

REPUBLIC OF KENYA



REPORT

OF

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 06 APR 2022	DAY: WED
TABLED BY:	MAJORITY MP
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THE AUDITOR-GENERAL

ON

NATIONAL COUNCIL FOR
LAW REPORTING

FOR THE YEAR ENDED
30 JUNE, 2019



KENYA LAW

Where Legal Information is Public Knowledge

NATIONAL COUNCIL FOR LAW REPORTING

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2019

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The National Council for Law Reporting (NCLR) is a state corporation in the Office of the Attorney General and Department of Justice. The brand name of the National Council for Law Reporting is Kenya Law.

NCLR was created in 1994 by virtue of the National Council for Law Reporting Act (Act No. 11 of 1994). The Chief Justice of the Republic of Kenya is the Chairman of the Council/Board; a body that is responsible for the general policy and strategic direction of the institution.

(b) Principal Activities

The mandate of the organisation is to:

- i) Publish the judicial opinions of the superior courts of Kenya i.e. the Supreme Court, Court of Appeal and the High Court. NCLR is the designated publisher of the Kenya Law Reports, which are the official law reports of the Republic of Kenya.
- ii) Revise, consolidate and publish the Laws of Kenya, a mandate delegated to NCLR by the Attorney General through Legal Notice No. 29 of 2009, in line with sections 7 and 8 of the Revision of Laws Act.
- iii) Publish such other related publications as it deems necessary.

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

(c) Key Management

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

- i) Council/Board Members
 - ii) Accounting officer/ CEO/Editor
 - iii) Management
- Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

Name of the Staff	Responsibility
Mr. Long'et Terer	Editor / Chief Executive Officer (CEO)
Ms. Janet Munywoki	Snr. Assistant Editor/ Deputy CEO
Ms. Janette Watila	Team Leader, Human Resources & Administration
Ms. Linda Awuor	Team Leader, Research and Development
Mr. Pascal Othieno Oluoch	Team Leader, Finance and Accounting
Ms. Wambui Kamau	Team Leader, Laws of Kenya
Ms. Emily Nakhungu	Team Leader, Sales Marketing and Customer Care
Mr. Martin L. O. Andago	Team Leader, Information Communications and Technology
Ms. Edna K. Muthaura	Team Leader, Strategy, Quality and Assurance and Performance Evaluation
Ms. Njeri Githanga	Team Leader, Law Reporting
Mr. Frederick B. Abea	Team Leader, Risk and Internal Audit

(d) Fiduciary Oversight Arrangements

Audit & Risk Management Committee activities

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

Finance & General Purposes Committee activities

- i) To guide in the development and approval of Kenya Law's financial policies and procedures.
- ii) To guide in the development of adequate internal controls in Kenya Law's finance and accounting system.
- iii) To monitor the integrity of Kenya Law's periodic financial reports and annual financial statements detailing Kenya Law's financial performance.
- iv) To review significant financial reporting judgments in Kenya Law's financial statements.
- v) To review Kenya Law's internal financial controls and financial risk management systems.

Technical Committee activities

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

Human Resources Committee activities

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

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Name of the Committee	Members
Audit and Risk Management Committee	i) Mr. Michael Muchemi ii) Hon. Justice Anthony Ndung'u iii) Prof. Kiarie Mwaura iv) Ms. Jennifer Gitiri v) Ms. Caroline Kigen
Finance and General Purposes Committee	i) Ms. Janet Kimeu ii) Hon. Lady Justice Fatuma Sichale iii) Ms. Linda Murila iv) Ms. Eva Kimeiywo v) Mr. Jona Wala
Technical Committee	i) Hon. Justice Anthony Ndung'u ii) Ms. Eva Kimeiywo iii) Ms. Linda Murila iv) Ms. Janet Kimeu v) Mr. Samuel Njoroge
Human Resources Committee	i) Hon. Lady Justice Fatuma Sichale ii) Prof. Kiarie Mwaura iii) Mr. Michael Muchemi iv) Ms. Jennifer Gitiri

Parliamentary Committee activities

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

Development partner oversight activities

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



NATIONAL COUNCIL FOR LAW REPORTING

- a) **Kenya Law Headquarters**
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1st Ngong Avenue,
P.O. Box 10443 – 00100,
Nairobi,
KENYA
- b) **Kenya Law contacts**
Telephone: 020 2712767
E-mail: info@kenyalaw.org
Website: www.kenyalaw.org
- c) **Kenya Law Bankers**
 - i) Kenya Commercial Bank,
Capitol Hill Branch,
P.O Box 69695 – 00400,
Nairobi.
 - ii) Barclays Bank of Kenya,
Hurlingham Branch,
P.O Box 34974 – 00100,
Nairobi.
- d) **Kenya Law Independent Auditors**
The Auditor General,
Office of the Auditor General,
Anniversary Towers, University Way
P.O Box 30084- 00100
Nairobi, Kenya.
- e) **Kenya Law's Principal Legal Adviser**
The Attorney General,
Office of the Attorney General & Department of Justice,
Harambee Avenue,
P.O. Box 40112 - 00200
Nairobi, Kenya

2. COUNCIL MEMBERS



Hon. Justice David Kenani Maraga, EGH
The Chief Justice & President of the
Supreme Court of Kenya.
Chairman, Council for Law Reporting

Hon. Justice David Kenani Maraga is the Chief Justice and President of the Supreme Court of Kenya.

