st</sup> September 2019. He holds an Executive MBA from JKUAT, BBA (Finance Option) from USIU and is a Certified Public Accountant (K).

**Experience:** He has over 20 years' experience in Financial Management, 12 of which have been at Senior Management level. He has worked in the Real Estate, Trading, NGO and Public Sector.

**(Resigned from knls Board effective 27th May 2022)**

### **Dr. Charles Nzivo**










**Born in 1968**, Dr. Charles Nzivo was the Ag. Chief Executive with effect from 27<sup>th</sup> of May 2022. He holds Doctorate (PhD) in Library Science from Wuhan University, Hubei, China. Msc. Information Science – Makerere University, Uganda; BA (Hons) University of Nairobi Certificate in African Library Leadership Skills from University of Illinois, USA.,




**Experience:** He joined knls Board as a Graduate Assistant in 1994 and rose through the ranks. Having headed Wundanyi and Eldoret knls libraries. He has also worked at National Library Division and National Reference. In 2013 he was moved to newly created department of Research and Development as a Senior Research and Development Officer. In April 2021, he was appointed to act as Deputy Director-Technical Services, and currently Acting Chief Executive Officer effective 28<sup>th</sup> May 2022





Due to his wealth of experience he is also a lead consultant in Library & Information Sciences in Public & Private Universities.

## MANAGEMENT TEAM

No	Passport size photo & Name	Area of Responsibility	Key Professional/academic Qualifications,
1.	<p>CPA Jack Wafula Emusolo</p> 	<p>Ag. Director/Chief Executive Officer *Up to 27<sup>th</sup> May 2022</p>	<ul style="list-style-type: none"> <li>● Executive MBA,</li> <li>● BBA (Finance Option),</li> <li>● CPA (K)</li> <li>●</li> </ul>
2.	<p>Dr. Charles Nzivo</p> 	<p>Ag. Director/CEO *Effective 27<sup>th</sup> May 2022</p>	<ul style="list-style-type: none"> <li>● PhD Library Science</li> <li>● Msc. Information Science</li> <li>● BA (Anthropology)</li> </ul>
3	<p>CPA Julie Musandu</p> 	<p>Ag. Deputy Director (F&amp;A) *Effective June 2022</p>	<ul style="list-style-type: none"> <li>● Master of in-Business Administration.</li> <li>● B.Com (Accounting Option),</li> <li>● CPA(K)</li> </ul>

4.	<p><b>Nancy Ngugi</b></p> 	<p>Principal Public Relations Officer</p>	<ul style="list-style-type: none"> <li>● <b>Master of Arts in Communication,</b></li> <li>● <b>Bachelor of Arts Economics and Philosophy</b></li> <li>● <b>PRSK (Member)</b></li> </ul>
5	<p><b>Cyrus Ndogo</b></p> 	<p>Principal Planning Officer</p>	<ul style="list-style-type: none"> <li>● <b>MA (Project Planning and Management),</b></li> <li>● <b>MBA-HRM,</b></li> <li>● <b>B.Com Admin.</b></li> </ul>
6.	<p><b>Philomena Mwirigi</b></p> 	<p>Principal Librarian National Library Division</p>	<ul style="list-style-type: none"> <li>● <b>MA (Information and Library Management),</b></li> <li>● <b>Bachelor of Library Studies (BLS)</b></li> </ul>
7.	<p><b>Alex Nyaribo Ombongi</b></p> 	<p>Principal ICT Officer</p>	<ul style="list-style-type: none"> <li>● <b>Master of Science in Computing,</b></li> <li>● <b>Postgraduate Diploma in Computing,</b></li> <li>● <b>BSC in Information Technology</b></li> </ul>

<p>8.</p>	<p><b>Margaret Wanjiku Mwangi</b></p> 	<p>Principal Internal Auditor</p>	<ul style="list-style-type: none"> <li>● B.Com(Hons), Accounting Option</li> <li>● CPA(K),</li> <li>● Internal Audit Quality Assessor</li> <li>● ICM Diploma (Risk Management)</li> </ul>
<p>9</p>	<p><b>Joseph Kariuki</b></p> 	<p>Ag. Principal Accountant *Effective June 2022</p>	<p>CPA Finalist</p>
<p>10.</p>	<p><b>Janet Chepkemoi</b></p> 	<p>Principal Supply Chain Officer</p>	<ul style="list-style-type: none"> <li>● MBA (Strategic Management)</li> <li>● B.Com (Procurement &amp; Business Logistics)</li> <li>KISM, CIPS, NPLA</li> </ul>
<p>11</p>	<p><b>Elias Ileri</b></p> 	<p>Ag. Principal Human Resource officer</p>	<ul style="list-style-type: none"> <li>● Higher National Diploma in Human Resource Management</li> <li>● Diploma in HR</li> <li>● ICDL Certificate – South Africa</li> <li>● Management Courses</li> <li>● IHRM</li> </ul>

12	<p><b>Betty Kalugho</b></p> 	<p>Principal Librarian Collection Distribution Books Department</p>	<ul style="list-style-type: none"> <li>• <b>Msc. Library &amp; Information Studies,</b></li> <li>• <b>Bachelor of Science (Information Science)</b></li> </ul>
13	<p><b>Juliana Muchai</b></p> 	<p>Principal Resource Mobilization and Projects</p>	<ul style="list-style-type: none"> <li>• <b>Bachelor of Arts Degree</b></li> <li>• <b>Experience in Resource mobilization, project management, community development</b></li> </ul>
14	<p><b>Timothy Mahea</b></p> 	<p>Senior Communication Officer</p>	<ul style="list-style-type: none"> <li>• <b>Master of Business Administration</b></li> <li>• <b>B.Com (Hons) in Marketing</b></li> <li>• <b>Diploma in Business Management in Purchasing and Supplies Management.</b></li> <li>• <b>MSK,PRSK</b></li> </ul>
15	<p><b>Moses Muchemi</b></p> 	<p>Administration Officer II</p>	<ul style="list-style-type: none"> <li>• <b>Diploma in Business Information Technology</b></li> <li>• <b>Certificate in Business Administration</b></li> </ul>

## CHAIRMAN'S REPORT



I have the honor to present the knls Board's Annual Report and Financial Statements for the financial year ended 30<sup>th</sup> June 2022. The Board made substantial

strides through the achievement of 2021/2022 financial year's Performance Contract targets. Despite some of the challenges that hampered the implementation of some activities earmarked for action during the period under review, the Board recorded great success in specific areas as follows:

### INFRASTRUCTURAL DEVELOPMENT

#### i) New Libraries/Library Buildings Constructed

The Board steered its commitment towards availing accessible information services to Kenyan communities. This was realized through working with other stakeholders in fast tracking library development programs. In the year under review, new library buildings were officially launched to enhance the reading and working environment. These included: a) Awendo Library building constructed in partnership with NG-CDF Sare Awendo Constituency, Migori County; and b) Mikubune Library building constructed in partnership with NG-CDF South Imenti Constituency, Meru County. The buildings were opened to the public in December 2021. Eldama Ravine library which had been under construction in partnership with NG-CDF in Eldama Ravine Constituency, was opened to the public in November 2021.

#### ii) Establishment of Virtual Library

Through financial support from the Sports Fund under the Ministry of Sports, Culture and Heritage, knls Board commenced the implementation of the Virtual Public Library Project in 2020. This was to enhance Kenyans' ability to access library services virtually and remotely from any location at any time of the day or night. The Virtual Library Project comprised 3 components i.e. Data Centre; Digitization Lab; and the Virtual Library Solution. The Data Centre and the Digitization Lab were completed during the year under review, and their services commenced forthwith after all the necessary equipment were installed. It is important to note that both the Data Centre and the Digitization Lab have a commercial aspect intentionally designed for income generation to support sustainability of the Virtual Library Solution. In this regard, a number of external customers are already benefiting from the said services at affordable rates. Other than commercial benefits, the Digitization Lab will significantly aid in the preservation and wide access of the national imprint; while the Data Centre will address the issue of data security and space. The completion process of the Virtual Library Solution is well advanced and it is hoped that the Board will launch it to the public in the first quarter of the coming financial year.

### STRATEGIC DIRECTION

The end of the financial year under review i.e. 2021/2022 also marked the end of the knls Board July 2017-June 2022 Strategic Planning period. This would have demanded that the strategic planning process for the next cycle i.e. July 2022-June 2027 be complete and ready for implementation by 1<sup>st</sup> July 2022. However, this

process was affected by the resignation of the former Ag. CEO and the delay in the appointment of a substantive CEO. Lack of a fully constituted Board added to the unfortunate circumstance. To mitigate this jeopardy, the strategic plan development exercise was prioritized to ensure the Board does not sink into a vacuum. By the of the business of the financial year, key components of the 2022-2027 Strategic Plan were already in place and approved by the Board. These included: Vision and Mission; core Values; Strategic Objectives,

### **CORPORATE PERFORMANCE**

Despite notable challenges faced by the Board during the year under review, the Board maintained appropriate strategies to ensure that the organization's performance remained on an upward trajectory. Indeed, even in the midst of COVID-19 dilemma, the Board registered significant results in the implementation of its mandate through various projects, programmes and activities. These were majorly geared towards community empowerment, which included support for the Government's Big Four Agenda. knls scored position No. 1 as categorised in under the Government Sector and No. 21 overall performance under the category of non-profit making parastatals.

### **CORPORATE GOVERNANCE**

knls Board maintained good governance and ethical leadership throughout the period under review. The Board also ensured that the Code of Good Conduct was adhered to by all staff. However, since the expiry of the tenure of the previous Board on 20th October 2019, a fully constituted Board is yet to be realized. Hence, only the Chairman and the Representative from the Parent Ministry have been conducting the

affairs of the Board in consultation with the Parent Ministry where need be. The position of the CEO also continued to be held on an acting capacity since September 2019. Recruitment of the Director/CEO which is the responsibility of Board is ongoing with the support of the Parent Ministry.

### **DEVOLUTION (TRANSFER OF LIBRARY FUNCTION TO COUNTY GOVERNMENTS)**

On 6<sup>th</sup> December 2021, knls submitted to IGRTC and the National Treasury, a segregated sum total of resources for 61 branch libraries earmarked for transfer to County Governments for inclusion in the County Revenue Bill. This entailed Personnel Emoluments, Operations & Maintenance amounting to Ksh.424,616,047.20 for 61 branch libraries. By the close of the FY under review, the Budget for the libraries earmarked for Devolution had not been remitted to the County Governments. This issue will be followed up in the next Financial Year to ensure complete transfer of resources.

### **KNLS DRAFT BILL 2014**

knls in conjunction with the Ministry of Sports, Culture and Heritage embarked on the development of the knls Bill (2020) in 2014 in compliance with the Constitution of Kenya, 2010. The Bill was taken through various stages at the National Assembly and forwarded to The Senate for consideration on 5<sup>th</sup> August 2021. The Senate in its response communicated on 7<sup>th</sup> September 2021, indicating that the Bill did not meet the threshold of Article 110(3) of the Constitution of Kenya, 2010 since it did not concern the counties. It was therefore not formerly introduced to The Senate for the first reading. The matter is being followed up by the Board through the Parent Ministry to determine the status and way forward.

### BOARD SELF EVALUATION

Just like in the previous financial year, the Board's self-evaluation for period under review could not take place as there were only two members of the Board and hence there was no requisite quorum for undertaking the exercise.

### FINANCIAL POSITION

knls being a non-profit making organization, is mainly funded by the Government Exchequer to facilitate implementation of the Board's mandate.

The Financial Position of the Board in the Financial Statements shows a net worth of **Kshs.9.057B**.

### LOOKING AHEAD

In the coming days, the Board will prioritize finalization of the new strategic plan (2022-2027) to guide the performance management of the Board in the next five years. Launch of the virtual library solution to the public early in the first quarter of FY 2022/2023 is also a key target for the Board. The support received from the NG-CDF, under the leadership of respective Members of Parliament, for library development in some of the constituencies has greatly aided the access to library and information services by the public. It is our hope that as the devolution of the public library services is actualized, the county governments will prioritize the development and support for library services within their respective counties.

For sustainability into the future, the Board has gradually been putting in place measures towards

self-sustenance through AiA collections. These measures include;

1) establishment of income generating avenues; and 2) partnerships with donors and other development partners both local and international. Details of Financial position of the Board are captured in the Financial Statements.

### CONCLUSION

On behalf of the Board, I would like to thank the knls executive leadership, senior management team and all employees across the entire knls network for their efforts, commitment and performance. I also wish to express my sincere gratitude and appreciation to our stakeholders including the Government of Kenya, donors, partners and library clients for the support in the implementation of library programmes and activities.

I look forward to working together with all the stakeholders as we endeavor to generate increased growth in the years ahead.



**Mr. Robert Theuri Maina**  
**CHAIRMAN**

*\*At the time of submission of the Audited Annual Report and Financial Statements, the former Chairman Hon. Noah Katana Ngala had exited the knls Board. As a result, the report has been signed by Mr. Robert Theuri Maina.*

## **REPORT OF THE CHIEF EXECUTIVE OFFICER -**



I am delighted to report on the achievements of the Financial year 2021-2022 that were realized through implementation of various programmes and

activities across the knls branch libraries countrywide. During the year under review, the Board prioritized the library programmes and expenditure to address some of the emerging issues and lessons learnt as the nation substantially recovered from the COVID 19 Pandemic. The repercussions of this vice forced the closure of knls libraries until February 2021 when they were fully opened to the public. Thus, the year under review registered high usage of the library facilities by the public.

Like in the past years, knls focused more on enhancing use of technology in the libraries, staff/clients capacity building, reading promotion campaigns, strengthening partnerships and youth empowerment programmes. Emphasis was also laid on the implementation of the Virtual Library Project, which was intended to bring a turnaround in access to information sources and resources. Some of the milestones covered in the year under review are outlined in the sections below.

### **INFRASTRUCTURAL DEVELOPMENT**

#### **i. Eldama Ravine: New Library Established**

Eldama Ravine library which had been under construction in partnership with NG-CDF in Eldama Ravine Constituency, was completed during the year under review and opened to the public opened in November 2021. This has boosted the access to information services and also answered the Eldama Ravine community's long time cry for a public library.

#### **ii. New Library Buildings Constructed**

In partnership with NG-CDF construction works of new library buildings for the already existing libraries was completed and the buildings officially opened to the public in December 2021. The construction of the new buildings was necessitated by the need to

enhance the reading and working environment; and also to increase the reading spaces. These included:

- a) Awendo Library building constructed in partnership with NG-CDF Sare Awendo Constituency, Migori County. Previously, the library services were being discharged from a borrowed space at the Sony Sugar Primary



*Awendo Library was officially opened by Hon. Noah Katana Ngala - knls Board Chairman*



*Reading activities at the refurbished Voi Library*

School, which was characterized by serious accessibility challenges to the members of the public.

- b) Mikubune Library building constructed in partnership with NG-CDF South Imenti Constituency, Meru County. Formerly, the library services were being discharged from a small old building that was overwhelmed by challenges of space.
- c) Voi Library, which had been closed for renovation in partnership with Voi NG-CDF was also reopened to the public in November 2021.
- d) The new Kimilili library building is still under construction in partnership with NG-CDF, Kimilili Constituency. The construction was necessitated by demand for more space in the current building and also the need to move the library services to a new site that was allotted for library development. It is expected that the construction

works would be completed in the next financial year to pave way for the transfer of the services to the new site.

#### **ESTABLISHMENT OF VIRTUAL LIBRARY**

Implementation of the Virtual Library Project that was started in February 2020, continued as a priority project in the year under review. The Project comprised 3 components i.e. Data Centre; Digitization Lab; and the Virtual Library Solution. The Data Centre and the Digitization Lab were completed and their services commenced forthwith after all the necessary equipment were installed.



Although the Data Centre and the Digitization Lab prioritizes to digitize and store the knls' rare and special books for preservation and access, they do have commercial aspect intentionally designed for income generation to support sustainability of the Virtual Library Solution. In this regard, a number of external customers are already benefiting from the said services at affordable rates. Other than commercial benefits, the Digitization Lab will significantly aid in the preservation and wide access of the national imprint; while the Data Centre will address the issue of data security and space. The completion process of the Virtual Library Solution is well advanced. The key emphasis now is on the acquisition and uploading of the e- content on the Virtual Library platform. it is hoped that the Board will launch it to the public in the first quarter of the coming financial year.

#### **DEVELOPMENT OF MARKETING AND COMMUNICATION STRATEGY DOCUMENTS**

One of the activities under the implementation of the Virtual Library Project was to develop key marketing, communication and branding strategy documents. This was intended to ensure seamless integration of the organization's programs and

services, optimal usage of available resources and their sustainability. The VL being a new venture also required that a strong brand identity be developed to ensure that it stands out from the crowd of countless digital information sources. During the year under review, a consultant was engaged to help in this assignment and the following documents were delivered:

- i. Marketing Strategy
- ii. Communication Strategy
- iii. v.tabu Brand Manual
- iv. Communication Policy
- v. Corporate Social Investment
- vi. Communication Needs Assessment Report

A two-days validation workshop was held on 14<sup>th</sup> – 15<sup>th</sup> June 2022 to enable the Virtual Library Project Implementation Committee members and other stakeholders to review, affirm and adopt the documents accordingly. The workshop was attended by 30 participants. The final Documents were approved for implementation by the Board on 29<sup>th</sup> June 2022. These will enhance knls brand identity and equity; and serve as a key driver of knls overall business strategy.

#### **WEBSITE REDESIGN AND CMS MIGRATION**

During the year under review, the knls Website ([www.knls.ac.ke](http://www.knls.ac.ke)) was upgraded and migrated to a user friendly Content Management System (CMS) that supports a better web content management and multiple users in a collaborative environment. This allows us to have multiple content creators with limited rights and maximum rights reserved for the responsible action persons. The new CMS allows easy document management, record retention and integration of google analytics tools and solutions. The new website went live in November 9<sup>th</sup> 2021 after a two months' exercise of content development, content migration and web interface development. The redesigning of the website was one of the targets identified in the knls Board 2017-2022 strategic plan under strategic objective three which sought to "strengthen institutional capacity, resource mobilization and corporate governance for effective service delivery."

#### **PERFORMANCE CONTRACTING**

knls Board developed the PC targets for the financial year 2021/2022 using the prescribed guidelines issued by the Office of Performance Management and Coordination. The PC targets, which were derived from

the Board's 2017-2022 Strategic Plan were cascaded to all departments/branches for ease of implementation. The vetting exercise was carried out by the Parent Ministry as per the Performance Contracting Guidelines of the 18<sup>th</sup> cycle. The actual performance scores are outlined in the table below:

**a) Overall Performance**

S/NO	KNLS Composite score	Total No. of SAGA Evaluated	Knls Position
	2.7060	239	21

**b) Under Service Category**

S/NO	KNLS Composite score	Total No. of SAGA Evaluated	Knls Position
	2.7060	75	8

**c) Under MTEF Sector Working Group (Social Protection, Culture and Recreation Sector Working Group)**

S/NO	KNLS Composite score	Total No. of SAGA Evaluated	Knls Position
	2.7060	12	1

The performance was achieved through consolidation of the various activities carried out through the knls branch network countrywide. Branch libraries concentrated more on reading promotion campaigns and community empowerment programmes. This will also help to raise the knls profile.

**FINANCIAL STEWARDSHIP**

Knls Board continued to enjoy support from the Government through the Ministry of Sports, Culture and Heritage throughout the year. The Board periodic grants from the exchequer to facilitate provision of library and information services to the public. As is detailed in the Financial Statements in this report, all the resources channelled to the Board were appropriately utilized for the approved programmes and activities. The key sources of knls Board's revenue during the year under review were the Government of Kenya through the Exchequer, Appropriation in Aid and donor funding for specific and agreed projects.

During the year under review, knls collected **Kshs.99,463,322** Appropriation in Aid as compared to **Kshs.82,148,138** in the previous financial year depicting a 21% increase. This was attributed to the uptake of office space at the completed Maktaba Kuu Tower. The Board also received recurrent grants from the exchequer totalling to **Kshs.646,810,000**.

Under development grant, there was no allocation for the Financial Year under review.

The Statement of Financial Performance FY 2021/2022 has a book deficit of **Kshs (220,401,257)** as compared to a deficit of **Kshs.(129,499,225)** during the previous FY 2020/2021.

**STRATEGIC DIRECTION**

All library programmes and activities for the year under review were anchored on the knls Board's strategic objectives as outlined in the 2017-2022 Strategic Plan. The 2021/2022 PC Targets were achieved through various specific activities aimed at improving service delivery to the public and enhancing a positive reading culture among Kenyans. The Government's 'Big Four Agenda' were also incorporated in the Board's Performance Contract. Knls implementation of the Big Four Agenda was premised on the fact that knls greatest desire is for Kenyan people everywhere to have access to information and knowledge for empowerment. Knls believes that knowledge is at the core of human progress; endeavor and well-being. Access to relevant information and knowledge will enable Kenyans to participate and contribute to the nation's socio-economic transformation and development agenda.

The end of the financial year under review i.e. 2021/2022 also marked the end of the KNLS Board July 2017-June 2022 Strategic Planning period. The strategic plan development exercise was therefore prioritized to ensure the Board does not sink into a vacuum. By the of the business of the financial year, key components of the 2022-2027 Strategic Plan were already in place and approved by the Board. These included: Vision and Mission; core Values; Strategic Objectives, among others. Completion of the full document is slotted for the early days of the next financial year. There was a slight review of the vision and mission statements and thus in the next strategic planning period i.e. 2022-2027, the Board will focus its effort on the achievements as follows:

**Vision:** *The Information Hub for Knowledge Development*

**Mission:** To preserve the national documentary heritage and enable universal access to information and knowledge

**Core Values**

**T - Technology driven:** We continually integrate technology in all our operations and service delivery

**I – Innovation:** We embrace new ways, ideas and products to satisfy our customer needs

**C - Customer focus:** We serve our customers with passion, integrity and professionalism

**K - Knowledge based:** We continually review our services and products to support social economic development

**CHALLENGES**

During the year under review, notable challenges were experienced and this significantly affected the implementation of the Board's mandate. These included:

**a) Book Fund**

It is important to note that the last time that knls received grants for books from the exchequer was in the FY'2014/2015. Since then the Board has been supplemented with book donations from Book Aid International (UK), and book purchases sponsored by various donors for specific library projects for some specific branch libraries. This has also created a serious shortage of locally published books and other information materials in the knls libraries.

**b) Implementation of knls Board Succession Plan**

It would be noted that at the close of the financial year under review the senior most staff in the organization were in scale 5 at Principal level. Positions for CEO (scale 1), Deputy Director – Technical Services (Scale 2) and Chief Human Resource Officer (Scale 4) were advertised and the recruitment process is on schedule. There are other several positions that are vacant, with several staff on acting capacity and special duty due to prolonged lack of promotions as per the scheme of service. This possess a great challenge to the organization especially in leadership and management at both departmental and branch level. Diminishing motivation and staff turnover could be inevitable as some of the staff have stagnated in the same grade for over about 20 years.

However, this challenge could appropriately be addressed through additional funds by the exchequer to enable promotion on merit and competitive internal placement to the vacant positions. Majority of staff who have been acting on these positions have over time attained the relevant qualifications and years of experience.

**APPRECIATION**

I would like to thank the Board of Directors, our clients, our dedicated staff, our service providers for their continued support and loyalty, without which our objectives could not have been achieved. I also extend our gratitude to the Government of Kenya, the Ministry of Sports, Culture and Heritage and all other stakeholders for the cooperation and support.



**Dr. CHARLES NZIVO**  
**CHIEF EXECUTIVE OFFICER**  
**\*Effective 12<sup>th</sup> September 2022.**

## STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2021/2022

### KEY ACHIEVEMENTS AGAINST STRATEGIC OBJECTIVES

The following Key Performance Areas(KRAs) are derived from the current organization strategic plan (knls strategic plan 2017 to 2022) and set as a performance target in the 18<sup>th</sup> cycle of performance contracting (2021/2022 FY) as targets.

Strategic Objective	Specific objective	Key Performance Indicators	Activities	Achievements
To maintain a national bibliographic control, preserve and conserve a comprehensive national documentary heritage and promote reading, research and reference services	i. To promote use of ISBN and ISMN among the Kenyan publishers and publication of the Kenya National Bibliography (KNB).	Publishers and authors Sensitized on Cap 111.  Publishers issued with ISBN.  Stakeholders forums held	Sensitize/create awareness to the publishers and authors on the need to adhere to Cap 111   Hold stakeholders' forum to build consensus on the proposed amendments to Cap 111	Held 3 consultative forums  1022 Publishers were issued with ISBN.  3 stake holder's forum held
	ii. To centralize collection of legal deposit copies through amendment of CAP 225 and 111 of the Laws of Kenya.	Legal Deposit copies collection	Sensitize/create awareness to the publishers and authors on the need to adhere to Cap 111	KNB and KPD published  Publish comprehensive KNB and KPD annually

	iii. To promote literacy and reading culture in Kenya.	<p>Reading promotions events held.</p> <p>Reading</p> <p>Users education sessions held in our libraries</p> <p>Information material provided.</p> <p>Extravaganza conducted</p>	<p>Create awareness and promote library services.</p> <p>Conduct user education</p> <p>Avail information materials for people with special needs in various formats</p> <p>Customization of Citizen Service Delivery Charter to unique needs.</p> <p>Conduct reading extravaganza</p>	<p>27 reading promotion events were conducted throughout the country</p> <p>Users education session were conducted in all our 64 branches country wide.</p> <p>Selected information materials were converted into audio format</p> <p>Citizen Service Delivery charter was translated into audio and braille</p> <p>2 reading Extravaganza were conducted at Buruburu and NAL Branch libraries.</p>
To upscale automation levels for enhanced access to services	To pilot and replicate KOHA library management system in branch libraries	Acquire, install and commission KOHA in 53 branch libraries.	Install KOHA(Library Management Software to branches	8 Branches were installed with the software and the staff were trained on how to use it.
	To establish a Virtual library and a national web catalogue (Kencat)	Functional Virtual Library	Configure, test and commission virtual library	Virtual library is fully functional with Digitization Lab and Data Centre
Strengthen institutional capacity, resource mobilization, brand visibility and corporate governance for effective service delivery	i. To expand, refurbish, equip and maintain library facilities for improved reading and working environment.	Refurbish and maintain library facilities	Branch Libraries refurbished and maintained.	2 Libraries were refurbished i.e Awendo Fence and Completion of Mikumbune Library. 4 dry pit latrines were constructed in Timau, Awendo, Ukwala and Nyllima branches respectively
	ii. To enhance partnerships, strategic networks and linkages.	Develop and submit funding proposals to key development partners	No. of proposals developed and submitted	6 proposals were developed and submitted to developing partners. knls realized over Kshs.7M through this initiative.

	iii. To mainstream the Government Big Four Agenda and comply with other Directives'	Training sessions of farmers in Smart Farming	No of Training sessions and No. of Farmers trained	Held 4 training sessions and 142 farmers were sensitized on smart farming methods in some selected branches
		Acquire and distribute health information resources	No. Health information materials distributed.	Over 2000 information materials were distributed to Kenya Medical training college campuses all over the country.
		Organize entrepreneurship training forums	No. of training forums organized and Held.	3 sensitization forums were conducted in Nakuru and Kibra Branches
	iv. To develop, review and implement institutional policies and procedures for improved corporate governance	Develop and reviewing of several policies to guide the operations	No. of Policies developed and reviewed.	Developed: Gender Mainstreaming policy and Road safety mainstreaming policy.

## **CORPORATE GOVERNANCE STATEMENT**

Kenya National Library Service Board operates under Cap 225 Laws of Kenya and embraces the principles of good governance that is engraved in the culture of integrity, accountability and transparency. The principles and standards adhered to by the Board have been developed with close reference to the Mwongozo Code of governance for state corporations, issued by the State Corporations and Advisory Committee (SCAC). The Board which is guided by the knls Board Charter through its Committees oversee the corporate governance, advises management in developing financial plans, determines the strategic direction the corporation, goals and objectives **as well as evaluating management's performance in pursuing and achieving those goals.** The Library is managed under the direction of the Board of Directors whose responsibility is to supervise the operations of management and ensure that the interest of the organization and all its stakeholders are promoted and protected.

### **Board Composition**

The term of the previous Board ended on the 20<sup>th</sup> October 2019. As at the end of the FY 2021/2022, a new Board was yet to be fully constituted. Hence, three members i.e the Chairman and the Rep. from the Parent Ministry in consultation with the Ag. Chief Executive Officer, continued guiding on policy issues that needed approval.

### **Role and Functions of the Board**

The Board:

- (a) **Determines the organization's mission, vision, purpose and core values**
- (b) Sets and oversee the overall strategy and approve significant policies of the organization
- (c) Ensures that the strategy is aligned with the purpose of the organization and the legitimate interests and expectation of its shareholders
- (d) Ensures that the strategy of the organization is aligned to the long term goals of the organization on sustainability so as not to compromise the ability of future generations to meet their own needs
- (e) Approves the organizational structure
- (f) Approves the annual budget of the organization
- (g) **Monitors the organization's performance and ensure sustainability**
- (h) Enhances the corporate image of the organization
- (i) **Ensures availability of adequate resources for the achievement of the organization's objectives**
- (j) Hires the CEO on such terms and conditions of service as may be approved by relevant government organ(s) and approve the appointment of senior management staff
- (k) Ensures effective communication with stakeholders.

### **Existence of a Board Charter**

The purpose of this charter is to promote high standards of corporate governance and to:

- i) Clarify the roles, responsibilities and powers of the Board and those of various committees of the board to assist in decision-making processes.
- ii) Outline the policies and practices of the Board in respect to matters such as conflicts of interest and convening of Board meetings.

- iii) Define the specific responsibilities of the Board of Directors, in order to enhance coordination and communication between the Chief Executive and the Board and more specifically, to clarify both Board and Management accountability.

### **Board Self Evaluation and Performance**

The knls Board maintained good governance and ethical leadership throughout the period under review. The Board also ensured that the Code of Good Practice was adhered to by all staff. That notwithstanding, the Board carried out its mandate in consultation with the Parent Ministry for necessary guidance.

Board Self Evaluation exercise which is guided by the State Corporations Advisory Committee (SCAC) is meant to assess the performance of the Board, Individual Board members, Board Chairman and the CEO for the financial year ended June 2022. The evaluation could not take place in the financial year 2021/2022 as there were only two members of the board and hence there was no requisite quorum for undertaking the board self-evaluation exercise. SCAC therefore pushed the evaluation to the next financial year awaiting constitution of the full board.

### **Board Committees**

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

The Board has four standing committees with specific delegated authorities and terms of reference. These are; Audit Committee, Finance & Project Development Committee, Human Resource & Service Delivery Committee and Marketing, Research & Resource Mobilization Committee.

### **Board Meetings Held in the Year**

The board normally meets at least once every quarter and is chaired by a non-executive Chairman. During the year under review, a new Board was yet to be fully constituted. Three members i.e the Chairman and the Rep. from the Parent Ministry - State Department of Culture in consultation with the Ag. Chief Executive Officer held consultative meetings for guidance on policy issues that needed approval.

knls Board held the following meetings during the year under review:

TYPE	Meetings Held
Consultative Meetings	31

### **Conflict of Interest, Code of Conduct & Ethics**

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 organisation. 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.

The Board has put in place Anti-Corruption Policy in line with EACC guidelines and a Code of Conduct & Ethics that binds both the board and the employees. 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 same is registered in the Conflict of Interest Register.

### **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 meetings 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.

### **Succession Planning**

knls Board has an established succession management plan geared to ensuring continuity of business operations at all levels of the Board and Management. The term of the Chairman, and the Alternate Representatives from Parent Ministry and National Treasury are scheduled to end at different times. The term of the previous Board ended on the 20<sup>th</sup> October 2019, leaving behind only the chairman and the Alternate Member representing the PS, State Department for Culture and Heritage to transact the business of the board. At the time of submission of the Annual Report and Financial Statements a new Chairman had been appointed on 5<sup>th</sup> August 2022 vide Gazette Notice No.9298.

**The Board Strategic objectives in its current Strategic Plan is to “strengthen institutional capacity by upholding mobilization and development of human capital”**

The objectives of knls Succession Plan are therefore to;

- i) Ensure continuity of knls
- ii) Ensure timely placement of employees to take up roles of their predecessors
- iii) Ensure suitable employees are available to fill the vacancies when they fall due
- iv) Help in monitoring of staff skills development
- v) Support allocation of resources for the talent development process

## MANAGEMENT DISCUSSION AND ANALYSIS

### knls' OPERATIONAL AND FINANCIAL PERFORMANCE

#### 1.0 OPERATIONAL PERFORMANCE

During Financial Year 2021/2022 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 other development partners through specific partnership agreements. These included:

#### 1.1 READING PROMOTION

In order to raise the profile of knls and create awareness about services provided and gain goodwill among the stakeholders and the general public, knls carried out various activities.

##### 1.1.1 Official opening of knls Gilgil Junior Library and Unveiling of the Digital Training Program

The newly constructed knls Gilgil's Children's Library was official opened on 18<sup>th</sup> May 2022. The function was presided over by the president of the Rotary Club Nairobi, Mr Gideon Akwaba. Other guests included, the Chief Administrative officer, Mr Wachira representing the Governor, Nakuru County, Ambassador of Barbados Mr. Alexander William McDonald, Assistant County Commissioner Gilgil Sub-county - Emmanuel Karisa, and Hon Martha Wangari MP Gilgil, the Presidents of Rotary Clubs of Nairobi and Gilgil, the County Administration Officers, provincial administration officers, other dignitaries. Timothy Mahea, in charge of Marketing and Purity Kavuri in Charge of knls Nakuru Branch, represented the knls CEO. In attendance were more than 500 students and other community members.



The President of Rotary Club Nairobi Mr. Gideon Akwaba cuts the tape during the official opening of the children section

The construction and equipment of the library was funded by the Rotary Club of Nairobi as follows:

- i. Construction at an estimate cost of **Ksh.1.5M**.
- ii. 20 laptops at a cost of **Ksh.800,000**. These are loaded with education materials and information that is of benefit to the readers.
- iii. LED Projector at a cost of **Ksh.50,000**.
- iv. Books worth about **Ksh.2 Million**.
- v. Dedicated Server for information storage



The Ambassador of Barbados Mr Alexander McDonald gives out gifts to the children during the event

#### Outcomes

- a. *Enhanced children reading area with lots of information resources, both local and international.*
- b. *Ability to run multiple digital training programs with the equipment availed to the library.*
- c. *Strengthened relationship with partners and increased commitment for library programs support.*
- d. *Area MP promised to construct a good perimeter wall for the Library in the next financial year 2022/23*

### 1.1.2 English Contest Activity



*Knls CEO Dr. Charles Nzivo awards the trophy and certificate to the school that won the English contest held at knls Laikipia Library*

An English Contest activity was held at Laikipia Library on 10<sup>th</sup> June 2022 at the library premises targeting Secondary Schools within the County of Laikipia. The aim of the contest was to promote and inculcate a reading culture in our education system, in our institutions, and society in general. The contest required students to read and research widely on two topics which were;

- i) Technology owes an apology to Ecosystem
- ii) Should Genetically Modified Foods and Crops, be encouraged.

Among the key guests who attended the event included knls Ag.CEO Dr. Charles Nzivo, the County Commissioner Laikipia County Mr J.M. Kanyiri, BATUK Community Engagement Officer Major Taylor, County Director of Education Ms Beatrice Wachira, Library Committee Members, knls staff from neighbouring libraries and over 200 students and 18 teachers.

The program was funded by the British Army Training Unit in Kenya (BATUK) while five other entities supported the program through the provision of trophies for each category.

#### Outcomes

- i) *The opportunity to meet and interact with students from other schools enabled them to learn from each other*
- ii) *Increased participation by schools in library reading promotion programs*

### 1.1.3 Sigana International Story Telling Festival

knls Buruburu in partnership with Zamaleo ACT hosted the annual Sigana International Storytellers Festival at the knls Buruburu, Nairobi on May 20, 2022. The Storytelling Festival is designed to bring together local and international storytellers at both amateur and professional levels, with a view to creating a platform for discussions,



*Story tellers engage children with captivating presentations during the Sigana International Storytelling Festival held at knls Buruburu*



*Children display artwork of a windmill developed as one of the activities of the day*

workshops and performances. The festival provides lovers of the age-old sacred art of storytelling the rare opportunity to experience both home-grown and cultural performances. Storytelling enhances learning experience to the young children especially those in primary schools. They can easily relate the characters in the story and develop their critical thinking. It also gives the participants a chance to share their diverse performance traditions,

approaches, techniques and styles within the diverse setting. The event brought together a total of 300 children from 5 schools and 12 teachers.

### Outcomes

- i) Great partnership strengthened with the performing arts groups
- ii) Publicity through attraction of storytelling cultural events to the libraries

#### 1.1.4 Build a world of Play Campaign in partnership with Lego Foundation

A successful introductory meeting between Lego Foundation and knls on April 5<sup>th</sup> 2022 resulted in knls participation in **"The Build a world of play Campaign"**. The Campaign is aimed at turning parents & caregivers into play advocates by showing that play is how children learn to imagine, create and solve. The partnership involves hosting key children play activities in 25 selected knls libraries. These include: NAL, Buruburu, Wundanyi, Voi, Kilifi, Malindi, Koru, Rambula, Awendo, Embu, Mikumbune, Isiolo, Gilgil, Kabarnet, Eldama Ravine, Rumuruti, Kisii, Gatimbi, Lagam, Narok, Chinga, Ol Kalou, Garissa, Wajir, Nakuru, Murang'a, Thika, and Kibera.

The Lego foundation hosted a webinar for all the libraries in the world participating in the Building a world of play (BAWOP) campaign on Monday, April 11 in which knls attended. In addition to this Knls will also partner with World Vision in the use of the knls mobile library buses to carry out Playbus activities in Nakuru, Kakamega and Narok. The campaign will run between June and July and Lego foundation has confirmed funding for the identified activities.



Children participate in a puzzle activity at knls Kibera Library

#### 1.1.5 Day of Cultural Diversity – May 21 2022



Children making a presentation



Audience Keenly following the activities

The Kenya National Library Service Buruburu in partnership with Zama Leo Act and Utamaduni Ngomas hosted the Annual Cultural Day Festival at the knls Buruburu on May 21 2022. Advocating for cultural diversity is best expressed through storytelling, songs and dance depicting the different cultures in Kenya. Lessons learnt included the importance of respecting and appreciating cultural diversity to promote the understanding of unique cultural and ethnic

heritage. The audience comprised children, parents, homeschoolers and teachers from the invited schools around Buruburu. A total of 62 students and 5 teachers attended the event.

### **1.1.6 Life Enrichment for Better Aging**

One reason older adults choose to move to a senior living community is the opportunity to participate in life enrichment activities every day. A number of knls libraries have introduced Senior Citizen's library clubs that help bring them together and enjoy available services at the libraries. Members are also encouraged to read books of their choice so as to enjoy the benefits that come with reading. Reading helps in learning new things, maintain or improve memory and ability to concentrate. Through the Clubs' activities, the senior citizens are able to change their perception and outlook to life.



*Seniors at a club meeting in Buruburu Library*

Other than health and lifestyle matters, Volunteer Lawyers are invited to take the members through the importance of succession law. Among the libraries that are actively involved in senior citizen's library clubs are Buruburu and National Library at Makataba Kuu with a membership of 15 and 13 respectively.



*P2PU Participants at Buruburu Library*



*P2PU Participants at Nakuru Library*

### **1.1.7 P2PU: Basic Computer Skills crush course – Buruburu and Nakuru Libraries**

The P2PU is a learning circle programme that targets college and university students and also those that have recently graduated from college/university. This equips the trainees with the necessary basic computer skills to enable them to apply for jobs and also access online opportunities that are available to them. During the quarter under review, Buruburu Library organized for an eight-week programme that focused on the following topics: -

- i. An overview of Microsoft Word
- ii. Microsoft Excel Fundamentals
- iii. Microsoft PowerPoint Fundamentals
- iv. Remotask
- v. Tactical Tech's Data Detox (Digital Privacy, Digital Security, Digital Well-Being, and Misinformation)

Through the training, the participants are exposed to diverse online opportunities that they can pursue to

better their lives.

### **1.1.8 Kenya Library Association (KLA) Conference and Workshop for Information Professionals**

The KLA conference and workshop for Information professional was held from 6<sup>th</sup> to 8<sup>th</sup> of April 2022, at Beaumont Resort Hotel, Mtwapa, Kilifi County. Mary Kiarie, Head of Kibera Library was among the participants. In his welcoming remarks, Prof. Nyamboga who is the KLA President emphasized on the need for information professionals to be intentional in facilitating the access to information, as this would lead to commendable development in Africa.

Objectives:

- Build the capacity to support the upcoming information professionals and equip them with the new skills to ensure provision of effective services to their clientele.
- Understand the 21<sup>st</sup> Century users and what the 21<sup>st</sup> Century libraries and information centres should look like.



Mary Kiarie the Head Librarian Kibera branch making a presentation during the KLA Conference held at Beaumont Resort Hotel

1.1.9 Other reading programs

In partnership with Young Astute Mathematicians Association, Mathematics Clinic for High school students is organized at knls Nakuru every Saturday form 9.00am to 12.00 noon with a membership of about 250 students.



In partnership with COLLANET Africa, the library organizes for Content Retention Workshop for High school students every Tuesday & Friday. It is attended by about 240 students.



On 12/03/2022, the library hosted Nakuru Writers and provided a platform for them to interact, network and share experiences. This was aimed at encouraging the writers to explore more options of developing local content with a view to preserving the national heritage. The session was attended by 25 writers.



On 22<sup>nd</sup> March 2022, knls Murang'a has been organizing a **Children's Talents discovery** escapades every Saturday at the library, targeting children aged between 6 years and 13 years. The sessions comprise storytelling, short drama skits, song/dance and modeling activities. These are geared towards enhancing confidence and public speaking skills. Children also get to improve their interaction behavior with others.



**Alcoholic Anonymous Library Club** - The library has also reached out to NACADA to help in counseling and provide other possible linkages for assistance. Out of a group of 20 members who joined at the inception of the club, 3 have already quit alcohol.



**Imparting Knowledge to the Mwingi Schools** - Knls in partnership with Book Aid International (BAI) and Research Triangle Institute (RTI) supported 10 rural public schools within Ngomeni ward, Kitui County.

**Outcomes**

- i) *Strengthened reading culture among the rural communities*
- ii) *Empowerment of teachers through supplementary reading materials availability in schools*
- iii) *Strengthened donor partnership in program implementation*
- iv) *Enhanced working relations with schools in implementing reading promotion programs*



**Toto Smart Book Club** - Knls Nakuru in partnership Book Aid International (BAI) established a book club dubbed "**Toto Smart**" at Bondeni Maternity Hospital. The program targets expectant mothers and mothers with young children up to 2 years old. Through the initiative, Bondeni Maternity hospital benefited through training, book donations, branded bags and t-shirts. A launch event presided over by the First lady Nakuru County, Hon.Elizabeth Kinyanjui was organized at the hospital grounds. She hailed the program and pledged to support the activity through additional books.



## 1.2 Launch Events

### 1.2.1 Launching of Explorer School Library Project

Kenya National Library Service (knls) in partnership with Book Aid International (BAI) supported the establishment of school libraries in four schools within Nairobi and Nakuru. The schools were identified through the heads of knls Buruburu and knls Nakuru libraries where they needed to identify a school without a library but had space that they could set aside for the establishment of a library. The goal of the program was to enhance the reading culture among children through the provision of local and internationally published supplementary reading materials. The project involved provision of books, a grant to refurbish a room as a school library and a training to equip teachers to set up and run school libraries.

The teachers were trained for three days on handling different readers in a library environment, understanding



*Newly refurbished space - Kayole 1 Primary School*



*Book Aid International Africa Representative James Kimani addressing the audience during the event*



*Knls Ag, Deputy Director gives his remarks during the launch of the library at Kariobangi Primary School*



*Students utilizing the newly refurbished space - Kariobangi Primary School*

children books, book processing, library research skills and reading culture promotion. Launch events were organized to create awareness about the facilities for all the four participating school libraries as follows:

**Nairobi Region:** at Kayole 1 and Kariobangi primary schools on Tuesday 21<sup>st</sup> September 2021. The launch was officiated by the Ag DDTS Kenya National Library Service. Also present were Book Aid International-Africa's representative, Mr. James Kimani, knls staff, a representative from the office of the area MP, the headmistresses of both schools, teachers, pupils and staff from Knls Buruburu.

**Nakuru Region:** at Gaakwen Primary School and Mwariki Primary School on 29<sup>th</sup> September 2021 and 30<sup>th</sup> September 2021 respectively. The launch was officiated by Mr Stephen Mau a knls Board Member and Mr. Jack Wafula knls Ag. CEO.



Jack Wafula, Ag. Knls CEO unveiling Gaakwen explorer library



Mr. Jack Wafula- Ag. Knls CEO (Left) and Mr. Stephen Mau – knls Board Member enjoying the ambience together with pupils at the newly established library space at Gaakwen Primary School in Nakuru

### Outcomes

The following are the outcomes;

- i) Boards demonstration of its commitment of living to its mandate of promoting access to information resources through establishment of libraries
- ii) Enhanced access to leisure reading materials by the students from disadvantaged backgrounds
- iii) Support given to schools in offering supplementary reading materials to students
- iv) Promotion of a reading culture among children at an early age
- v) Raised profile of the organization

### 1.2.2 Kianjau Primary School Library Launch – 25<sup>th</sup> February 2022.

knls in partnership with Book Aid International supported the establishment of a school library at Kianjau primary school in Kiandutu Slums in Thika through a project dubbed **“Explorer Library Project”**. Children in this area, hardly have a safe space to play or engage in creative activities other than the school compound which they frequent even when schools are not in session.

The Explorer Library Project involved:

- i. Training of teachers on basic library management
- ii. Refurbishment and converting of an existing room into a library space through painting with multiple attractive colours and murals.
- iii. Provision of library furniture to cater for the ECDE and lower primary and upper primary pupils.
- iv. Provision of books, toys, carpets and record registers.



Guest at the library launch event at Kianjau Primary School



Cutting of the ribbon in the newly established school library



Head Teacher of Kianjau Pry Sch. Mr Githinji introducing his staff



The newly established library

## Outcomes

- a) Empowered teachers with library and records management skills.
- b) Empowerment of disadvantaged communities living in low income settlements through establishment of a fully equipped school library with supplementary reading materials.
- c) Raised profile of the knls

## 1.3 Capacity Building, Provision of Educational Materials and reading outreach Programmes

### 1.3.1 Training on Digital Access for Visually Impaired Persons

The Association for the Physically Disabled in Kenya (APDK) and Inspire Africa Initiative are coordinating the United Kingdom Digital Access Program (UK-DAP) project that aims to increase access to digital government services for equitable and inclusive economic and social benefits for PLWDs. Kenya National Library Service (knls) has been recognized as a key stakeholder on the demand generation side in the implementation of the project.



Participants showing off their certificates after completion of training-Knls Nakuru



Mr. Titus Ngala receiving hands on training at Mutyangome Ward- Supported by Knls Mwingi

The overall purpose and objective of the project is to ensure that the computers that are within the knls network are inbuilt with assistive software to enable the PLWDs access government services. This shall be followed with training for the select PLWDs to capacity build them on how to access the

services at the select knls branches where the project is set to be piloted, and eventually run. The project implementation was to happen in two fold, i.e knls, and Kenya Society for the Blind. The overall target of trainees was 117 Persons Living with Visual Impairment, at the end of the project. So far, 55 PLWVIs have been trained representing 32 males, and 23 females from 10 knls branches-Knls Mwingi, Embu, Kilifi, Voi, Eldoret, Kibera, Nakuru, Kabarnet, Maktaba Kuu and Laikipia. The beneficiaries that were selected had to have met a certain set criterion to ensure that the training met its mark. Some of the parameters included:

- a. Targeted beneficiaries should have the card from the National Council for Persons Living with Disability (NCPLWDs) that uniquely identifies them.
- b. They have to be adults, of either gender, who have visual impairment.
- c. They have to undergo a pre assessment evaluation that shall guide in the overall customization of content.
- d. They have to undergo a post assessment evaluation to gauge the level of skills change after the training.
- e. Knls commits to ensuring that there shall be hand holding sessions for the participants post training, giving them an environment for them to sharpen their skills post training.
- f. Knls is to allow all the machines (Computers) in their sites to be inputted with the Job With Speech (JAWS) software to ensure that the project is feasible.
- g. There should be regular and random monitoring and evaluation visits by contracting parties to ensure that the project implementation is as per MoU.
- h. A comprehensive report to be handed over to the donors at the point of project closure.

## Project Outcomes

- i. All the sampled participants' recorded pleasure at being allowed and trusted to touch and ultimately power on machines.
- ii. They appreciated the first of its kind programme that solely focused on them.
- iii. They acquired some soft skills that they appreciated the fact that no one would have the patience to take them through. Some of the skills Included-Opening up email addresses, navigating basic web pages, registration on the e-citizen platform and basic computer operations.
- iv. The PLWVIs will have a base in Knls libraries that would allow them to refine their skills.

### 1.3.2. Mini Inspiring Readers Project, Knls Voi and Knls Kilifi, Teacher and Head Teacher Training, 14<sup>th</sup>-17<sup>th</sup> March 2022, at Knls Voi

Book Aid International (BAI) is working in partnership with Kenya National Library Service (knls) to implement the *Mini Inspiring Readers project* in Kilifi and Voi libraries. The libraries shall act as hub libraries and they will offer support to 10 schools and 5 schools per hub.

The aim of the project is to provide schools with access to book cupboards containing relevant, age-appropriate materials in English and local languages qualified teachers to and love of reading.



Workshop closure at Arabuko Sokoke-Kilifi



Group discussions during the training at Knls Voi

and to provide training for librarians and support children to grow in their confidence

The teacher training workshops at both sites were attended by Juliana Muchai, Sarah Ogembo and their respective teams. Cumulatively, 30 participants were trained.

## Project Objectives

- i. To increase children's interaction with age-appropriate books in English and local languages.
- ii. To develop the confidence and participation of pupils in class using reading materials, and the development of a regular reading habit.
- iii. To equip head teachers and teachers with skills, knowledge, and confidence to support children in reading and learning.
- iv. To encourage head teachers to increase opportunities for children and teachers to use books as often as they can, in and out of school.
- v. For hub librarians to develop skills in running outreach services, and to support teachers in their overall quest to support access to reading and learning.

### 1.3.3 Other Capacity Building Programmes

Training	Date training held/objective	No. of persons trained
Gender and Knls Gender Mainstreaming Policy Validation	28 <sup>th</sup> April, 2022	14
Coaching and Mentoring Knls Staff Training	26 <sup>th</sup> May, 2022	13
Disability Mainstreaming Activities	25 <sup>th</sup> and 26 <sup>th</sup> May, 2022	
Customer Service Skills	27 <sup>th</sup> May, 2022.	All knls staff
Defensive Driving for Knls Drivers	26 <sup>th</sup> June, 2022	10
Retirement Planning and Management Training	a. 27 <sup>th</sup> January, 2022 at Sarova Panafric Hotel, Nairobi and b. 9 <sup>th</sup> February 2022 at Landmark Hotel, Isiolo. c. 11 <sup>th</sup> February 2022 at Meru Slopes Hotel, Meru d. 24 <sup>th</sup> February, 2022 at Hilton Hotel, Nairobi e. 25 <sup>th</sup> February 2022 at Sarova White Sands Hotel, Mombasa	26
Prevention of HIV Infection	Odyssey Eye Care Foundation offered free health talks virtually on 10 <sup>th</sup> and 11 <sup>th</sup> February 2022 to knls staff at Maktaba Kuu and on 28 <sup>th</sup> February and 1 <sup>st</sup> March - The Foundation also offered services including free consulting, eye checkups and screening and dental checkups to staff and members of the public.	Knls staff at Maktaba Kuu and 13 staff from Mombasa Library
Advanced Practical Payroll Management and Computerized Financial Management Update - Held on 28 <sup>th</sup> September to 1 <sup>st</sup> October 2021.	The seminar addressed the changes in technology brought about by ICT that had changed the way various departments operated and functioned. The training was an important component on Continuous Professional Development of staff	2
<b>10<sup>th</sup> AGL Annual Conference/ AGM 2020</b>	The Conference / AGM was held at Pinecone Hotel, Kisumu from 24 <sup>th</sup> to 30 <sup>th</sup> October, 2021. The aim of the conference was to create opportunities for Librarians and Record Managers working in Government Ministries and State Departments to share ideas and trends in the profession and improving service delivery in the Public Service. The theme of the Conference was " <i>The Future of Information Services: Libraries, Archives and Record Centres in the 21<sup>st</sup> Century</i> ".	2

<b>25<sup>th</sup> Annual Human Resource Management Conference</b>	The conference was held at Sarova Whitesands, Mombasa w.e.f. 26 <sup>th</sup> to 29 <sup>th</sup> October, 2021. The Human Resource Institute of Human Resource Management organized for the 25 <sup>th</sup> Annual Human Resource Management Conference whose main aim and objective was to equip Human Resource officers with the current best practices and global HR trends.	
<b>MICE Protocol and Management Conference</b>	The Conference was held at Prideinn Hotel, Mombasa w.e.f. 6 <sup>th</sup> to 11 <sup>th</sup> December, 2021. MICE (Meetings, Incentives, Conferences and Exhibitions) organized for a conference whose aim was to provide the most powerful opportunities to network, influence and engage new stakeholders and investors. Smooth well – run events reflect well on the business, build its reputation and standing.	1
<b>Diploma in Achieves and Records Management</b>	This was in line with knls Training Needs Assessment report.	1
<b>Kenyan Sign Language</b>		4
<b>Sensitization on Effective Public Complains Management</b>	The session was held on 25 <sup>th</sup> April 2022 - facilitated by Gideon Kibet from Office of the Commission of Administrative Justice (CAJ). The training covered: a) The role of the Office of the Ombudsman and its contributions to Justice, Governace and Public Service b) An overview of effective complaints handling mechanisms c) Procedures and Best Practices.	60

## 1.4 New Partnerships

### 1.4.1 Build A world of Play Campaign in partnership with Lego Foundation

Following a successful introductory meeting between Lego Foundation and Kenya National Library service on April 5<sup>th</sup> 2022 that resulted in knls being part of The Build a world of play Campaign, 25 Libraries have been selected to be part of this campaign this include: NAL, Buruburu, Wundanyi, Voi, Kilifi, Malindi, Koru, Rambula, Awendo, Embu, Mikumbune, Isiolo, Gilgil, Kabarnet, Eldama Ravine, Rumuruti, Kisii, Gatimbi, Lagam, Narok, Chinga, Ol Kalou, Garissa, Wajir, Nakuru, Murang'a, Thika, Kibera. The Campaign's main purpose is turning parents & caregivers into play advocates by showing that play is how children learn to imagine, create, and solve. The partnership will involve knls libraries hosting key children play activities in the libraries through the already existing children's corners available in most of these libraries.

The Branches selected will adopt the plug and play activities which Lego foundation created and will assimilate them into their programs. The Lego foundation hosted a webinar for all the libraries in the world participating in the Building a world of play (BAWOP) campaign on Monday, April 11 2022 in which knls attended.

In addition to this Knls will also partner with World Vision in the use of the mobile library bus in Nairobi, Kakamega and Narok in the Playbus activity which is a component of the BAWOP campaign. The campaign will run between June and July and Lego foundation has confirmed funding for the identified activities.

### 1.4.2 Book Bunk Libraries in Kaloleni and Makadara

On June 2<sup>nd</sup> 2022 knls had an opportunity to pay a visit to book bunk libraries in Kaloleni and Makadara. This was a follow up after a successful benchmarking visit on March 3<sup>rd</sup> 2022 when book bunk visited Maktaba Kuu. The purpose of the visit was to identify ways of collaboration for the benefit of library users.



Trevas Matathia of Book Bunk giving knls staff a guided tour of Kaloleni Library



Nancy Ngugi being taken through the daily registration in order to access the Kaloleni library

#### Outcomes

- i. Enhanced partnerships to fill in data gaps especially centred on digitization.
- ii. Digitization team was able to learn about a software – Lightroom for editing that they could additionally use in the systems as well as possibility of digitization streamlining initiatives
- iii. Knls was able to learn about incorporating music, art and dance in spaces in the library while using local artists.

iv. Access to Newspaper collection, photographs and ordinances dating back to 1906 from book bunk that will be uploaded to the virtual library.

## 1.5 Resource Mobilization Activities



Mr Mukesh, Israel Deputy Ambassador Dvora Dorsman and the knls Ag. CEO during the book donation exercise

### 1.5.1 Donations

#### 1.5.1.1 Embassy of Israel in Nairobi

On May 26th 2022, the Embassy of Israel in Nairobi presented a donation of books to knls at Maktaba Kuu. The Israeli Embassy team was led by the Deputy Ambassador Dvora Dorsman Yarkoni accompanied by Mr Mukesh Pratulchandra Desai, Representative of Giants Group Twiga & Vanik Vaishnav Mahajan. Representing knls was the Ag. Director, Dr. Charles Nzivo and other staff.

In his opening remarks Dr. Nzivo appreciated the book donation from the Israeli Embassy worth close to Kshs 3.5 million. Mr. Mukesh from Giants Group Twiga emphasized the importance of continuing to develop a reading culture among Kenyans of all ages. On her part, the Deputy Ambassador, Dvora Dorsman thanked the Israeli's Agency for International Development Cooperation (MASHAV) for consistently prioritizing empowerment of individuals from all walks of life by promoting literacy through such book donations.

#### 1.5.1.2 Furniture to Narok Library by Majothis Family

Narok Library received furniture from Majothi's Hindu Family, who were among the first settlers within Narok town. The origin of their family traces back to India, but their fore fathers were among the individuals who were used by

the British to lay the Kenya's railway line in the late 1880's. The need for additional furniture due to increased number of library customers, prompted the librarian at Narok Library to seek support from the family. In addition, there was need for more shelves to facilitate appropriate organization of books for easy access and retrieval. From the list of items requested, the family delivered six reading tables, 15 reading chairs, printer and four book shelves. The family promised to continue supporting the library.

## 1.6 Youth and Women Empowerment

### 1.6.1 Ajira Digital

The Kenya Youth Development Policy (KYDP) 2019 seeks to provide an opportunity for improving the quality of life for the youth in Kenya through their empowerment and participation in economic and democratic processes as well as in community and civic affairs. The program, which is driven by the Ministry of ICT, Innovations and Youth Affairs, aims to provide the tools, training and mentorship needed for young people to work and earn income with dignity. Some of the knls branch libraries, which are also Ajira centres have been conducting various digital training programmes for the youth as highlighted below;



Participants display high concentration during the Ajira Digital Training at knls Thika Library

#### i. knls Thika Library

A two days training was conducted on 18<sup>th</sup> and 19<sup>th</sup> January 2022. The training, which was facilitated by knls staff, Ajira Digital and Emobilis trainers, attracted a total of 53 youths (27 Male and 26 Female). The main focus was on sensitizing youths on how to make money through various online platforms. Trainees were also given an overview of what the Ajira Digital Programme is all about.



Participants display high concentration during the Ajira Digital Training at knls Thika Library

#### ii. knls Eldama Ravine Library

For the library to retain its relevance in the digital era, there is need to promote and encourage the use of ICT among the library customers and the community members at large. In this regard, knls Eldama Ravine in partnership with Ajira Officers, conducted a five days digital training for the library customers from 21<sup>st</sup> to 25<sup>th</sup> February 2022. The programme was attended by 97 youths aged between 18 and 32 years (38 male and 59 female). The training was designed to equip the customers with:

- a) Information literacy
- b) Digital skills that would enable them navigate through the various online platforms in search for decent jobs and other online opportunities.

### 1.6.2 In-house Digital Literacy Programmes

Apart from programs implemented through partnerships, knls also offers digital literacy programs to address the needs of library customers and community members. Such programs are as follows;

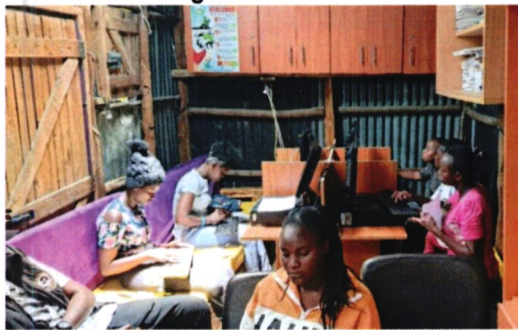
**i. knls Meru: Learning circle and basic ICT skills**

Learning circle and basic ICT Training programs were conducted at knls Meru library for 44 youth between January and March 2022. Topics covered included: Digital Literacy Training application, Microsoft office programmes and Digital marketing (forms of digital marketing and types of marketing).

The graduation ceremony was held on 4<sup>th</sup> March 2022 and presided over by Mr Eric Kimathi (SOS Children Officer) who was the chief guest. The program was facilitated by four students from Meru Polytechnic who were on attachment.

**ii. knls Buruburu**

**a. P2PU learning circles**



a) Four female Kenyatta university students in their early twenties were trained on Python programming. The course was facilitated by knls IT staff and Strathmore University community service volunteer.

b) Five young mothers from Teenseed organization in Kiambu slums, were trained on basic computer skills for three months before sitting for both practical and theoretical exams. Facilitators included knls IT staff and IT interns working at Buruburu Library.

**b. Teenage Digital Learning**

**a) Tutor-web**

The program, a collaboration between Education in a Suitcase and knls Buruburu, primarily targets girls in grades seven through Form four. Participants must complete mathematical drills in order to earn smiley coins, a digital currency for all correctly solved problems. Once the participant has accumulated one million smileys, he or she can redeem a tablet at no additional cost. Currently, ten girls are enrolled from Teenseed organization, which serves as a safe house for adolescent and young mothers.



**c. Sarakasi Trust -Talanta Na Amani Program - 21<sup>st</sup> to 25<sup>th</sup> January 2022**



The program dubbed “Talanta na Amani” was designed to encourage the youth to use their talents to promote peace, shun from social challenges that affect their day to day lives such as gang violence and crime in general, and shape them to be better leaders.

The knls Board Chairman, Hon Katana Ngala and the Ag. CEO, Jack Wafula had an opportunity to participate in one of the

sessions. A total of 100 youths participated in this programme.

**d. Art of Music to Promote Peace**

This program was held on 18<sup>th</sup> March 2022 to empower the youth by use of musical art. The focus was on uniting the youth and creating awareness on peace and how the youth can abstain from being used to cause violence



especially during election period. This will help them build trust and a peaceful co-existence. The facilitator emphasized on how the youth can be great ambassadors of peace and also responsible leaders. A live

music performance of songs that advocate for peace and call for unity as a way of civic engagement was presented. Participants appreciated that music offers a platform to spread the word of hope and justice within the community.

50 male and female from Nakuru City and sub counties attended the program.

**1.6.3 Library and women empowerment**

Knls Buruburu library runs a women empowerment club that seeks to equip young mothers with basic life skills which include but not limited to: Basic ICT, Cooking and baking, Social skills and etiquettes, Personal grooming and self-confidence, Personal Healthcare.

In the course of providing quality and relevant information to the public, the library looks out for innovative ways of bringing services closer to community. This is done through user

segmentation and tailor making programmes that respond to user needs. In this regard, the Library entered community-based Eastlands Area of Seed focuses on gender based



*Participants during a Teen Seed session at Buruburu library's Junior Section*

into a partnership with Teen Seed, a organization in Kiambu slum located in Nairobi County, on 3<sup>rd</sup> November 2021. Teen shielding young women and girls from violence, early marriages, teen pregnancies,

and also caters for some survivors of the post-election violence.

With the support from the knls CEO's Office, Buruburu Library acquired a cooker/Oven and also reached out to friends of the library to volunteer their skills and time. Vyombo Chama and two well versed Chefs came on board as initial trainers and also provided ingredients to start off the course.

Through the Librarians' guidance the members are able to get adequate information about the different cookery recipes. This makes the practical lessons interesting since the reference information materials are readily available in the library both in print and electronically.



#### **1.6.4 International Day of Women and Girls**

In celebration of 2022 International Women's day, Nakuru library organized an awareness and educative training program for women and adolescent girls. The programme was designed to help women and girls understand matters reproductive health and sexuality.



The program was facilitated by partners from Tobias Foundation, Nakuru Box, and Peace Cops.

50 women and girls participated the program.

#### **1.6.5 Celebrating the World's AIDS Day**

In commemoration of this year's (2021) World AIDS Day, Buruburu library partnered with several organizations and invited various institutions and individuals to participate in the day's activities at the library. This was aimed at enriching the members of the society with the relevant knowledge about the virus and thus empower them to fight it off and also reduce the stigmatization that comes with it.

According to World Health Organization, HIV continues to be a major global public health issue, having claimed 36.3 million [27.2 – 47.8 million] lives so far (<https://www.who.int/news-room/fact-sheets/detail/hiv-aids>, 30<sup>th</sup> November 2021). In Kenya, reports indicate that about 1.5 million people are living with



HIV, and the main mode of transmission is through sexual contact, which account for 80% of all new HIV infections. The high level of stigma and discrimination prevents majority of those who are infected from accessing proper treatment.

This year, Buruburu library organized a joint campaign with Mind of service and Medicine San Frontiers at library premises. Participants raised their voices in calling for urgent action to maintain essential HIV prevention and treatment services, which has been weakened by the COVID-19 pandemic. However, it was also appreciated that critical lessons had been learnt through the pandemic. These included: the need to dispensing several months' medication; implementing HIV self-testing; and using telemedicine. Participants included: Minds of Service Mentors; Institute of Advanced Technology-Buruburu Branch; Medicine Sans Frontiers (Doctors Without Border); Downstream High School; Downstream Primary School; Downstream High Teachers Representatives; University Students; Virtual Book Club Members; and Interested Library Users.

## 1.7 Monitoring and Evaluation

### 1.7.1 Final Evaluation of Projects

#### 1.7.1.1 Mini Inspiring Readers-Kibera, Final Evaluation, October 2021.

The *Mini Inspiring Readers Kibera Project* aimed at increasing children's access to reading materials and to promote reading and equip teachers with skills to support children's learning. The expected outcome is increased children's love for reading and confidence in learning to grow.

The final project evaluation was conducted to assess the extent at which the *Mini Inspiring Readers Kibera Project* had achieved the expected objectives. The project targeted Kibera library and twelve primary schools. Each of the 12 schools received 634 donated new, high-quality English books and 146 locally purchased books. The evaluation examined the changes and outcomes occurring in twelve primary schools and Kibera public library as a result of project activities. The evaluation also captured the successes, challenges and lessons learnt for future project planning.



#### **Key Observations**

The following are some of the observations noted during the final evaluation: -

- i. Increased access to good quality books through newly established Cupboard school libraries
- ii. Increased opportunities to access books through library lessons and increased borrowing of books by learners
- iii. Introduction of scheduled reading times
- iv. Learners were more confident in class, Improved writing, speaking and reading skills
- v. Donated books are used as teaching aids in class work.
- vi. Improved book handling skills among learners
- vii. Increased collaboration between Knls Kibera and schools

#### 1.7.1.2 Stem Hub Project in Kangema and Wundanyi, October 2021

The STEM study hub project aimed at assisting candidates to better prepare for their exams in STEM subjects (Sciences, Technology, Engineering and Mathematics) through enhanced provision of the library service by increasing access to locally purchased curriculum books and donated supplementary texts for key examination subjects and leisure reading fiction books in selected libraries and schools in Kenya.

The overall goal of the final evaluation was to determine how the STEM Study project brought about anticipated changes in supporting STEM subjects in six secondary schools. Findings of the evaluation showed that the project was successful in achieving planned objectives, as well as further positive outcomes.

#### **Key Observations**

- i. Access to well organised up-to-date STEM materials and fiction for leisure reading in six schools and two public libraries led to increased reading among students and teachers.
- ii. Teacher librarians were well-equipped to manage the STEM study hubs effectively, ensuring regular use of STEM resources.
- iii. Teachers were actively using STEM resources provided in the project to support teaching and learning in school.
- iv. Students visited the hub libraries to borrow revision books to help them in studying and revising and fiction books for leisure reading.

- v. STEM revision books and exam preparation resources had played a key role in helping students to prepare for exams
- vi. The project had contributed to a renewed interest in STEM subjects among students.
- vii. Students were more positive about STEM subjects and both girls and boys were interested in pursuing STEM related careers.



Students outside their STEM Study Hub-Kiangunyi Girls, Kangema



Muguru Boys-Kangema Students at their set up STEM Study Hub

### 1.7.1.3 Explorer School Library Project in Buruburu and Nakuru, November-December 2021

Knls in partnership with Book Aid International has been implementing the Explorer Library Project at Knls Buruburu and Knls Nakuru as a pilot. The main aim of the project was to encourage and enhance reading by children in primary schools by making access to a wide range of books easy. Knls Nakuru and Knls Buruburu were the hub libraries that provided technical support in setting up of school libraries in 2 schools each. Knls



Student picking a text of choice at Gaakwen Primary School-Nakuru



Students at the school library-Kayole 1 Primary School

Nakuru supported Mwariki and Gaakwen Primary School while Knls Buruburu worked with Kariobangi and Kayole Primary Schools.

#### Key observations

- i. All the 4 schools had beautiful, functioning school libraries.
- ii. The head teachers, teachers, parents and the community at large were thrilled that the schools had school libraries.
- iii. The pupils loved the child friendly spaces that allowed them to come in. select books of their choice, read and even borrow them home.
- iv. The schools had scheduled regular reading time.

#### 1.7.1.4 Books-to-Go project in Lagam, Kabarnet, Meru, Limuru, Kajiado, December 2021.

The Books to Go project provided primary school learners with new opportunities to enjoy reading inside and outside of school. The project was implemented in 5 schools with support from Maktaba Kuu, Knls Kabarnet, Lagam and Meru. Maktaba Kuu was offering support to Royal Diadem-Kajiado, and St. Paul-Limuru. Knls Meru-Gakuuini primary School, Knls Kabarnet-Tereben Primary and Knls Lagam was supporting Wewo Primary School.



Ongoing library Lesson - St Paul's Limuru

#### Key Observations

- i. All the beneficiary schools had established a

lending system.

- ii. There was evidence of an enhanced reading culture among the pupils, teachers, parents and community members.
- iii. Schools had scheduled regular reading time, with set library lessons.
- iv. There was great appreciation for the books received, as they are child friendly, bright, colourful and very well illustrated.
- v. The training component developed the skills of the teachers to run the school library, and run a lending system.



Display of the Books to Go Bags- Tereben Primary School



Students at Wewo Primary School- Lagam



Student enjoying a reader at Royal Diadem-Kajiado

#### Outcomes from the final Evaluation

- i) Project performance and outcome data was collected and analysed.
- ii) Final project reports were prepared and submitted to the donor.

#### 1.7.2 Baseline survey: Mini Inspiring Readers Kenya-knls Voi and Kilifi

Following successful implementation of a pilot Mini IR project in Kibera, knls received support to implement a similar initiative in Voi and Kilifi. The project objective is for Voi and Kilifi hub libraries to conduct outreach activities in 10 schools. Each hub library shall be supporting 5 schools; Kilifi-Zia Ra Wimbi, Jeshi, Maojo, Mulungu wa Mawe and Petanguo Primary Schools; Knls Voi-Ndome, Mkamenyi, Msharinyi and Kalela Primary Schools.

A Baseline survey was conducted on from 29<sup>th</sup> November to 4<sup>th</sup> December 2021 and the following observations were noted:

- i. The schools selected were in dire need of book-based interventions.
- ii. There was need to ensure that the books selected by the CDBD Department were suitable for the schools as the levels of illiteracy are very high.

- iii. The head teachers were excited to get support as they had desired to have readers in their schools, but this had not been possible because of the high levels of poverty.



*Jeshi Primary School, Kilifi.*



*Infrastructural challenges, Grade 4 class-Maojo Primary School, Kilifi*



*Focus group discussion-Mkamenyi Primary School, Voi*

- iv. The pupils were eager for the project to start in the schools.
- v. The Heads of Branches-Voi and Kilifi were excited and eager to set up fully functioning school libraries run by trained teacher librarians.
- vi. The baseline survey confirmed that the schools selected were a perfect match to benefit from the Mini Inspiring Readers Project.

## **1.8 Knls Participation in Internationals Meetings/Events**

### **1.8.1 Invitation to The National Libraries Summit**

The American Library Association, the Sharjah Book Authority and the Combined Book Exhibit organized for a National Libraries Summit and worked with the IFLA National Libraries Section on the development and refinement of the Summit program. The Summit was held in Sharjah, United Arab Emirates on 8<sup>th</sup> and 9<sup>th</sup> November, 2021.

The Summit took place during the 40<sup>th</sup> Sharjah International Book Fair and ahead of the 8<sup>th</sup> Sharjah International Library Conference. Mr. Jack Wafula, the acting Director knls attended the Summit which was sponsored by the Board.



### 1.8.2 Invitation To The 41<sup>st</sup> Session Of The General Conference Of UNESCO

UNESCO's General Conference (GC), which comprises all member States, was the apex decision making organ of the Organization. The GC was held every two – year to determine the policies and focus areas for UNESCO.



The Kenya National Commission for UNESCO invited Mr. Jack Wafula, the acting Chief Executive Officer knls, to attend the Conference which was held in Paris, France from 17<sup>th</sup> to 19<sup>th</sup> November, 2021 at UNESCO Headquarters. The knls Board sponsored the conference.

### 1.8.3 Virtual Library Digitization Training

Knls had contracted Xerox Technologies under Tender No.KNL/HQ/T008/2020-2021 for the supply, delivery, testing

training and commissioning of the Automatic book scanner for knls Virtual Library Digitization Lab. Part of the tender requirements was training of six (6) knls staff and inspection of the equipment to be delivered to Kenya National Library service.

Six members of knls staff had been nominated to undergo the training at AMPACO CR s.r.o. Iguana branch (Iguana NV, Leuvensesteenweg 633,1930 Zeventem, Belgium) wef 15<sup>th</sup> to 27<sup>th</sup> November, 2021.



## 2.0 FINANCIAL RESULTS AND REVIEW OF PERFORMANCE

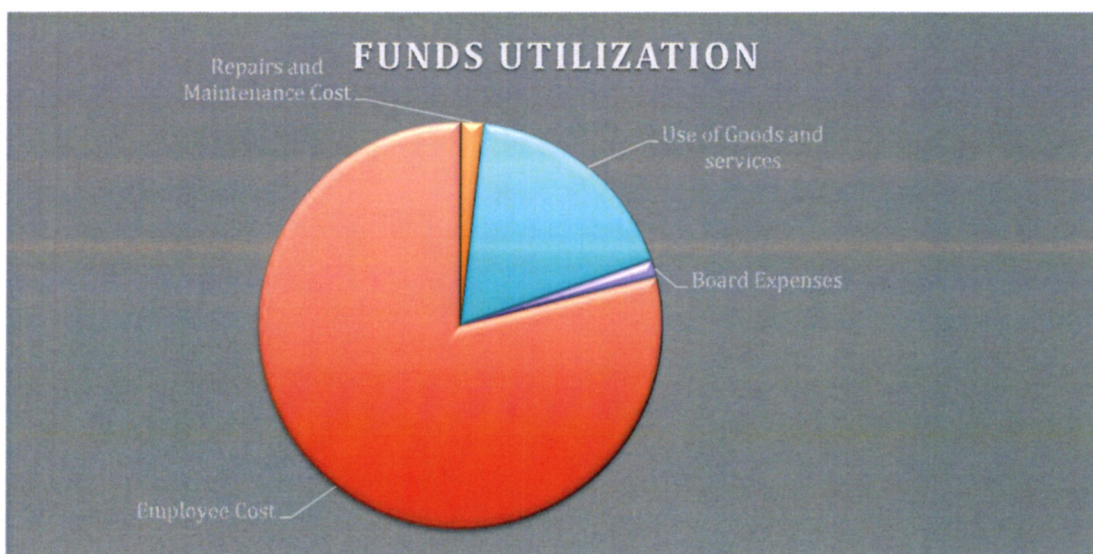
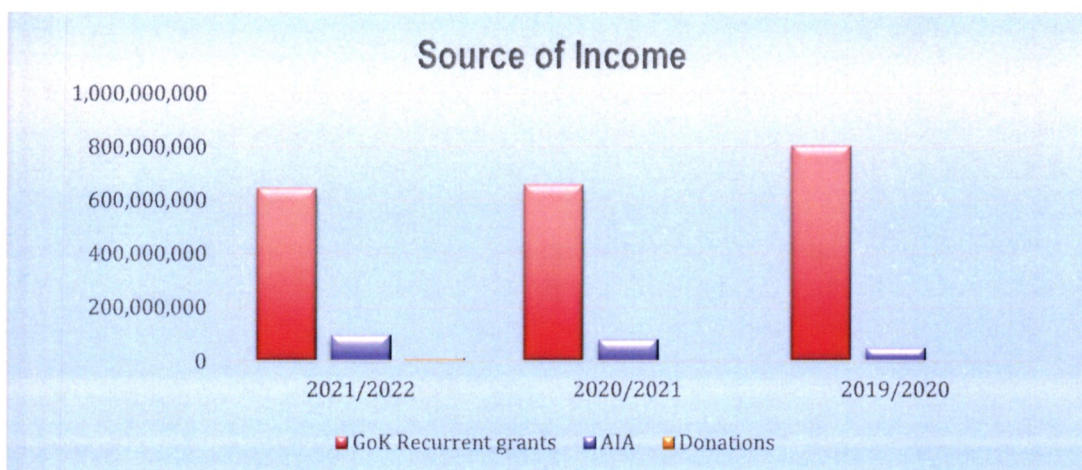
### 2.1 Recurrent Grant

During the year 2021/2022, knls received **GoK recurrent grants** transfer of **Kshs.646,810,000** and collected **AIA Kshs.99,463,322** which was utilized to fund employees and operational costs. Sports funds grants of **Kshs.150,000,000** as the 2<sup>nd</sup> tranche for the implementation of virtual library. **Donations** of **Kshs.11,497,427** which is 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:

	2021/2022	2020/2021	2019/2020
<b>GoK Recurrent grants</b>	646,810,000	661,010,000.00	806,620,000
<b>AIA</b>	99,463,322	82,148,138	52,427,170
<b>Donations</b>	11,497,427.10	6,142,817.10	3,319,620

The Recurrent income that was received was utilized for employee costs and operational expenses as shown:



### 2.1.1 Donations

During FY 2021/2022, 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	Credit
Book Aid International	86,184.00
Book Aid International	496,220.10
Book Aid International	4,542,446.00
US Embassy	2,806,785.00
Book Aid International	65,400.00
PLIP/Eifl	160,392.00
Inspire Africa Initiatives	2,340,000.00
Inspire Africa Initiatives	1,000,000.00
<b>GRAND TOTAL</b>	<b>11,497,427.10</b>

### 2.2 Development Grant

During the year under review, knls was not allocated any financial resource under Development budget. However, in a letter from the PS-State Department of Culture and Heritage under the Ministry of Sports, Culture and Heritage dated 5<sup>th</sup> August 2020, forwarding a letter from National Treasury – DGIPE/A/1/10 dated 30<sup>th</sup> June 2020, which read in part that '**the knls project was not allocated any amount during the MTEF period and it was agreed during the sector meeting that the balance of Kshs.13.6M will be availed upon provision of Certificate of Completion.**' It is expected that this amount will be availed in the FY 2022/2023 budget to offset the outstanding payments.

The trend of the Development grants in the last 3 years is as shown;

GOK Grant	2021/2022	2020/2021	2019/2020
Development Grants	0	0	433,400,000



### 2.3 Deficit Trend for The Last Three Financial Years

knls recorded a deficit of **Kshs.220,401,257** as compared to a deficit of **Kshs.129,499,275** in the previous FY'2020/2021. The increase in the recorded deficit is attributed to:

- a) Increase in depreciation on capitalization of the headquarter building project.
- b) Payment of 2017/2021CBA arrears during the year under review.

Surplus/ (Deficit) Trend	2021/2022	2020/2021	2019/2020
	Kshs.	Kshs.	Kshs.
<b>Surplus/Deficit</b>	<b>(220,401,259)</b>	<b>(129,499,275)</b>	<b>(8,364,367)</b>



### 2.4 Up-dates

#### i) Transfer of the Public Library Function to County Governments

The Board concluded the draft National Library of Kenya Bill, 2020 and the Attorney General accented to the Bill which has since been approved by Cabinet. The Bill was read and approved by the National Assembly and sent to senate awaiting further direction.

### 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.

One of the key projects that knls has been implementing is the Vision 2030 flagship project i.e. the National Library of Kenya/ knls Headquarters, which commenced in 2011/2012, and was fully funded by the Government

#### 3.1 National Library of Kenya/ knls Headquarters

The construction of the National Library of Kenya/knls Headquarters commenced in 2011/2012 Financial Year. The project is envisaged to contribute immensely to the achievement of the knowledge based economy under vision 2030 programme.

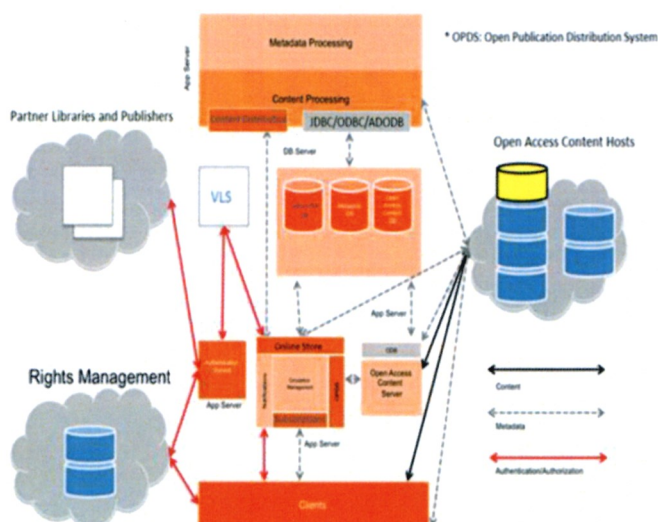
The newly constructed Maktaba Kuu building was officially opened on 13<sup>th</sup> November 2020. The event was graced by H.E. The President who was the Chief Guest, acknowledged that the iconic building *“marks an important milestone for us and for the future generations, who stand to benefit from our continued commitment to knowledge and information.*

#### 3.2 Establishment of knls Virtual Library

A Virtual Library is a collection of resources that are stored and organized in digital format with easy retrieval and affordable access anywhere, any time. The architecture of the Virtual library combines 3 key features; the user interface, Digital Repository and information searching system.

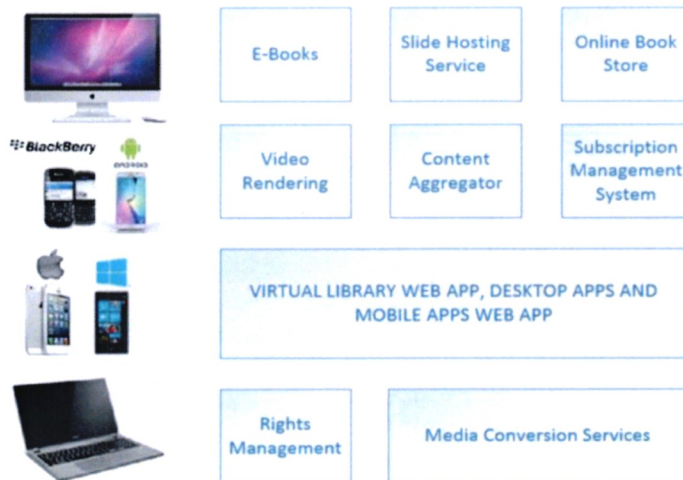
Establishment of knls Virtual Library was a priority in the knls Strategic Plan 2017-2022 under Strategic Objective 2, that aimed to upscale automation levels for enhanced access to library services. The main goal of the project is to create a hybrid Virtual Library System that will provide a sustainable online access to digitally produced content to Kenyan Communities. The project objectives are;

- i. To avail affordable library services to the Kenyan communities with limited or no access to physical Libraries through a Virtual Library platform.
- ii. To create a platform for sustainable lifelong reading and independent learning.
- iii. To enhance employability and wealth creation for the book industry through ecommerce.



The Virtual Library is hosted at the ultra-modern Maktaba Kuu building and will be sustained through a business model in which knls will earn income from promoting information products (book sales or lending) and transactions on behalf of stakeholders. The Virtual Library provides a solution to everyone, beyond the Library walls through a system that integrates hardware infrastructure, Virtual library software and digital content. The main advantages of the Virtual Library are;

- i. Promoting access to content through Web, Desktop and Mobile Apps.
- ii. Ability to remotely register and identify users.
- iii. Capacity to store over 15 million books accessible worldwide.
- iv. Capacity to host an online Book store
- v. Support purchase and borrowing of variety of ebooks in full text.
- vi. Ability to host videos and music stores.
- vii. Digital rights management that ensures content security and protects copyright.



#### **Hardware infrastructure: Digitization Lab**

Knls priority is to digitize rare and special books for preservation and access. Upon digitization, the books will be integrated into the Virtual Library digital collection. The Digitization lab is located on First floor in the National Library section of Maktaba Kuu building. The requirements for the lab were developed guided by lessons learnt from benchmarking with existing Digitization labs and Federal Agencies Digital Guidelines Initiative (FADGI). As per the guidelines, the recommendation for proper physical environment for digitization states that the working environment should be painted a neutral, matte gray with a 60% reflectance or less to minimize flare and perceptual biases. Monitors should be positioned to avoid reflections and direct illumination on the screen.

#### **Specifications for Automatic Books Scanner and related hardware for Digitization Lab**

The Digitization committee identified a mix of hardware and applications requirements for digitization through benchmarking, research and consultation with the technical committee. Specifications were developed for the following component to facilitate procurement process: -

- i. Automatic Book Scanner and related software
- ii. Flatbed scanner, Sheetfed Scanner, Large format scanner, Handheld scanner
- iii. Digital Camera and accessories
- iv. iMac Computers, Laptops & printers
- v. Digitization workstation

#### **Operationalization of the Digitization Lab**

The Automatic Book scanner and AIO scanner were delivered in January 2022 while installation, testing and training was done in February 2022. Other hardware and software for the lab- Flatbed scanners, Large format scanner, Camera and the Robotic Scanner, Imac, capture software were also delivered and installed. This

enabled the digitization team to utilize the digitization work flow which consists of material selection, document preparation, document scanning and image enhancement /editing.

As at 30<sup>th</sup> June 2022 a total of 93 maps and 101,239 were successfully digitized and uploaded on the Virtual Library platform.



### **Virtual Library Software**

#### **Virtual Library Business Model**

A Virtual Library Business model was developed to define the process involved in rendering the services to the customer, the relationship with content providers, process supporters, final interface with the customers and the feedback mechanism. The model is integrated with value creation model and revenue model and will be configured as one of the modules of the Virtual Library System. The final business model went through a review by the Project Implementation Committee and a business consultant and was approved for implementation.

#### **Business Process engineering (BPE)**

Development of a comprehensive Virtual Library software necessitated a review of the current knls business processes and designing of new processes that would drive the Virtual system. The Heads of Departments conducted mapping of the knls AS-IS processes and also mapped out the TO-BE processes. The exercise guided in development of Specifications for the following modules of the Virtual Library Software.

- i. Circulation module
- ii. Digital Rights Management (DRM) module
- iii. Content Management Module
- iv. Online bookshop module
- v. Administration module
- vi. Cataloguing module
- vii. Financial module

#### **Development of the Virtual Library software**

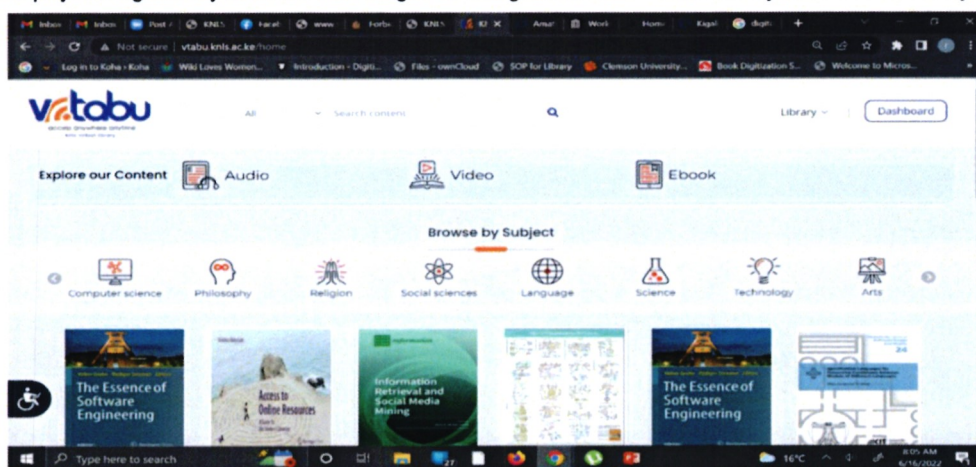
Development of the Software has been done in close consultations between knls technical team and the developers with bi-weekly Technical review meetings. A review of the software was done by the Project Implementation committee in December 2022 whereby a virtual demo of the software was done for the PIC members to critic and give feedback on any omissions and additions. The system has been under functional testing since April 2022 where the technical team requested for validation and verification of the following functional areas after which the User acceptance testing would commence;

- i. **Admin Portal:** Roles, sitemap, permission and user security
- ii. **The user interface module:** -Branding of the Virtual library with design templates, domain name, user experience and design e.g colours fonts.
- iii. **Content Publishers portal:-Content upload errors,** uploader roles, Trademarking/copyrighting, protection of intellectual property, Z39.50 search engine not implemented.
- iv. **Virtual library Business intelligence and analytics module:** -Analytics dashboard
- v. **Public mobile interface:-**Development of Android application and IOS application, Various reading modes, PWDs user module.
- vi. **Payments and messaging gateway integrations:** - Bank payments, card payments, Back end portal, Other mobile payments e.g airtel and messaging gateway integration for emails
- vii. **Acquisition module not developed:** -To track vendor information, products acquisition, budgets and funds.
- viii. **Digital rights management:** - DRM settings: Restrictions to Copying, pasting, downloading, printing, DRM logs

### Virtual Library Software Demo

Testing of the software has been an ongoing process. The software developer was subjected to a series of software demos to enable stakeholders provide feedback. On 27<sup>th</sup> June 2022 a final demo was done for the Project implementation and the Project steering committees. At the end of the demo the stakeholders present, approved the software for final processing ahead of the Launch.

The payment gateway is at the last stages of integration after which the system will be ready for Going Live.



### Content Acquisition and uploading

There are three types of materials to be processed in the system namely free content, purchased content and Digitized content.

- i. **Free Content:** At total of 2000 copies of free content has been downloaded.
- ii. **Purchased content:** Knls has signed contracts with four local publishers namely Ms. Longhorn, Moran, One Planet and Queenex for purchase of 800 titles. Uploading of these titles is ongoing.
- iii. **Digitized e-books:** Digitization and uploading is a continuous process. To date, 700 ebooks have been digitized and 300 uploaded on the system.

Content acquisition is a slow process that requires constant consultations and negotiations with publishers and aggregators. In order to fast track this process and ensure that there is enough content before the system

launch, knls is working in collaboration with Kenya Library and Information Services Consortium (KLISC). KLISC is a consortium of University Libraries, Research institutions, Public/National Libraries whose main objective is collective subscription to electronic resources to cope with the increasing cost of information resources. Knls is currently in negotiation for content with 3 international publishers.

### **Virtual Library Standards**

#### **Virtual Library Policy**

The Virtual library policy was developed to provide guidelines on Copyright, Contract management and Royalty Agreements. The Policy was developed through consultations with key stakeholders and a review by external experts from Kenya Copy Rights Board, Kenya Law and Legal office at the State Department of Culture and Heritage. The Policy has since been adopted and approved by the Board for implementation.

#### **Registration of Copyright for the Virtual Library Software**

Registration of copyright for the Virtual Library Software was done successfully. A certificate of registration of copyright in the literacy works category was issued by the Kenya Copyright Board (KECOBO) The process of registration of the Virtual Library logo as a Trademark is ongoing.

#### **Development of Marketing and Communication Strategy and Virtual Library Brand Identity**

Implementation of the Virtual Library project necessitated a review of knls Marketing Strategy and communication policy. The Virtual Library being a new venture also required that a strong brand identity be developed to ensure that it stood out from other countless digital information sources available in the market. To achieve this, a Consultant was engaged through a contract that was signed on 26<sup>th</sup> January 2022, to undertake the assignment as follows:

- i. Development of marketing strategy
- ii. Development communications strategy
- iii. Creation of a brand concept for the knls Virtual Library
- iv. Creation of a branding strategy for the Virtual Library and other knls Digital Assets
- v. Development of knls communication policy

#### **Validation Workshop**

A two-day validation workshop was held on 14<sup>th</sup> – 15<sup>th</sup> June 2022 at the Golden Tulip Hotel Westlands to enable the VL PIC members and other stakeholders to affirm the documents and adopt them accordingly. A total of 30 staff from both APN and KNLS participated in the workshop in which the documents were critically reviewed by adopted for approval by the Board. The final Documents were approved for implementation by the Board on 29<sup>th</sup> June 2022.

### **3.3 Community Libraries Update**

#### **3.3.1 Awendo Community Library**

The Kenya National Library Service Board was granted a piece of land in Awendo township in 2007 and a Plan for the proposed library done the same year. In 2010, the construction of the Library began but was done upto the foundation level. The project stalled for 10 years until the current area member of Parliament and NG-CDF Awendo constituency revived the project and committed to its completion.

### 3.3.1.1 Handing over Ceremony of Awendo Library

The official handing over of the Library was done at the new Library site in Awendo on 12<sup>th</sup> August 2021.

The ceremony was presided over by knls Board representative, Mr. Stephen Mau. Also presented were representatives from NG-CDG, County Education office, Sony Sugar Company Ltd and members of the local community.



#### HANDING OVER CEREMONY



Knls Board Member, Stephen Mau cuts the ribbon



Knls Board receives the Library keys from Rexford Guche, NG-CDF Awendo



Knls Board hands the Library keys over to Ag. CEO, Jack Wafula



Knls Management hands the keys over to Librarian in charge, Dennis Nyakundi

### **3.3.1.2 Commissioning of Awendo Library – 18<sup>th</sup> December 2021**

Commissioning of Awendo Library was presided over by knls Board Chairman, Hon Katana Ngala. The library was built at an estimated cost of Kshs 10 million shillings and the construction was fully funded by Awendo NG-CDF while knls funded fencing, water tank and water tower. Awendo library initially operated from Sony Complex Primary School which limited its access to members of the public due to the location and access restrictions within the school. The Migration of the library to the new facility will indeed increase the usage of the facility since the location is convenient to individuals and other institutions that would want to visit

Other key guests present included the Awendo Constituency MP Hon Walter Owino, knls Board Member Stephen Mau, Awendo Assistant County Commissioner Judith Sutar, Awendo Sub-County Administration Officer Mr Okello and a former knls Board Member Ismael Ngutu. The Chairman thanked the Awendo NG-CDF team under the patronage of Area MP Hon Owino who supported the establishment of the new library and urged the community members to make good use of the facility to better their lives. He also



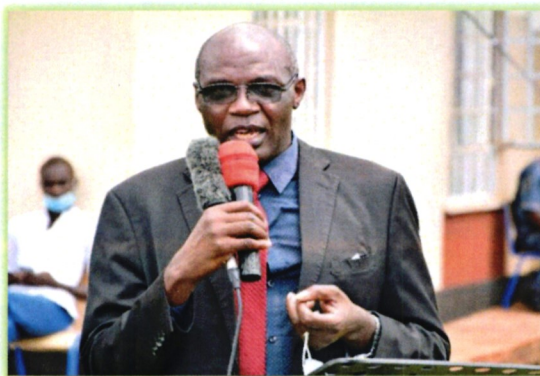
Guests during the event



Knls Board Chairman Hon. Katana Ngala unveils the plaque together with Awendo MP Hon Walter Owino

informed the audience that knls Board had set aside employment opportunities for four staff to be recruited from the area.

The new library has a combined sitting capacity of 110 library patrons in the adult, junior and ICT Sections. The new library benefited from an additional book stock of 1092 new books, A total of 150 pupils from Mariwa Primary, Obama Primary, Komolorume Primary, Awendo Bridge International, and Sony Complex Primary School were present during the event with their teachers.



Board Member Mr Mau addressing the audience during the official opening of Awendo Library while knls Board Chairman issues a certificate of Appreciation to Awendo Constituency MP Hon Owino

### 3.3.2 Mikumbune Community Library

#### 3.3.2.1 Commissioning of Mikumbune Library – 4<sup>th</sup> December 2021

Imenti South NG-CDF supported the construction of a new two storey building block for Mikumbune Library. Initially, the library was housed in a small structure which heavily limited the number of customers that could be served through the facility at any given time. The building will greatly improve the quality of service and allow more customers access a conducive reading environment. The official opening event was presided over by the Kenya National library service Board Chairman, Hon. Noah Katana Ngala, E.G.H. on the 4<sup>th</sup> of December 2021. The facility has capacity to hold an estimate of 100 customers on each floor while observing the Covid guidelines.

During his address Hon. Noah Katana Ngala thanked the Imenti South NG-CDF for their investment and commitment in supporting the library which is a facility that will serve many generations, institutions and neighbouring constituencies.



#### Outcomes

- a) *New large library facility with capacity to accommodate more library customers and with improved reading environment.*
- b) *Strengthened partnership with NG-CDF in support of library establishment*

### 4.0 knIs COMPLIANCE WITH STATUTORY REQUIREMENTS

The Board has continued to make timely remittance of statutory deductions including; Pay As You Earn (PAYE), National Hospital Insurance Fund, National Social Security Fund, and Pension scheme in order to protect the welfare of its staff in retirement and hospital Insurance and, fully complied with statutory requirements during the year under review.

### 5.0 MAJOR RISKS FACING knIs

#### Risks Analysis

#### Policy of the organization on risk management

knIs is committed to risk management as an integral part of its corporate governance and operations, developing strategies and systems to minimize risks.

knIs is committed to:

- a) Developing a 'risk aware' culture in which people are encouraged to identify risks and respond to them quickly and effectively
- b) Ensuring our key stakeholders recognize that we manage risks responsibly

- c) Developing consistent risk management practices
- d) Organizational growth and cognizant of the inherent risks associated with strategy execution.

**Key risks the organization is exposed to;**

NO	TYPE OF RISK	SPECIFIC RISKS	MITIGATION
1.	<b>Human resource risk</b>	High staff turnover	knls will strive to improve staff welfare to enable her attract and retain competent staff
		Ageing workforce	knls will undertake a staff audit to identify and fill gaps appropriately
		Lack of key personnel in critical departments	Knls shall endeavour to fill key positions in the departments affected
2.	<b>Operational Risks</b>	Lack of ownership documents for some parcels of land	knls worked with Government agencies to secure ownership documents for the parcels of land
3	<b>Social Risks</b>	Terrorism: this scares people from attending the library due to fear of attack	knls will work with state agencies and implement counter terrorism controls at the work place
		Covid 19-pandemic	knls has developed the covid 19 protocols and will ensure strict compliance with MOH protocols
4.	<b>Compliance Risks</b>	Currently the knls Act, Cap 225 has not been aligned to the Constitution of Kenya 2010.	knls has initiated the process of repealing Cap 225 in line with the COK 2010
		Publishers do not comply with the provisions of Cap 111 and have not been depositing the legal deposits at knls	knls will initiate dialogue with the owners of Cap 111 to lobby for review of the same to ensure compliance
5.	<b>Technology Risk</b>	Rapid change in technology- people moving away from physical to digital books	knls will establish a virtual library during the planning period
		Escalating cost of technology	knls will seek alternative sources of funds to bridge the funding gaps
		Inadequate systems and infrastructure	knls will seek alternative sources of funds to bridge the funding gaps
		Cyber attack	Knls will seek to secure its systems and ensure installation of a robust Disaster Recovery Program
6.	<b>Financial Risk</b>	Heavy reliance on Government funding	knls will seek alternative sources of funds to bridge the funding gaps
		Fluctuating economy that could affect the capacity of development partners to support library projects.	knls will ensure that MOUs signed with development partners cover the whole of the project period

		Failure by tenants to honor contractual obligations for rented premises at Maktaba KUJ	Knls will seek a mutually agreed arrangement on settlement on rental incomes
7.	<b>Political Risk</b>	Political unrest could lead to destruction of property and harm to the users and employees	knls will undertake insurance cover to mitigate against the uncertainty.
		Each new Government comes into office with its own manifesto and knls is expected to adjust its programs and projects so as to implement the agenda of the government of the day.	knls being a Government agency will work closely with the Government to ensure that its activities are aligned to the global Government objectives within the plan period
		Two levels of government i.e. at the County and National level.	knls will strive to establish collaborations and consultations at the two levels of Government as stipulated in the COK 2010
8.	<b>Strategic Risk</b>	Demand for library services have been growing over the years. There are large crowds wishing to access library services especially during the holiday season.	knls will work with stakeholders to ensure expansion of library facilities  knls will activate a virtual library during the planning period
9.	<b>Legal Risks</b>	Legal disputes including any dispute in which a legal claim is made, including employee misconduct, accidents, product liability	Knls will ensure compliance with provisions of all its contracts
10.	<b>Governance Risk</b>	Lack of a fully constituted Board could hamper the operations of the organization	Knls shall continue consulting with the parent ministry for constitution of the Board
		Lack of a substantive CEO to implement the Board's policies	Knls will consult to ensure the recruitment of a CEO

#### Board of Directors Term

In addition, the Board's eight non-executive directors were appointed on the same date i.e 21<sup>st</sup> October 2016. Their tenure expired on 20<sup>th</sup> October 2019. As at the end of the financial year a new Board was yet to be fully constituted. This poses a risk on continuity of oversight role and Institutional memory.

#### 6.0 MATERIAL ARREARS IN STATUTORY/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 2021/2022 the Board did not have any material Statutory arrears or financial obligation.

## **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 and Risk
- 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 30<sup>th</sup> June 2022, 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.

## ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Kenya National Library Service exists to transform lives. This is our purpose: the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/citizens first, delivering relevant services, and improving operational excellence. Below is an outline of the organization's policies and activities that promote sustainability.

### i) Sustainability Strategy and Profile

Knls' sources of funding for core services, development projects and recurrent expenditure are GoK grants, internal revenue generation and support from development partners, and this trend is likely to continue. However, Knls shall employ various strategies to mobilize additional resources from both internal and external sources so as to sustain its operations. Indeed, knls has been successful in attracting external funds and other resources from partners

To remain as a going concern, Knls has a key sustainability strategy. Knls considers financial viability and the sourcing of diverse funding streams as central in her planning, as well as maintaining appropriate levels of grant and aid. Strategies have been put in place to meet the growing demand for knls services through various methods including:

- a) Encouraging a culture of resource mobilization and continuing improvement.
- b) Measuring and monitoring the value and impact of the Library services
- c) Developing new partners while maintaining the existing partnerships
- d) Implementing the Knls transformation strategy
- e) Strengthening internal control systems.
- f) Succession planning.

The triple Bottom Line concepts analyses the sustainability of an organization based on three concepts: Profits, people (social) and Planet (environment).

- a) **Profit:** knls has adopted a transformation strategy aimed at ensuring that she remains financially sound in the face of dwindling funding from the central government
- b) **Social:** knls has developed a succession management policy to address the welfare of employees in the future and ensure that the organization is sustainable in the future
- c) **Environment:** knls has undertaken an environmental sustainability audit and developed an environmental policy to address the issues of environmental sustainability identified during the audit.

### ii) Education Promotion

In line with the Board's mandate, knls donates 40% of all books and information materials received from overseas development partners to support needy institutions, community centres to enhance collections of respective libraries resource centres and other related community empowerment centres.

The book donation has continued to make remarkable and valuable contribution in ensuring access to educational materials and improving quality for the disadvantaged schools in all corners of the country. Books donated are used to stock the libraries and hence uplifting the reading culture.

Teachers/students and community has benefited from social responsibility programmes where knls organizes for training workshops on relevant subjects/programmes.

### Zero Tolerance to Corruption

Knls has an Anti-Corruption Policy ,2015 which has been disseminated to our stakeholders in various formats including the knls website, [www.knls.ac.ke](http://www.knls.ac.ke)

#### Policy Statement

knls is committed to attaining zero tolerance to corruption in the course of its business. The Board, management, staff, stakeholders and partners are committed towards fighting and eradicating any form of corruption by implementing this policy to the letter.

### iii) Employee Welfare

#### a) Policies guiding hiring process

The following are the knls Board policies that guide hiring process;

S/no	Title	Review Period	Remarks
1	Career Progression	Regularly	Vacant positions are filled competitively both internally and externally.  This largely depends on availability of funds
2	Human Resource Manual	Regularly	Terms and conditions of service governing employees are applied across the board without discrimination
3	Internship Policy and guidelines	Regularly	Intern positions are filled competitively and without discrimination
4	Organization and Staffing	Regularly	knls Board has an approved staff establishment of <b>1691</b> . In post staff <b>633</b> , variance <b>1058</b> .  The variance is as a result of limited funds from the exchequer.
5	Gender Mainstreaming	Regularly	knls observes equal employment opportunities during staff recruitment across all genders
6	Disability Mainstreaming	Regularly	knls offers equal employment opportunities to officers living with disability. knls also offers rights and privileges as provided in the PWDs Act and Board employment policies

#### b) Staff Capacity Building

Staff Training and Development as an integral part of performance improvement strategies is geared towards acquiring the necessary competences as may be required in the Performance Contract. Training is for impact, result oriented and enhances work performance. Knls Board recognizes that qualified and skilled Human Capital is the vehicle that facilitates the realization of the goals and objectives for the organization's Strategic Plan.

Knls carries out a two-year Training Needs Assessment (TNA) in order to identify performance gaps vis- a – vis available skills and address areas which could be improved through training. The TNA report is hence generated geared towards bridging the training gaps in skills within the Board's Establishment and linking

training to work performance. Training enable the staff to easily adapt to the new technologies, innovations and the current management techniques.

The Training Needs Assessment (TNA) exercise is necessary as a way of ensuring that knls Board is effective and has necessary capacity in terms of competence to sustainably manage its core mandate. It also enables knls management to make informed decisions on Staff Development. Staff are hence trained in various relevant fields as per the knls Scheme of Service.

### **c) Health, Safety and Environment Policy**

Knls has a Health, Safety and Environment Policy in force and is committed to ensuring health, safety and welfare of the working environment for its internal and external publics.

Awareness creation on good working practices are conducted annually to ensure the absence of health risks due to poor hygiene, chemical substances, manual handling certain types of equipment use, work pressure and stress

### **Market Place practices**

#### **Responsible Supply Chain and Supplier relations**

The organization has maintained good business practice by complying with the government policy and Section 227 of The Constitution of Kenya.

All procurement activities have continuously been carried out where Supply Chain ensured that there are sufficient funds to meet the obligations of the resulting contract and are reflected in the approved budget estimates. Knowledge of available funds acts as a guide in knowing what to procure and when to procure.

The organization has maintained and continuously updated list of registered suppliers, contractors and consultants in various specific categories of goods, works or services according to its procurement needs.

knls has at all-time ensured responsible treatment of the suppliers in various ways as featured below;

- i) Ensuring proper communication channels e.g. Telephone lines and emails are open so as to make sure information is passed across efficiently and effectively between the supply chain unit and the suppliers.
- ii) Providing customer support when and where required. This entails listening keenly to suppliers, contractors and consultants and responding appropriately.
- iii) When doing procurement and asset disposal planning knls has complied with preference and reservation requirements.
- iv) Supply Chain function has ensured timely submission of the suppliers' invoices to facilitate payment process by the finance department after delivery of goods, services or works is completed. This helps in making sure that the payment process is not delayed. Timely payment of suppliers helps in maintaining a good relationship with the supplier and also avoiding of penalties that may arise from delayed payment.
- v) Supply Chain also makes follow ups of invoices issued to finance for payment process to ensure timely payments of suppliers.
- vi) Supply Chain unit maintains a complaints and compliments register whereby suppliers, contractors and consultants can air out their views. The register is reviewed from time to time which helps in knowing the strong areas as well as the weak ones. This helps in improving service delivery in the department as well as the organization as a whole.
- vii) Organizing trainings whereby suppliers are invited and trained on various issues revolving procurement by various organizations such as Public Procurement Regulatory Authority, National Treasury, and National Council for Persons with Disabilities among others

## **REPORT OF THE DIRECTORS**

The Directors submit their report together with the audited financial statements for the year ended June 30, 2022 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 30<sup>th</sup> June 2022 are set out on pages 1-46 in the subsequent pages of this document.

### **Directors**

The members of the Board of Directors who served during the year are shown on page vii-viii. The tenure of the Board expired on 20<sup>th</sup> October 2019. As at the end of the financial year a new Board was yet to be fully constituted.

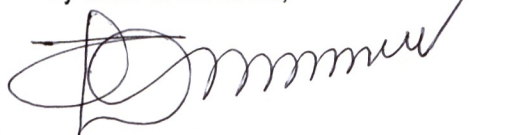
### **Surplus Remission**

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 2021/2022 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**

**Chief Executive Officer, knls**

Date: 11/04/2023

## 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 affairs of the Board at the end of the financial year/period and the operating results of the *entity* for that year/period. 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

They 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, 2022. This responsibility includes: -

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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.

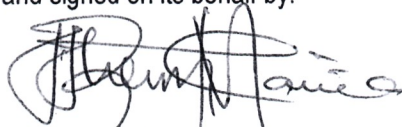
The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS) accrual basis and in the manner required 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, 2022 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 .....<sup>11/09/2022</sup> and signed on its behalf by:



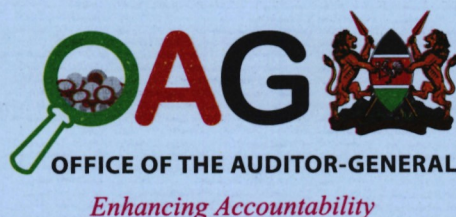
Mr. Robert Theuri Maina  
Chairman - knls Board



Dr. Charles Nzivo  
Accounting Officer

# REPUBLIC OF KENYA

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**HEADQUARTERS**  
Anniversary Towers  
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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON KENYA NATIONAL LIBRARY SERVICE FOR THE YEAR ENDED 30 JUNE, 2022

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Kenya National Library Service set out on pages 1 to 44, which comprise the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows, and statement of comparison of budget and actual

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kenya National Library Service as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Kenya National Library Service Board Act, Cap 225,1965.

## **Basis for Qualified Opinion**

### **1. Long Outstanding Staff Debtors**

The statement of financial position reflects trade receivables from non-exchange transactions balance of Kshs.53,830,878 and as disclosed in Note 20 to financial statements. Included in the balance is staff debtors (imprest) of Kshs.6,573,246 which further includes an amount of Kshs.3,944,672 which has been outstanding for more than one year. No explanation was given for the failure to recover the long outstanding debt.

In the circumstances, the recoverability of the long outstanding staff debtors balance of Kshs.3,944,672 could not be confirmed.

### **2. Understated Refundable Deposit (Rental)**

Statement of financial position reflects refundable deposits (rental) of Kshs.5,122,730 and as disclosed in Note 27 to the financial statements. However, review of supporting documents revealed that the amounts were received as rental deposits several years back, yet rent had been reviewed upwards over time without corresponding top-ups of deposits to reflect the new rates.

In the circumstances, the completeness and accuracy of the refundable deposit (rental) balance of Kshs.5,122,730 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 Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Key Audit Matters**

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

## **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several unsatisfactory matters were raised. However, Management has not resolved and disclosed all the prior year matters as required by the Public Sector Accounting Standards Board reporting templates. Management has not provided satisfactory explanation for the delay in resolving the issues.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Board Meetings Exceeding Allowable Limit**

The statement of financial performance reflects Boards expenses of Kshs.11,310,090 as disclosed in Note 15 to the financial statements. However, review of the meetings attendance registers and minutes book revealed that the Board held eighteen (18) meetings during the year under review against the approved maximum of ten (10) meetings, resulting to an excess of eight (8) meetings which were not authorized by the Parent Ministry. This was contrary to the Public Service Circular OP/CAB.9/1A of 11 March, 2020 on Guidelines for the Management of State Corporations which requires maximum of ten (10) Board meetings per year.

In the circumstances, Management was in breach of the Public Service Circular on Management of State Corporations.

#### **2. Unauthorized Expenditure**

The statement of comparison of budget and actual amounts reflects final expenditure budget and actual on comparable basis of Kshs.803,023,919 and Kshs.976,751,144 respectively, resulting to an over-expenditure of Kshs.173,727,225 or 22% of the budget without approval contrary to Regulation 54(1) of the Public Finance Management (National Government) Regulations, 2015 which states that except as provided for in the Act and these regulations, an Accounting Officer of an entity may not authorise payment to be made out of funds earmarked for specific activities other than those activities.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the

financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

#### **Lack of Audit Committee**

During the year under review, the Service did not have an Audit Committee in place contrary to Section 73(5) of the Public Finance Management Act, 2012 which requires every National Government public entity to establish an audit committee. The Service, therefore, did not benefit from the assurance and advisory services from the internal audit function as well as oversight from the Audit Committee.

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

The audit was conducted in accordance with ISSAI's 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 Board of Directors**

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

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Service's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the

financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Service to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Service to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

03 May, 2023

**STATEMENT OF FINANCIAL PERFORMANCE**  
FOR THE YEAR ENDED 30 JUNE 2022

		2021/2022	2020/2021
		KSHS.	KSHS.
Revenue from non-exchange transactions	NOTE		
Transfers from government	6	646,810,000	661,010,000
Other Grants			
Earned income	7	1,105,430	1,573,262
Conditional Grants met	7a	8,971,134	3,801,942
		<b>656,886,564</b>	<b>666,385,204</b>
Revenue from exchange transactions			
Interest Income	8	-	-
Rental income from facilities	9	76,144,722	71,244,920
Rendering of Services	10	328,722	12,746
Library Fees	11	10,383,928	3,108,905
Other Income	12	12,605,950	7,781,617
		<b>99,463,322</b>	<b>82,148,188</b>
		<b>712,149,886</b>	<b>748,533,392</b>
Expenditure			
Use of Goods and Services	13	152,035,296	120,308,515
Employee costs	14	667,033,553	643,532,101
Boards Expenses	15	11,310,090	10,069,343
Depreciation & Amortization	16	131,007,927	91,791,516
Repairs and Maintenance Cost	17	15,364,277	12,331,142
<b>TOTAL EXPENDITURE</b>		<b>976,751,143</b>	<b>878,032,617</b>
<b>SURPLUS/(DEFICIT)</b>		<b>(220,401,257)</b>	<b>(129,499,225)</b>

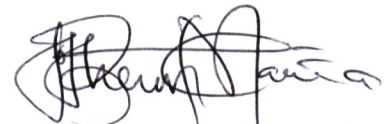
\*The deficit of **Kshs.220,401,257** is largely attributed to depreciation on capitalization of the headquarter building project and payment of 2017/2021 CBA arrears.



**Dr. Charles Nzivo**  
Chief Executive Officer



**CPA Julie Musandu**  
Principal Accountant  
ICPAK Member No. 5463



**Mr. Robert Theuri Maina**  
Chairman – knls Board

Date... 11/04/2023

Date... 11 April 2023

Date... 11th/04/2023

**STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2022**

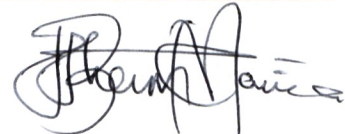
		2021/2022	2020/2021
		KSHS	KSHS
<b>CURRENT ASSETS</b>	<b>NOTES</b>		
Cash & Bank balances	18	136,687,986	160,711,238
Receivables from exchange transactions	19	36,658,171	49,253,342
Receivables from non-exchange transactions	20	53,830,878	5,588,748
Inventory	22	3,660,541	5,274,971
<b>Sub -Total</b>		<b>230,837,576</b>	<b>220,828,299</b>
<b>NON CURRENT ASSETS</b>			
Property, Plant & Equipment	23	7,764,146,661	7,753,480,604
Intangible Asset	24	986,207	1,972,414
Stock - Books	25	1,295,544,766	1,171,100,380
<b>Sub-Total</b>		<b>9,060,677,634</b>	<b>8,926,553,398</b>
<b>Total Assets</b>		<b>9,291,515,210</b>	<b>9,147,381,697</b>
<b>CURRENT LIABILITIES</b>			
Trade payables from exchange transactions	26	167,040,284	83,547,786
Refundable Deposits(Rental)	27	5,122,730	5,206,222
Current Provisions	28	2,800,000	2,100,000
Provisions for deferred Liability	29	3,838,838	3,838,838
Deferred income	30	10,648,220	8,121,927
<b>Total Liabilities</b>		<b>189,450,072</b>	<b>102,814,773</b>
<b>NET ASSETS</b>			
Accumulated Fund		1,177,679,828	1,313,583,733
Revaluation Reserve		4,180,808,433	4,200,608,250
Capital Reserve		3,031,673,375	2,945,255,997
Capital Donations		711,903,502	585,118,944
<b>Total Equity</b>		<b>9,102,065,138</b>	<b>9,044,566,924</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>9,291,515,210</b>	<b>9,147,381,697</b>



**Dr. Charles Nzivo**  
Chief Executive Officer



**CPA Julie Musandu**  
Principal Accountant  
ICPAK Member No. 5463



**Mr. Robert Theuri Maina**  
Chairman – knls Board

Date 11/04/2023

Date 11<sup>th</sup> April 2023

Date 11<sup>th</sup> / 04 / 2023

**STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 30 JUNE 2022**

	Accumulated Fund	Revaluation/ Additions	Capital Reserves	Capital Donations	Total
Balance as at 1st July 2020	1,409,593,715	4,220,408,065	2,741,841,313	475,749,187	8,847,592,280
Adjusted for:					
Capital reserve			216,700,000		216,700,000
Sports Fund			-		-
Prior Year adjustment:	(1,169,101)				(1,169,101)
Additions : Books				107,018,350	107,018,350
Fixed Assets				3,924,670	3,924,670
Transfer to Performance Statement (Earned Income)	13,803,924		(12,230,662)	(1,573,262)	0
Capitalized Assets	1,054,655		(1,054,655)		-
Transfer of excess depreciation	19,799,816	(19,799,816)			-
Expenses:					
Less: Support to CBL	-		-		-
Deficit for the year	(129,499,275)				(129,499,275)
Balance as at 30th June 2021	1,313,583,734	4,200,608,249	2,945,255,996	585,118,945	9,044,566,924
Adjusted for:					
Capital reserve			-		-
Sports Fund			150,000,000		150,000,000
Prior Year adjustment:	(4,400,723)				(4,400,723)
Additions : Books	-			127,889,987	127,889,987
Transfer to Performance Statement (Earned Income)	1,105,430		-	(1,105,430)	-
Capitalized Assets(Buildings)	67,992,828		(63,582,621)		4,410,207
Transfer of excess depreciation	19,799,816	(19,799,816)			-
Expenses:					
Deficit for the year	(220,401,257)				(220,401,257)
Balance as at 30th June 2022	1,177,679,828	4,180,808,433	3,031,673,375	711,903,502	9,101,078,931

**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.
- **Capitalized Assets** – These are part of PPE schedule for FY 2021/22.

**STATEMENT OF CASH FLOWS**  
FOR THE YEAR ENDED 30 JUNE 2022

		2021/2022	2020/2021
<b>Receipts from non-exchange transactions</b>	<b>NOTE</b>	<b>KSHS.</b>	<b>KSHS.</b>
Transfers from government	6	646,810,000	661,010,000
Earned income	7	1,105,430	1,573,263
Conditional Grants	7a/6c	8,971,134	3,801,942
<b>Total</b>		<b>656,886,564</b>	<b>666,385,205</b>
<b>Receipts from exchange transactions</b>			
Rental income from facilities	9	76,144,722	71,244,920
Rendering of Services	10	328,722	12,745
Library Fees	11	10,383,928	3,108,905
Other Income	12	12,605,950	7,781,567
<b>Total</b>		<b>99,463,322</b>	<b>82,148,137</b>
<b>Total Receipts</b>		<b>756,349,886</b>	<b>748,533,342</b>
<b>Payments</b>			
Employee costs	14	667,033,553	643,532,101
Use of goods & services	13	152,035,296	120,308,515
Repairs and Maintenance Cost	17	15,364,277	12,331,142
Boards Expenses	15	11,310,090	10,069,343
Other Payments	16	131,007,927	91,791,516
<b>Total Expenditure</b>		<b>976,751,143</b>	<b>878,032,617</b>
<b>Deficit</b>		<b>(220,401,257)</b>	<b>(129,499,275)</b>
<b>Net cash flows from operating activities</b>	<b>32</b>	<b>(30,207,371)</b>	<b>(239,996,253)</b>
<b>Investing Activities</b>			
Purchases(Fixed Assets)	7	(47,418,229)	(8,688,110)
Purchases(Books)		(3,424,000)	(1,116,619)
Additional work in progress		(92,973,652)	(281,560,391)
<b>Net cash flows from Investing activities</b>		<b>(143,815,881)</b>	<b>(291,365,120)</b>
<b>Financing Activities</b>			
GOK Grants	6b	-	216,700,000
Sports fund	6b	150,000,000	-
<b>Net cash flows from Financing Activities</b>		<b>150,000,000</b>	<b>216,700,000</b>
<b>Increase/Decrease in cash &amp; Cash Equivalents</b>		<b>(24,023,252)</b>	<b>(314,661,373)</b>
<b>Cash and cash Equivalent at the Beginning</b>	<b>18</b>	<b>160,711,238</b>	<b>475,372,660</b>
<b>Cash and cash Equivalent at the End</b>	<b>18</b>	<b>136,687,986</b>	<b>160,711,287</b>



**Dr. Charles Nzivo**  
Chief Executive Officer

*Musandu*

**CPA Julie Musandu**  
Principal Accountant  
ICPAK Member No. 5463



**Mr. Robert Theuri Maina**  
Chairman – knls Board

Date 11/09/2023

Date 11<sup>th</sup> April 2023

Date 11<sup>th</sup> 04/2023

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
FOR THE YEAR ENDED 30 JUNE 2022**

	Original Budget 2021/22	Adjustments	Final Budget 2021/22	Actual on Comparable Basis	Performance Difference	% of Utilization	Remarks on Material Variance (10% and above)
	Kshs. a	Kshs. b	Kshs. C=(a+b)	Kshs. d	Kshs. e=(c-d)	f=d/c*100	
<b>Revenues</b>							
Government Grants - Recurrent	702,010,000	(55,200,000)	646,810,000	646,810,000	-	100.00	
Roll over CBA & SRC Phase III	15,089,624	-	15,089,624	15,089,624	-	100.00	
Appropriation In Aid	79,626,158	46,720,000	126,346,158	99,463,322	26,882,836	78.72	a
Roll Over Donations	7,117,957	-	7,117,957	7,117,957	-	100.00	
Public Contribution and Donations	1,000,000	10,500,000	11,500,000	11,497,427	2,573	99.98	
<b>Total</b>	<b>804,843,739</b>	<b>2,020,000</b>	<b>806,863,739</b>	<b>779,978,330</b>	<b>26,885,410</b>		
Less: Pending bills 1st Charge	(3,839,820)	-	(3,839,820)	(3,839,820)	-	100.00	
<b>Amount available</b>	<b>801,003,919</b>	<b>2,020,000</b>	<b>803,023,919</b>	<b>776,138,510</b>	<b>26,885,410</b>		
Compensation of Employee	642,625,346	(5,389,000)	637,236,346	667,033,553	(29,797,207)	104.68	
General Expenses	132,978,294	7,156,828	140,135,122	152,035,296	(11,900,174)	108.49	
Repair Maintenance	15,400,279	252,172	15,652,451	15,364,277	288,174	98.16	
Boards Expenses	10,000,000	-	10,000,000	11,310,090	(1,310,090)	113.10	b
Depreciation	-	-	-	131,007,927	(131,007,927)		
<b>Total Expenditure</b>	<b>801,003,919</b>	<b>2,020,000</b>	<b>803,023,919</b>	<b>976,751,144</b>	<b>(173,727,225)</b>		
<b>Deficit for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(200,612,634)</b>	<b>200,612,634</b>		
<b>Capital Expenditure</b>	<b>313,701,607</b>	<b>(46,393,830)</b>	<b>267,307,777</b>	<b>140,131,967</b>	<b>127,175,810</b>	<b>52.42</b>	c

<b>Reconciliation of Budget and Statement of Performance Deficit</b>	
	<b>Amount (Ksh)</b>
Deficit as per Statement of Financial Performance	220,401,257
Deficit as per Statement of Budget Comparison	200,612,634
<b>Difference</b>	<b>19,788,623</b>
The difference is attributed to carryover of CBA arrears budget	15,089,624
Insurance receipts not budget	4,692,687
<b>Total</b>	<b>19,782,311</b>

## **NOTES TO THE STATEMENT OF BUDGET COMPARISON**

**a Appropriation in Aid**

Knls board realized an unfavorable variance of Kshs.26,885,296 driven by nonpayment of rent for spaces take up on completion of knls Head Quarters (Maktaba Kuu premises in Upperhill).

**b. Board expenses**

Board expenditure was Kshs.1,310,090 above the budgeted level. This over expenditure is attributed to increased board activities during the financial year.

**c Capital Expenditure**

There was no budget for capital expenditure in the year 2021/22. The amount utilized was the roll over funds from the previous financial year.

## 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 2022.*

IPSASB deferred the application date of standards from 1<sup>st</sup> January 2022 owing to COVID-19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1<sup>st</sup> January 2023.

- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.*

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<b>Applicable: 1<sup>st</sup> January 2023:</b> The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.

	<p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the Entity.</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</li> </ul>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> </ul> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

<p>Other improvements to IPSAS</p>	<p><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>● <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i></li> </ul> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> <li>● <i>IPSAS 39: Employee Benefits</i></li> </ul> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> <li>● <b>IPSAS 29: Financial instruments: Recognition and Measurement</b></li> </ul> <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</p>
<p>IPSAS 43</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>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 cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The Standard requires,</p> <p>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:</p> <p>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.</p>

**iii. Early adoption of standards**

knfs did not early - adopt any new or amended standards in year 2021/2022.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a) Revenue recognition

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

###### **Fees, taxes 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 realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

###### **Rendering of services**

Kenya 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.

##### ii) Revenue from exchange transactions

###### **Rental income**

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

## b) Budget information

The original budget for FY 2021/2022 was approved by the National Assembly on June 2022. 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.99,460,862 on the 2021-2022 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.

### **Taxation**

knls is exempted from taxation and therefore no provision for tax liability has been made in financial statements

### **d) Investment property**

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

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

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

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

### **e) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

### **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:

<b>Description</b>	<b>Annual Rate</b>
- 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.

#### **f) Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

#### **g) 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.

#### **h) 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

#### **i) Financial instruments**

##### **a) Financial assets**

##### **Initial recognition and measurement**

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

##### ***Impairment of financial assets***

knls assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the

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

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

### **Loans and receivables**

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

### **Held-to-maturity.**

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

## **b) Financial liabilities**

### **Initial recognition and measurement**

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. knls determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

### **j) 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:

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

- i) 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.

#### **k) 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.

#### **l) 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.

#### **m) 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.

#### **n) 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 inform 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.

**o) 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.

**p) Employee benefits**

**Retirement benefit plans**

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

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

**q) 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.

**r) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**s) 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 directors, the CEO and senior managers.

**t) 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.

**u) Comparative figures**

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

**v) 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, 2022.

**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

**Critical accounting judgments in applying the organisation's accounting policies**

***Impairment losses on trade and other receivables***

The organisation reviews its trade and other receivables to assess impairment regularly. In determining whether an impairment loss should be recognised through profit or loss, the company makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from the receivables, before a decrease can be identified. This evidence may include observable data indicating that there has been an adverse change in the payment status of customers or local economic conditions that correlate with defaults on assets in the company. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

**Key sources of estimation uncertainty**

***Impairment of assets***

At the end of each reporting period, the authority reviews the carrying amount of its assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment (if any).

**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 22a)

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

	2021/2022 Kshs.	2020/2021 Kshs.
<b>6 Transfers from other Governments</b>		
<b>Unconditional Grants</b>		
Govt Grants- Recurrent Grants	602,610,000	661,010,000
Supplementary I	44,200,000	-
<b>Total</b>	<b>646,810,000</b>	<b>661,010,000</b>

6 b	Name of Entity sending the grant	Amount recognized to Statement of Comprehensive Income Kshs.	Amount Deferred Kshs.	Amount recognized in Capital fund Kshs.	Total grant income during the year Kshs.	2020/2021 Kshs.
	Ministry of Sports and Heritage	602,610,000	44,200,000	-	646,810,000	877,710,000
	Sports Fund	-	-	150,000,000	150,000,000	100,000,000

6c	Public contributions and donations	2021/2022	2020/2021
	Cash Donations - BAI	5,104,066	3,897,841
	- US Embassy	2,806,785	244,996
	- EiFL	160,392	1,999,980
	- Others	3,426,184	-
	<b>Total</b>	<b>11,497,427</b>	<b>6,142,817</b>

<b>7</b>	<b>Earned income (Fixed Asset Donations)</b>	<b>1,105,430</b>	<b>1,573,262</b>
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7a	Reconciliation of public contributions and donations	2021/2022	2020/2021
	<b>Balance unspent at the beginning of year</b>	499,780,472	390,421,247
	Current year receipts - Books	127,889,987	107,018,350
	- Cash	11,497,427	6,142,817
	Conditions met - transferred to revenue (Cash)	(8,971,134)	(3,801,942)
	<b>Conditions to be met - remain liabilities</b>	<b>630,196,752</b>	<b>499,780,472</b>

	REVENUE FROM EXCHANGE TRANSACTION	2021/2022	2020/2021
<b>8</b>	Interest Received	-	-
<b>9</b>	<b>Rental income from facilities</b>		
	Hire Of Halls	1,405,819	422,340
	Bill Boards	12,900	-
	Parking Charges	449,069	257,277

Rent	62,618,360	59,897,297
Service charge from rentals	11,658,574	10,668,006
<b>Total</b>	<b>76,144,722</b>	<b>71,244,920</b>
<b>10 Rendering of Services</b>		
Photocopies	27,872	12,066
Knb & Kpd Sales	1,350	-
Internet And E-Mail	200	680
Consultancy Services	299,300	-
<b>Total</b>	<b>328,722</b>	<b>12,746</b>
<b>11 Library Fees</b>		
Membership Fees- Institution	832,600	253,000
Entrance Fees - Non Members	8,320,530	2,744,985
Daily access - Executive	625,480	51,640
Book loan fees - Adult	411,735	46,800
Book loan fees - Junior	193,583	12,480
<b>Total</b>	<b>10,383,928</b>	<b>3,108,905</b>
<b>12 Other Income</b>		
Sundry Income	126,698	300,051
Fines and Overdues	379,889	35,630
Disposal Income	253,795	1,356,226
Hire Of Chairs/ Tents	50	50
Gain on Sale of Fixed Assets	-	-
Sale Of Tenders	-	-
Clearing Fee	1,315,402	2,800,682
Commission from payroll deductions	144,290	142,408
Attachment Charges	232,440	170,500
Lost And Paid For Books(100%)	183,631	43,736
Annual Renewal Fee	-	-
ISBN Fees	3,151,750	2,602,750
Resurfaced Books	1,537,391	77,860
Salary Recovery	-	251,724
Donated Assets(furniture & fittings)	295,892	-
Insurance Claims receipts	4,692,687	-
Data Center services	292,035	-
<b>Total</b>	<b>12,605,950</b>	<b>7,781,617</b>
<b>13 Use of Goods and Services</b>		
Electricity	15,524,730	11,663,961
Water And Sewerage Charges	4,452,636	4,024,221
Telephone & Mobile Phone Services	1,341,038	2,550,974
Internet Connections	16,824,296	16,086,396
Courier & Postal Services	1,689,113	1,418,087

Printing and Stationery	461,891	154,920
Passage And Transfers Expenses	663,434	355,782
Travel, accommodation, subsistence & other allowances – Local	8,170,324	5,928,643
Travel, accommodation, subsistence & other allowances – Foreign	991,430	-
Subscription To Newspaper, Mag	2,121,667	1,932,955
Advertising and Publicity	6,915,814	3,801,945
Trade Shows & Other Exhibition	-	-
Rent & Rates-Non-Residential	1,134,200	1,106,580
Travel, Accommodation, Tuition Fees	6,542,284	5,526,010
Catering Expenses	1,953,345	1,307,083
Purchase Of Coffins & Other Miscellaneous exps.	797,830	874,360
Insurance General	11,790,137	7,840,838
Purchase Of Uniform & Clothing	480,578	427,312
Library Processing Tools, Magnetic strips	767,977	1,881,802
Education & Supplies	2,997,811	1,034,177
General Office Supplies	3,158,421	1,931,733
Supplies & Accessories For Com	2,088,158	1,039,138
Sanitary & Cleaning Materials	2,238,544	1,930,645
Contracted Guards & Cleaning	33,082,478	29,325,259
Transport Costs & Charges For	4,487,130	2,572,682
Legal Dues, Arbitration & Comp	399,990	1,764,532
Contracted Professional Services	783,080	-
Withdrawn books	8,406,993	6,503,798
Refurbishment	86,000	-
Provision for bad & doubtful debts expense	44,444	-
Bank & Mpesa Charges/Commission	635,334	570,078
Management Fee-Audit Fee	700,000	700,000
Membership Fees, Dues & Subscription	436,709	516,752
Research & Development	188,450	52,430
Monitoring & Evaluation	1,860,718	1,235,970
Refined Fuels & Lubricants For	4,970,065	2,583,807
Foreign Exchange loss	-	8,692
Purchase of Furniture & Fittings	1,010,600	264,000
Launch of Voi	-	1,286,202
Launch of Eldama Ravine	-	105,150
Membership fee refund	-	1,600
Insurance Claim Payments	1,837,647	-
<b>Total</b>	<b>152,035,296</b>	<b>120,308,514</b>

	2021/2022	2020/2021
<b>14 Employee Costs</b>		
Basic Salary (Permanent Employees)	339,803,457	327,839,196
Internship Stipend	255,000	326,064
Casual Labour	14,626,879	11,179,442
House Allowance	124,703,991	113,650,169
Acting Allowances	554,995	594,780
Hardship Allowance	16,978,314	22,316,445
Medical Allowance	-	-
Other Allowance - Extraneous duty	606,133	-
Special Duty Allowances	705,160	982,852
Other Allowances-Remunerative	428,380	638,710
Leave Allowance	4,294,846	4,262,083
Refund Of Medical Expenses-Inpatient	-	-
Personal Assistance Allowance	960,000	960,000
Retirees Allowances	1,038,701	1,188,681
Medical Insurance Cover	46,129,085	44,600,000
Other Allowances-Bicycle	59,408	76,000
Telephone Allowance	394,839	-
Commuter Allowance	48,283,145	48,668,490
Employer Contribution To Pension Scheme	67,211,220	66,249,189
<b>Total</b>	<b>667,033,553</b>	<b>643,532,101</b>
<b>15 Board Expenses</b>		
Chairman's Honorarium	926,129	1,044,000
Directors' allowances & Other expenses	4,479,940	6,046,184
Other allowances & Board Expenses	5,904,021	2,979,159
<b>Total</b>	<b>11,310,090</b>	<b>10,069,343</b>
<b>16 Depreciation &amp; Amortisation Expense</b>		
Property, Plant & Equipment	130,021,720	90,805,310
Intangible Assets	986,207	986,206
<b>Total</b>	<b>131,007,927</b>	<b>91,791,516</b>
<b>17 Repairs and Maintenance Cost</b>		
Repair, Maintenance: Buildings	3,189,827	994,070
Repair, Maintenance: Furniture	473,016	402,560
Repair, Maintenance: Equip	1,859,534	1,937,215
Repair, Maintenance: Motorvehicle	2,213,526	1,564,950
Repair, Maintenance: Computer	7,628,374	7,432,347
<b>Total</b>	<b>15,364,277</b>	<b>12,331,142</b>

18 Cash and Cash Equivalents	A/C NO.	2021/2022 Kshs	2020/2021 Kshs
Cash in hand		36,900	22,743
Mpesa Account		1,339,611	819,526
Pesa Pal Account		147,646	4,512,557
Bank Recurrent account	1103249614	973,220	16,370,630
Bank Development Account	1103249754	2,155,915	51,018,182
Bank Savings & Reserve A/C	1103127063	131,906,241	87,838,069
Bank Savings & Reserve -foreign A/C	1108728294	128,453	129,531
	<b>Total</b>	<b>136,687,986</b>	<b>160,711,238</b>

\* The bank accounts are all with Kenya Commercial Bank - Milimani Branch. The M-pesa account is with Safaricom while the Pesa-Pal account resides with the service provider, Jambo Pay Limited.

18(a) Detailed Analysis of Cash & Cash Equivalents	A/C NO.	2021/2022	2020/2021
<b>a) Current account</b>			
Kenya Commercial Bank	1103249614	973,220	16,370,630
Kenya Commercial Bank	1103249754	2,155,915	51,018,182
	<b>Sub- total</b>	<b>3,129,135</b>	<b>67,388,812</b>
<b>Other accounts</b>			
<b>a )Savings account</b>			
Kenya Commercial Bank	1103127063	131,906,241	87,838,069
Kenya Commercial Bank	1108728294	128,453	129,531
	<b>Sub- total</b>	<b>132,034,694</b>	<b>87,967,600</b>
<b>b) Pesa Pal Account</b>			
<b>Jambo Pay</b>		<b>147,646</b>	<b>4,512,557</b>
<b>c) M-pesa account</b>			
Safaricom Ltd (B2C)	897201	892,613	118,340
Safaricom Ltd (C2B)	897200	437,498	691,686
Safaricom Ltd-M-pesa Till		9,500	9,500
	<b>Sub- total</b>	<b>1,339,611</b>	<b>819,526</b>
<b>d) Cash in hand</b>		<b>36,900</b>	<b>22,743</b>
	<b>Total</b>	<b>136,687,986</b>	<b>160,711,238</b>

19 Current Receivables from Exchange Transactions	As at 30th June 2022	As at 30th June 2021
Trade Debtors : Rental space	37,670,419	49,303,759
: Direct consignment (Books)	921,089	1,882,920
	<b>Sub-Total</b>	<b>38,591,508</b>
Less: Provision for doubtful debt	1,933,337	1,933,337
	<b>Total</b>	<b>49,253,342</b>

		As at 30th June 2022	As at 30th June 2021
<b>19a</b>	<b>Ageing Analysis (Trade Debtors)</b>		
	<b>No. of Days</b>		
	0-90	6,673,555	8,122,875
	91-180	15,143,393	12,258,692
	181-365	11,725,068	13,625,521
	Over 365	5,049,491	17,179,591
		<b>38,591,508</b>	<b>51,186,679</b>
<b>20</b>	<b>Trade Receivables non exchange transactions</b>		
	Staff Debtors	6,573,246	3,944,672
	Other Debtors (MOSHE)	1,555,100	924,800
	Branch Debtors	26,700	41,500
	Gok Grants	44,200,000	-
	Refundable Deposit	3,902,705	3,060,205
		<b>56,257,751</b>	<b>7,971,177</b>
	Less: Provision of bad & doubtful debts	2,426,873	2,382,429
	<b>Total</b>	<b>53,830,873</b>	<b>5,588,748</b>
<b>20a</b>	<b>Ageing Analysis (Non-Exchange)</b>		
	<b>No. of Days</b>		
	0-90	51,454,619	3,977,088
	91-180	460,739	161,000
	181-365	35,700	1,080,360
	Over 365	4,306,893	2,752,729
		<b>56,257,951</b>	<b>7,971,177</b>

**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.

	2021/2022	2020/2021
<b>21a</b>		
<b>Movement in Provision for Bad &amp; Doubtful debts</b>		
Opening Balance	4,315,766	4,315,766
Additions in the year	44,444	-
Payments	-	-
Write off	-	-
<b>Balance</b>	<b>4,360,210</b>	<b>4,315,766</b>

## 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.

	2021/2022	2020/2021
General office	2,007,240	2,518,134
Uniform & Clothing	-	-
Library Processing Tools	1,282,121	1,676,918
Computer Accessories	371,180	1,079,919
<b>Total</b>	<b>3,660,541</b>	<b>5,274,971</b>

### 23 PROPERTY, PLANT & EQUIPMENT SCHEDULE

DESCRIPTION	LAND (KSH)	BUILDING (KSH)	EQUIPMENT (KSH)	MOTOR VEHICLES (KSH)	FURNI.& FITTINGS (KSH)	COMPUTERS (KSHS)	Work in Progress	GRAND TOTAL (KSH)
<b>COST AS AT 01.07.20</b>	<b>3,250,508,500</b>	<b>1,619,404,395</b>	<b>28,293,567</b>	<b>42,954,250</b>	<b>176,668,043</b>	<b>76,125,696</b>	<b>2,568,172,554</b>	<b>7,762,127,005</b>
ADDITIONS - Purchases			206,131	-	2,869,358	3,254,000		6,329,489
ADDITIONS - Donations			-	-	2,532,234	1,392,435		3,924,669
Works Capitalized		1,251,579						1,251,579
CWIP Buildings (addition)			-	-	-	-	252,551,336	252,551,336
CWIP - Virtual Library							29,009,054	29,009,054
<b>COST/VALUATION as at 1.07.2021</b>	<b>3,250,508,500</b>	<b>1,620,655,974</b>	<b>28,499,698</b>	<b>42,954,250</b>	<b>182,069,635</b>	<b>80,772,131</b>	<b>2,849,732,944</b>	<b>8,055,193,132</b>
ADDITIONS - Purchases			35,600,649	-	4,201,858	7,615,722		47,418,229
ADDITIONS - Donations			-	-	295,895	-		295,895
CWIP Buildings-HQ (addition)			-	-	-	-	44,806,904	44,806,904
CWIP Buildings-Others (addition)							3,745,815	3,745,815
CWIP - Virtual Library							44,420,933	44,420,933
CWIP capitalized		2,869,011,072					(2,869,011,072)	-
<b>TOTAL/VALUATION as at 30.09.21</b>	<b>3,250,508,500</b>	<b>4,489,667,046</b>	<b>64,100,347</b>	<b>42,954,250</b>	<b>186,567,388</b>	<b>88,387,853</b>	<b>73,695,524</b>	<b>8,195,880,908</b>
<b>Total Depreciation as 01.07.2021</b>	<b>-</b>	<b>97,189,295</b>	<b>16,999,106</b>	<b>42,954,250</b>	<b>66,896,527</b>	<b>77,673,349</b>	<b>-</b>	<b>301,712,527</b>
Depreciation for the year 2021.22		89,793,341	12,820,069	-	23,320,924	4,087,386		130,021,720
<b>Total Depreciation as 30.06.2022</b>	<b>-</b>	<b>186,982,636</b>	<b>29,819,175</b>	<b>42,954,250</b>	<b>90,217,451</b>	<b>81,760,735</b>	<b>-</b>	<b>431,734,247</b>
<b>Net Book Value 30.06.2022</b>	<b>3,250,508,500</b>	<b>4,302,684,410</b>	<b>34,281,172</b>	<b>-</b>	<b>96,349,938</b>	<b>6,627,118</b>	<b>73,695,524</b>	<b>7,764,146,661</b>
<b>Net Book Value 30.06.2021</b>	<b>3,250,508,500</b>	<b>1,523,466,679</b>	<b>11,500,592</b>	<b>-</b>	<b>115,173,108</b>	<b>3,098,782</b>	<b>2,849,732,944</b>	<b>7,753,480,605</b>

The financial statements omit land and building in respect to community based library projects, which were established by the Board in partnership with the communities and donated to the KNLS Board. Their value is omitted from the accounts since the Board does not have ownership documents (title deeds). The board is in the process of obtaining ownership documents and valuing them for inclusion in the Boards Assets' Register

### 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	3,250,508,500	-	3,250,508,500
Buildings	4,489,667,046	186,982,636	4,302,684,410
Plant & Machinery	64,100,347	29,819,175	34,281,172
Motor Vehicles Including motorcycles	42,954,250	42,954,250	-
Computers and related equipment	88,387,853	81,760,736	6,627,117
Office Equipment, Furniture and Fittings	186,567,388	90,217,451	96,349,937
CWIP	73,695,525	-	73,695,525
<b>Total</b>	<b>8,195,880,909</b>	<b>431,734,248</b>	<b>7,764,146,661</b>

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

	Cost or Valuation	Normal Annual Depr. Charge
Motor Vehicles including motor cycles	42,954,250	10,738,563
Computers and related equipment	76,125,696	25,375,232
<b>Total</b>	<b>119,079,946</b>	<b>36,113,795</b>

This class of assets was not fully valued as per the IPSAS 17 (51) on valuation of assets. Their values will be included in the financial statements for the year 2022/23.

### 24 Intangible Assets - Software

#### Cost

As 1 July 2021

Prepayment for Audit Software

Additions in the year

Amortisation for the year

2021/2022	2020/2021
Kshs	Kshs
1,972,414	-
-	600,000
-	2,358,621
(986,207)	(986,207)
<b>986,207</b>	<b>1,972,414</b>

### 25 Movement of Book Stock

	2021/2022	Value	2020/2021	Value
	No. of Books	Kshs.	No. of Books	Kshs.
Opening balance	1,800,605	1,171,100,381	1,764,431	1,069,391,350
Add: Govt purchases	856	3,424,000	6,944	1,116,619
Donor Purchases	-	-	-	-
Donations	104,011	127,889,987	43,558	107,018,350
Resurfaced books	1,378	1,537,391	172	77,860
Less: Withdrawn books	(23,222)	(8,406,993)	(14,500)	(6,503,798)
	<b>1,883,628</b>	<b>1,295,544,766</b>	<b>1,800,605</b>	<b>1,171,100,381</b>

The withdrawn books represent the net effect of value of books weeded from the system and lost books (including stolen books). It also includes books donated to needy institutions. 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.

<b>26 Trade Payables Exchange transactions</b>	<b>2021/2022</b>	<b>2020/2021</b>
Trade Creditors	96,836,296	73,798,390
Advance Receipts	1,813,407	3,608,706
Third party payments	68,390,581	6,140,691
<b>Total</b>	<b>167,040,284</b>	<b>83,547,787</b>
<b>27 Refundable deposits (Rental)</b>		
Safaricom Shop - Buruburu	1,399,847	1,399,847
Equity Bank - Buruburu	1,596,987	1,596,987
CFC Bank - Buruburu	658,035	658,035
Agha Khan University Hospital - Buruburu	1,200,870	1,200,870
Candy Shop - Mombasa	5,500	5,500
Eraeva Canteen - Nakuru	-	67,991
Kenya Film Classification - Nakuru	142,541	142,541
Donyam - Kisumu	-	7,500
Kenyatta University - Garissa	103,950	103,950
Sungura Creations	-	8,000
Multiple Solutions	15,000	15,000
<b>Total</b>	<b>5,122,730</b>	<b>5,206,221</b>
<b>28 Current Provisions - Audit Fees</b>		
Balance at the beginning	2,100,000	4,780,000
Additional Provisions	700,000	700,000
Provision Utilized	-	(3,380,000)
<b>Total</b>	<b>2,800,000</b>	<b>2,100,000</b>
<b>Total Trade Payables</b>	<b>174,963,015</b>	<b>90,854,008</b>
<b>29 Deferred Liability from Exchange Transactions</b>		
Balance B/Fwd	3,838,838	10,308,628
Provision of Internet Services	-	(6,469,790)
Clearing and Forwarding of Books	-	-
<b>Total</b>	<b>3,838,838</b>	<b>3,838,838</b>
<b>30 Deferred Income</b>	<b>2021/2022</b>	<b>2020/2021</b>
<b>Description</b>		
National Government	-	216,700,000
Public contributions and donations	10,648,220	8,121,927
<b>Total</b>	<b>10,648,220</b>	<b>224,821,927</b>

The deferred income movement is as follows:	National Government	International funders	Public contributions and donations	Total
Balance brought forward	2,958,541,313	-	8,121,927	2,966,663,240
Additions in the year	-	-	11,497,427	11,497,427
Transfers to Income statement	-	-	(8,971,134)	(8,971,134)
Other Transfers	-	-	-	-
<b>Balance carried forward</b>	<b>2,958,541,313.</b>	<b>-</b>	<b>10,648,220</b>	<b>2,969,189,533</b>

### 31 Capital Donations

	2021/2022		2020/2021	
	Book Donations	Fixed Assets	Book Donations	Fixed Assets
Balance brought forward	580,210,971	4,907,972	473,192,621	2,556,566
Additions in the year	127,889,987	-	107,018,350	3,924,669
Transfers to Income Statement	-	(1,105,430)	-	(1,573,263)
<b>Balance carried forward</b>	<b>708,100,958</b>	<b>3,802,542</b>	<b>580,210,971</b>	<b>4,907,972</b>

### 32 Cash generated from Operations

	Note	2021/2022 Kshs	2020/2021 Kshs
<b>Surplus(Deficit) for the year</b>		<b>(220,401,257)</b>	<b>(129,499,225)</b>
<b>Adjusted for :</b>			
Depreciation	23	130,021,720	90,805,310
Amortization of software	24	986,207	986,207
Resurfaced books	26	(1,537,391)	(77,860)
Donations (FA)	7	(295,892)	(1,573,263)
Withdrawn books	26	8,406,993	6,503,798
Foreign exchange loss		-	8,692
Contribution to provisions	26	700,000	-
Earned income(Depreciation for donated assets)	7	(1,105,430)	(5,217,091)
Contribution to impairment		1,070,466	-
<b>Operating Deficit Before Working Capital Changes</b>		<b>(82,154,584)</b>	<b>(38,063,432.00)</b>
(Increase) / Decrease In inventory	22	1,614,430	1,742,357
(Increase) / Decrease In receivables	19	(35,646,959)	(38,800,437)
(Increase) /Decrease in provisions for doubtful debts	21a	44,444	-
Increase / (Decrease) in Deferred Income	28	2,526,293	2,340,875
Increase / (Decrease) In payables	26	83,409,006	(167,215,616)
<b>Net Cash Outflow From Operating Activities</b>		<b>(30,207,371)</b>	<b>(239,996,253)</b>

### 34. 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 minimise 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.

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:

34A Financial Risk Management				
	Total Amount	Fully Performing	Past due but not Impaired	Impaired
	Ksh	Ksh	Ksh	Ksh
<b>As at 30th June 2022</b>				
Receivables from exchange transactions	38,591,508	31,608,679	5,049,491	1,933,337
Receivables from non-exchange transactions	12,057,751	8,055,573	1,575,305	2,426,873
Bank Balances	136,687,986	136,687,986	-	-
<b>Total</b>	<b>187,337,245</b>	<b>176,352,238</b>	<b>6,624,796</b>	<b>4,360,210</b>
<b>As at 30th June 2021</b>				
Receivables from exchange transactions	51,186,699	46,770,730	2,482,612	1,933,337
Receivables from non-exchange transactions	7,971,177	5,548,543	20,205	2,402,429
Bank Balances	160,711,238	160,711,238	-	-
<b>Total</b>	<b>219,869,114</b>	<b>213,030,511</b>	<b>2,502,817</b>	<b>4,335,766</b>

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised 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.

34B	Liquidity Risk management	Less than 1 Month	Between 1-3	Over 5 Months	Total
	As at 30th June 2022	Ksh:	Ksh:	Ksh:	Ksh:
	Trade payables	9,494,538	11,827,140	58,458,329	79,780,007
	Provision for deferred liability			3,838,838	3,838,838
	Deferred income			10,648,220	10,648,220
	<b>Total</b>	9,494,538	11,827,140	72,945,387	94,267,065
	<b>As at 30th June 2021</b>				-
	Trade payables		94,614,984		94,614,984
	Provision for deferred liability			3,838,838	3,838,838
	Deferred income			8,121,927	8,121,927
	<b>Total</b>	-	94,614,984	11,960,765	106,575,749

**35. Related Party Transactions**

**a) 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.

**The entity is related to:**

- i) The National Government;
- ii) The Parent Ministry;
- iii) Board of directors;
- vi) Key Management

Transactions with related parties	2021/2022	2020/2021
	Kshs.	Kshs.
<b>a. Sales to related parties</b>		
Sale of goods	-	-
Sales of Service	-	-
<b>Total</b>	-	-
<b>b. Grants from the Government</b>		
Grants from National Government	602,610,000	877,710,000
Grants from Sports, Arts and Social Development Fund	150,000,000	
<b>Total income</b>	<b>752,610,000</b>	<b>877,710,000</b>
<b>c. Expenses incurred on behalf of related party</b>		
Payment of salaries and wages for 633 employees	667,030,443	617,889,777
Payment for good and services	149,959,953	142,709,000
<b>Total</b>	<b>816,990,396</b>	<b>760,598,777</b>
<b>Key Management compensation</b>		
Directors' emoluments/Board Members	5,406,069	4,754,079
Compensation to the CEO	4,217,976	4,234,800
Compensation to Key Management	22,958,616	21,407,524
<b>Total</b>	<b>32,582,661</b>	<b>30,396,403</b>
<b>Total expenses</b>	<b>849,573,057</b>	<b>790,995,180</b>

**36. Events after the Reporting Period**

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

**37 Ultimate and Holding Entity**

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Sports Culture & Heritage. Its ultimate parent is the Government of Kenya.

**38. Currency**

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

## APPENDIX I. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

### 1.0 Unconfirmed Valuation of Assets

#### Issue/Observation from Auditor

The Statement of Financial Position reflects property plant and equipment balance of **Kshs.7,753,480,604** as further disclosed in note 24 to financial statements. Included in this balance is fully depreciated motor vehicles with zero net book value as at 30<sup>th</sup> June 2021. However, enquiry and physical verification on some of the vehicles revealed that the vehicles were in good working condition and in use. Management did not provide explanation for lack of valuation of the more vehicles. In the circumstances, it was not possible to confirm the accuracy of Property, plant and equipment balance of Kshs.7,753,480,604.

#### Management Response

In the year under review, the Board was only able to value ten (10) motor vehicles as per the valuation figures below:

NO	ASSET NO	DESCRIPTION	LOCATION	VALUE( kshs)
1	KNL/GOS/06/15	Isuzu Truck HQS KAN 874U	Head Quarters	530,000
2	KNL/NAL/06/18	Isuzu FFR 331 Truck- KAW 026Z	Nairobi Area	1,920,000
3	KNL/NAL/06/19	Isuzu FFR 331 Truck- KAW 025Z	Kisumu	1,040,000
4	KNL/NAL/06/20	Isuzu FFR 331 Truck- KAW 024Z	Embu	2,340,000
5	KNL/NAL/06/21	Isuzu FFR 331 Truck- KAW 023Z	Mombasa	1,700,000
6	KNLS/NBH/06/27	Mitsubishi Trooper KBN 082E	Headquarters	1,200,000
7	KNLS/NBH/06/28	Land Rover defender 110 Tdi s/w KBQ 502D	Headquarters	1,920,000
8	KNLS/NBH/06/30	Mitsubishi Pajero Glx KBW 075V	Headquarters	2,730,000
9	KNLS/NBH/06/31	Mitsubishi Pajero Reg KCH 944Q	Headquarters	4,390,000
10	KNLS/NBH/06/32	Toyota Hiace High Roof ( Reg KCK 501U)	Headquarters	3,600,000

Due to the expansive spread of knls branch libraries where some of these motorcycles are located the Board was constrained to get valuation services for the same.

The audit observation and recommendation are noted. Management will endeavor to comply with the audit recommendation on revaluation of assets.

As per IPSAS 17 clause 51 "***If an item of Property, plant and equipment is revalued, the entire class of property, plant and equipment to which that asset belongs shall be revalued***".

As a result, the Board could not include the revaluation figure for motor vehicles alone and exclude the motorcycles.

**Status: The Board will endeavor to have the vehicles revalued in the next Financial Year.**

**Timeframe: End of 2023 Financial Year**

## 2.0 Long Outstanding Staff Debtors

### Issue/Observation from Auditor

The Statement of financial position reflects trade receivables from non-exchange transactions balance of **Kshs.5,588,748**, as further disclosed in Note 21 to financial statements, which includes **Kshs.2,752,729** which has been outstanding for more than one year. The balance further includes **Kshs.2,170,351** relating to a retired officer who left service in June 2007 and **Kshs.146,039** for an officer who resigned from service without settling their outstanding debt before release.

In the circumstances, the recoverability of staff debtors balance of **Kshs.2,316,390** could not be confirmed.

### Management's Response

Knls notes that in the draft report the amount of kshs 2,170,351 was not correctly captured as amounting relating to staff debtors.

The correct amounts relating to staff who retired on diverse dates are as summarized below:

i. **Mrs. Deborah Nyabundi kshs. 2,316,390.05**

Kenya National Library Service Board is a Corporate body of the Government of Kenya established through Cap.225 of the Laws of Kenya in 1965 to provide Library and Information Services to the public.

It is classified under Category 'C' and the CEO's salary ranges from Kshs.110,000 to Kshs.270,000. During the Board's 104<sup>th</sup> meeting held on 16<sup>th</sup> December, 2005 the CEO's salary was increased to Kshs.195,000 per month. The Board received approval of the increased salary rate of Kshs.195,000 through a letter signed by the then Permanent Secretary vide Ref. MGS/8/3(s) Vol.V dated 16<sup>th</sup> February, 2006. Mrs. Deborah Nyabundi was appointed to Act as the CEO from 25<sup>th</sup> July, 2004 to 26<sup>th</sup> March, 2006 and her acting allowance was based on the difference her basic salary then of Kshs.56,065.85 and Kshs.195,000 for the entire period she acted amounting to a total of **Kshs.2,433,724**.

The issue was picked by the Kenya National Audit Office during the audit in the Financial Year 2007/2008 who advised that the payment was erroneous. The Board informed Mrs. Deborah Nyabundi of the overpayment and its intention to recover the overpaid amount from December 2006. Mrs. Nyabundi appealed against the said recovery claiming the payment was duly authorized by the Board and the Permanent Secretary.

The Board sought advice from the Permanent Secretary in October 2006 who confirmed vide Ref. No.MGS/8/3(s) Vol.V dated 19<sup>th</sup> October, 2006 that the overpayment be refunded. The Board initiated recovery of the overpayment at the rate of Kshs. 20,068.50 per month with effect from December 2006. At the time of her retirement on the 15<sup>th</sup> of June 2007, the board had managed to recover Kshs. 120,411, leaving an outstanding balance of Kshs. 2,316,390. Mrs. Nyabundi has since re-located to United States of America. The Board through its letter Ref. No. C/HQ/PF/128/56 dated 12<sup>th</sup> July 2010 sought advice from the Attorney General on how to pursue this matter. The Board has not yet received any response.

The Board has sought assistance from the parent ministry to request the Ministry of Finance to consider granting authority/approval to knls to write off the debt from the Board's accounts vide ref: C/KNL/HQ/PF/128/VOL.2/57.

The Permanent Secretary in response vide MNH 17/8(c) Vol.II(44) dated 7<sup>th</sup> December, 2012 advised the Board to step up efforts to trace Mrs. Nyabundi or seek legal redress to the matter or engage a professional debt collector and or seek authority from Treasury to institutionalize the CEO's salary at the current rate. On the 19<sup>th</sup> of February, 2013 knls vide Ref. C/KNL/HQ/PF/128/59 wrote to the Permanent Secretary, Ministry of State for National Heritage and Culture, seeking assistance to request Treasury to institutionalize the salary as advised. Knls is still waiting for the response and way forward. Knls shall continue pursuing this matter with the office of the Attorney General and the Parent Ministry with a view of concluding the same.

The audit observation on kshs 146,039 as belonging to one officer is incorrect.  
The breakdown of the said amount is as follows:

**ii. Philemon Chebon kshs 540,000.00**

Dr. Chebon resigned on 2<sup>nd</sup> April 2007 and had an outstanding liability of Kshs. 800,000 as training bond. Knls filed the matter in the Industrial Court under Cause No. 512 of 2011. The matter was heard and determined on 25<sup>th</sup> November 2014. The Honorable Court delivered its Judgement in favor of knls Board and directed as follows;

- a. That knls be awarded a Bond amount of Kenya Shillings Eight Hundred Thousand (Kshs.800,000) with interest of 5% from 1/4/2007 until payment in full;
- b. That knls be awarded General damages for the sum of Kenya Shillings Five Hundred Thousand (Kshs. 500,000) for breach of Contract; and
- c. Costs of the suit

Dr. Chebon has made payments to knls Board totaling to Kshs.1,220,000 as tabulated below leaving a balance of kshs 80,000

Date	Receipt No.	Amount (Kshs.)
10.05.2019	REC03327	305,000
12.07.2019	REC03391	305,000
22.10.2019	REC03472	150,000
07.09.2020	REC03663	460,000
	<b>Total</b>	<b>1,220,000</b>

Knls will continue to pursue for the recovery of the balance of **Kshs 80,000** to clear the balance.

iii. **Fredrick Isisa Muindi - PF 1542**

Fred Muindi served in Supply Chain Department as a Supply Chain Officer I. He resigned on 4th April 2017, by paying one-month salary in lieu of notice.

While still in service, he was issued with an accountable imprest as shown below:

Date	PV/WRT NO.	Particulars	Amount Advanced	Amount Recovered	Balance (Ksh.)
03-11-16	WRT08492	Mobile Information Literacy	8,000	-	8,000.00
28-11-16	WRT08664	Contract Administration & monitoring	61,900	10,097.30	51,802.70
		<b>Total</b>			<b>59,802.70</b>

knls followed him up for recovery through a letter, KNL/HQ/PF/1542/148 dated 15<sup>th</sup> September 2017, and no response nor payment has been received from him to date.

Management will keep pursuing full recovery of the said amount.

iv) **Abdi Rizack – PF No.1520 kshs.6,236**

The staff resigned on 31<sup>st</sup> July 2013. On resignation he owed the Board a total of **Kshs.6,236** as fridge advance.

knls Management wrote to him on 10<sup>th</sup> February 2014 informing him of the outstanding balance and requiring him to settle before his final dues could be released. To date he has not responded. Knls Board will review the matter and consider writing off the debt./recover the same from his final salary.

The above is summarized as follows:

No.	Name	Amount (kshs)
1.	Dr Philemon Chebon	80,000
2.	Fredrick Isisa	59,802.70
3.	Abdi Rizack	6,236
	<b>Total</b>	<b>146,039.70</b>

The above officers are yet to be cleared by the Board.

**Status: The Board continues to follow up with the 3 officers with an aim have the debts paid.**

**Timeframe: Provision has been made for the write off for the debt of Abdi Rizack in the FY' 2021/2022.**

### 3.0 Lack of Land Ownership Documents

#### Issue/Observation from Auditor

The Statement of Financial Position reflects Property Plant and Equipment balance of Kshs 7,753,480,604 as further disclosed in Note 24, which includes land balance of Kshs 3,250,508,500. As previously reported, this amount excludes 38 parcels of land of unknown value, which had partial or no ownership documents.

In the circumstances, the completeness, ownership and valuation of land balance of Kshs.3,250,508,500 as at 30 June 2021 could not be confirmed.

#### Management Response

- i. The value of the 38 said parcels of land and the buildings thereon were omitted from the financial statements as knls Board does not have ownership documents.  
The said parcels of land are at various stages of registration (**See attached Appendix iii**)

knls Board has continued to pursue the Ministry of Lands and Physical Planning for ownership documents for the Board's service plots vide letter Ref: C/KNL/HQ/AD/192/VOL.III/72 dated 15<sup>th</sup> January 2018 and response on the same received vide letter Ref: PPD/I/25 (36) dated 21<sup>st</sup> March 2019.  
Management will keep on following up on this matter.

**Status: The planning departments under which Estate Management fall was assigned the responsibility to ensure: i) Acquisition of ownership documents for 38 parcels of land without ownership documents**

**ii) Follow up with relevant County Governments on possible repossession of the land in Kibera and Malindi.**

**Time frame:**

#### 4.0 Unsupported Variance and Variations in Construction of Kenya National Library and Headquarters

##### Issue/Observation from Auditor

The statement of financial position reflects property, plant and equipment balance of Kshs.7,753,480,604, as further disclosed in Note 24. The balance includes Kshs.2,849,732,945 work in progress, which differs with the corresponding appendix II a total project cost of Kshs.2,820,458,352 resulting to unexplained variance of Kshs.29,274,593. Further, the construction of the National Library and Headquarters commenced on 10 April, 2012 with an expected completion date of 19 January, 2017 at a contract sum of Kshs.2,055,200,200 which excluded consultants' fees.

The project was granted time extension 3 times by 65 weeks, 72 weeks and 20 weeks with the latest completion date of 19 August, 2020. The Board handed over the project to the Cabinet Secretary on 19 August, 2020 and the facility was officially opened on 13<sup>th</sup> November 2020.

However, review of the project records revealed that several variations increased the contract sum by Kshs.836,651,599 (or 40%) of the contract sum from Kshs.2,055,200,200 to Kshs.2,891,851,799 contrary to Section 139 of Public Procurement and Asset Disposal Act, 2015 which stipulates that the variation should not exceed 25% of the original contract price. In addition, the statement of comparison of budget and actual amounts for development budget indicates total actual expenditure of Kshs.438,359,079, which includes Kshs.362,301,232 relating to the Service and Kshs.42,458,802 retention monies. However, supporting documents were not provided for audit while a deposit register for recording retention monies was not maintained.

In the circumstances, the accuracy and completeness of work in progress balance of Kshs.2,849,732,945 could not be confirmed, while Management was in breach of the law.

##### Management response

a) The total Revised Contract Sum of kshs 2,891,851,799.60 was a provisional sum on the estimated total cost of the project.

The reconciled retention monies as at 30<sup>th</sup> June 2021 was kshs 83,143,269.91. Out of this the 1<sup>st</sup> moiety was paid as per the approvals. **Appendix iv reconciled retention monies schedule**

b) Initial contract sum of the project was Kshs. 2,055,200,200 exclusive of the Consultants fee of kshs 481,975,299.98.

The appraised revised sum is Kshs. 2,409,876,499 thus registering an increase of kshs. 354,676,299 or 17.26% and not kshs 836,651,580 or 40% as indicated in the audit report which was approved by the Board during the 143rd knls Full Board meeting held on 29th June 2017.

**See appendix v - Board Minutes, approved extension dates, and variation approvals.**

**Status:**

**TimeFrame:**

## 5.0 Unexplained Variance in Rental Income from Facilities

### Issue/Observation from Auditor

The statement of financial performance reflects rental income from facilities of Ksh.71,244,920, as further disclosed in Note 9, which includes rent and service charge from rentals of Kshs.59,897,297 and Kshs.10,668,006 respectively. However, review of supporting documents revealed that rent and service charge from rentals amounted to Kshs.55,066,524 and Kshs.8,455,553 respectively. The resultant variances of Kshs.4,830,773 and Kshs.2,212,453 respectively were not explained. Further, examination of records revealed that tenants were issued with letters of offer by the Management to occupy spaces, which was not formalized by tenancy agreements.

In the circumstances, the accuracy and completeness of rental income from facilities amounting to Kshs. 71,244,920 could not be confirmed.

### Management Response

#### Inconsistencies in posting of revenue.

As part of reconciling the VAT account that affects the rental income, it was realized that the posting of invoices in gross amount was for the period July 2020 to December 2020. Effective January 2021, Kenya Revenue Authority advised that knls recognizes rental income net of VAT. It further advised that the adjustments be made via journal entries to correct the inconsistencies in the next financial year.

**See appendix vii.**

**Status: Management continues to have the amounts correctly captured with regard to the VAT and net amount for the rental income**

**Management is in the process of formalizing the letters of offer to the various tenants in line with the framework set out by Government through the State Department of Housing**

**TimeFrame: During the FY 2022/2023**

## OTHER MATTER

### 1. Budgetary Control and Performance

#### Issue/Observation from Auditor

During the year under review, the final expenditure budget was Kshs.1,437,941,258 comprising recurrent expenditure of Kshs.859,975,896 and development expenditure of Kshs.577,965,362. Out of the development budget of Kshs.577,965,362, the Management spent Kshs.438,359,079 (or 76%) of the budget, while the Service spent Kshs.877,897,886 (or 102%) of the recurrent budget of Kshs.859,975,896. The under-expenditure on development vote affected completion of planned projects and could have impacted negatively on service delivery to the public.

### Management response

The amount stated as spent under the Statement of Budget Comparison of Kshs.438,359,079 is broken down as follows;

#### Included in the Actual payments under Development budget were:

i.	Headquarter Construction	-	Kshs. 362,301,232
ii.	Retention	-	Kshs. 42,458,802
iii.	Refurbishment of Library buildings (Nakuru Roof)	-	Kshs. 825,867
iv.	Support to CBL's – Nyilima -	Kshs. 20,000	
	– Timau -	Kshs. 20,000	
	– Kwale -	Kshs. 25,180	Kshs. 65,180
v.	Equipping of Voi and Eldama Ravine	-	Kshs. 2,388,087
vi.	Other Development expenditure –Books	-	Kshs. 470,856
	E-Board tablets	-	Kshs. 840,000
vii.	Virtual Library	-	Kshs. 29,009,054

Not all the expenditure under the Statement of Budget comparison related to the Property, Plant and Equipment Schedule and thus not part of the PPE schedule. The amount of Kshs.145,292,952 was arrived at as follows:

Amount as per Statement of budget comparison	-	Kshs.438,359,079
Less amount in the indicated in PPE schedule as CWIP	-	<u>Kshs.293,066,127</u>
Difference	-	<u><b>Kshs.145,292,952</b></u>

Management has reconciled the PPE schedule and the difference between the statement of budget comparison and the PPE and arrived at a reconciled figure of Ksh150,455,481 which represents retention monies.

### Status:

### TimeFrame:

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### Basis for Conclusion

#### 1. Irregular supply, Delivery, installation and testing of laptops and printers

#### Audit Issue/Observation

Review of quotation No. KNLS/HQ/2020/2021/073 for supply, delivery, installation and testing of laptops and printers worth Kshs.899,492 revealed that five (5) suppliers submitted bids out of which two (2) companies

were not in the list of registered suppliers for the category. Further, examination of Quotation No. KNLS/HQ/2020/2021/028, for supply, delivery and testing of laptops worth Kshs.1,680,000 for data centre revealed that bids were submitted by six (6) suppliers which were not in the list of registered suppliers. This was contrary to Section 106(2) (a) of the Public Procurement and Asset Disposal Act, 2015 which requires that the Accounting Officer of a procuring entity shall give the request to such persons as are registered by the procuring entity.

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

### Management response

Shortlisting of suppliers is a continuous process as per Section 57 of the Public Procurement and Asset Disposal Act 2015. The above suppliers were part of the shortlisted suppliers for supply of computer hardware and printers as per the attached list of updated suppliers for the period under review. **See Appendix x**

### Status:

### TimeFrame:

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### 1. Inadequate Board Membership

#### Audit Issue/Observation

Gazette Notice No.9871 dated 16 October, 2019 revealed that Cabinet Secretary for Sports, Culture and Heritage appointed 11 Board Members of the Kenya National Library Service (KNLS) Board for a period of 3 years with effect from 21 October, 2019 to 20 October, 2022. However, the Board comprised of only the chairman and a representative of the parent Ministry contrary to Mwongozo, 2015 Guidelines. The other eleven (11) Board members appointed were not issued with appointment letters as required. Although, through a letter dated 18 March, 2020 Ref.SDCH7 29 (C) 6 Vol.1 the Cabinet Secretary, Ministry of Sports, Culture and Heritage requested Head of Public Service to approve proposed list for KNLS new Board members for gazettelement without further information, there is no evidence of any action taken. Further, KNLS Chief Executive Officer position had not been substantially filled since the expiry of his contract on 1 October, 2019.

In the circumstances, the Board had not been fully constituted for a period of 30 months since expiry of terms of previous Board on 20 October, 2019 which may have compromised the oversight role of the Board.

#### Management Response

The tenure of the previous Board ended on 20th October 2019. Constitution and appointment of the Board is the responsibility of the office of the Cabinet Secretary and management is informed that the process is under way.

**Status: The Board was not fully constituted. Once this is done, the Committee will be set up**

**TimeFrame:**

## **2. Lack of Audit Committee**

### **Audit Issue/Observation**

*During the year under review, the Service did not have an independent audit committee in place. This was contrary to Section 73(5) of the Public Finance Management Act, 2012 which provides that every national government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations.*

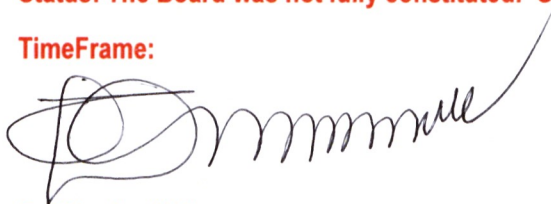
*In the circumstances, Management was in breach of the law.*

### **Management Response**

In the absence of a fully constituted Board, it's not possible to have an audit Committee. However, the head of internal audit has been holding Consultative meetings with the Board as currently constituted. The internal audit issues are discussed during those consultative meetings.

**Status: The Board was not fully constituted. Once this is done, the Committee will be set up**

**TimeFrame:**



**Dr. Charles Nzivo**  
**Chief Executive Officer, knls**

**Date** 11/09/2023

## APPENDIX II. PROJECTS IMPLEMENTED BY KNLS

NO.	Project	Total Cost Of Project	Total Expenditure To date	% Of Completion	Budget Commitment	Actual Cost
1	Virtual Library	250,000,000	120,000,218	50%	216,289,650	120,000,218
2	Nyilima Ablution	490,357	419,815	100%	490,357	419,815
3	Ukwala Ablution	480,000	480,614	100%	480,000	480,614
4	Tarbaj Pit Latrine	430,985	15,000	0%	430,985	15,000
5	Timau Ablution	660,000	659,924	100%	660,000	659,924
6	Awendo Fencing	583,219	460,995	100%	583,219	460,995
7	Awendo Ablution	451,414	451,414	100%	451,414	451,414
8	Awendo Furniture	1,000,000	994,232	100%	1,000,000	994,232
9	Completion of Mikumbune	3,000,000	2,942,718	100%	3,000,000	2,942,718
	<b>Total Cost</b>	<b>257,095,975</b>	<b>126,424,930</b>		<b>223,385,625</b>	<b>126,424,930</b>

**APPENDIX III. INTER-ENTITY TRANSFERS**

KENYA NATIONAL LIBRARY SERVICE				
Break down of Transfers from the State Department for Culture and Heritage				
FY 2021/2022				
A	Recurrent Grants	Bank Statement Date	Amount (Kshs)	FY to which the amounts relate
		28/08/2021	175,502,000.00	FY 2021/22
		04/11/2021	58,500,666.70	FY 2021/22
		04/11/2021	58,500,666.70	FY 2021/22
		23/11/2021	58,500,666.60	FY 2021/22
		09/02/2022	58,501,170.00	FY 2021/22
		07/03/2022	58,501,170.00	FY 2021/22
		21/04/2022	58,501,160.00	FY 2021/22
		09/05/2022	25,367,500.00	FY 2021/22
		03/06/2022	25,367,500.00	FY 2021/22
		06/06/2022	25,367,500.00	FY 2021/22
		08/07/2022	44,200,000.00	Supplementary II FY 2021/2022
	<b>Total Recurrent Grant</b>		<b>646,810,000.00</b>	
B	Development Grants	Bank Statement Date	Amount (Kshs)	FY to which the amounts relate
There was no allocation during the Financial Year under review.				
<b>TOTAL RECURRENT GRANTS RECEIVED FY 2021/2022 -</b>			<b>646,810,000.00</b>	
C	Sports, Arts and Social Development Funds	Bank Statement Date	Amount (Kshs)	FY to which the amounts relate
		19/08/2021	150,000,000.00	For establishment of virtual library

**Notes:**

- i. Kshs 44,200,000 was received on 8<sup>th</sup> July 2022 being Supplementary II Estimates for Financial Year 2021/2022.
- ii. There was no allocation for Development grants for FY2021/2022

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

Head of Finance  
Kenya National Library Service

Head of Accounting Unit  
State Department for Culture and Heritage

Name J.M. KARIUKI

Name P.N. KASERE

Sign 

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