Prior to his appointment as CJ, Justice Maraga was the Presiding Judge of the Court Of Appeal at Kisumu and the Chairperson of the Judiciary Committee on Elections. He was also Chairperson of the Tribunal appointed by His Excellency the President of the Republic of Kenya that investigated and ruled on the conduct of a Judge of the High Court of Kenya.

Prior to his appointment as Judge of the Court of Appeal, he had served as the Presiding Judge of the Family Division of the High Court of Kenya at Nairobi; and Resident Judge at the High Court of Kenya at Nakuru. Before joining the Judiciary, Justice Maraga was a legal practitioner for twenty five (25) years in conveyancing, civil and criminal litigation. The Hon Chief Justice Maraga holds a Master of Laws (LLM) Degree from the University of Nairobi; a Bachelor of Laws (LLB) Degree from the same University and a Diploma in Legal Practice from the Kenya School of Law. He is a member of the Law Society of Kenya and the Chartered Institute of Arbitrators, London.



Hon. Rt. Justice Kihara Kariuki CBS
The Attorney General

Hon. Justice (rtd) Kihara Kariuki is the Attorney General of the Republic of Kenya.

Justice Kihara Kariuki was admitted to the Bar in 1978 after completing his post-graduate diploma in law at the Kenya School of Law, Nairobi. He practiced law with several legal establishments including Ndungu Njoroge and Kwach Advocates, and Hamilton Harrison and Mathews Advocates in Nairobi.

In 2003, he was appointed to serve as Principal and Chief Executive Officer at the Kenya School of Law. In the same year, he was appointed Judge of the High Court where he served in both the civil and commercial divisions of the Court for several years.

Between 2009 and 2013, Justice Kihara Kariuki served as the first Director at the Judiciary Training Institute.

He was appointed the President of the Court of Appeal in 2013 and was instrumental in the decentralization of the Court of Appeal to Malindi, Kisumu and Nyeri Counties. Justice Kihara Kariuki was appointed Attorney General of the Republic of Kenya in March 2018



Hon. Lady Justice Fatuma Sichale
Judge of the Court of Appeal

Hon. Lady Justice Fatuma Sichale was admitted to the Roll of Advocates in 1983 and subsequently worked as a magistrate. She was later promoted to resident magistrate until 1987 when she went into private practice in Kitale and Nairobi. Justice Sichale was later appointed to the board of the now defunct Kenya Anti-Corruption Commission as the vice-chairman. In August 2004, she was appointed an Assistant Director in the Kenya Anti-Corruption Commission (KACC), rising to deputy director in 2005. She resigned from KACC in October 2009.

She was appointed as Judge of the Court of Appeal in 2016. Prior to this appointment, Justice Sichale served as a council member of the Law Society of Kenya, as well as on the council of FIDA (K).

Justice Sichale holds a Bachelor of Laws (LLB) degree from the University of Nairobi, a Post Graduate Diploma in Law from the Kenya School of Law and is an Advocate of the High Court of Kenya.

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Hon. Justice Anthony Ndung'u is a Judge of the High Court of Kenya. Justice Ndung'u served in private legal practice with Kihara Muttu Advocates between 1992 and 1993 before joining the public service as a State Counsel II at the Attorney General's Chambers in 1993.

In 2011, he joined the Judiciary as a District Magistrate II (Prof.) and rose through the ranks to become a Chief Magistrate. Justice Kimani was serving as a Chief Magistrate at the time of his appointment as Judge of the High Court.

Justice Ndung'u holds a Bachelor of Laws degree from the University of Nairobi and a Diploma in Law from the Kenya School of Law.

Hon. Justice Anthony Ndung'u
Judge of the High Court of Kenya



Prof. Kiarie Mwaura
Dean, School of Law, University of Nairobi

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

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

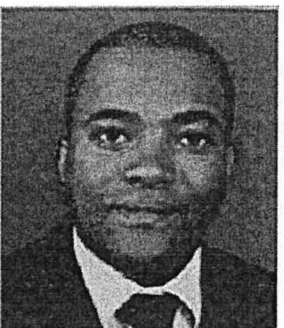


Ms. Jennifer Gitiri is an Advocate of the High Court of Kenya and a Senior State Counsel at the Office of the Attorney General and Department of Justice. Previously, she was the Global Networking Officer at Norwegian Church Aid.

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

She is a member of the Law Society of Kenya.

Ms. Jennifer Gitiri
Senior State Counsel, Office of the Attorney
General & Department of Justice



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

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

Mr. Michael Muchemi
Advocate of the High Court

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Mr. Mwenda Njoka is a distinguished media personality and the Government Printer. He joined the Board of National Council for Law Reporting in June 2019. Mr. Njoka also serves on the Board of the Competition Authority as an alternate Director to the Principal Secretary, State Department for Interior, Ministry of Interior and Coordination of National Government. Previously, he was the Communications Director and Advisor to the Cabinet Secretary in the Ministry of Interior and Co-ordination of National Government.

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

Mr. Mwenda Njoka
Government Printer



Ms. Janet Kimeu is an Advocate of the High Court of Kenya and Managing Partner, Janet Jackson & Susan LLP. Previously, she was a Partner, B.M. Musau & Co Advocates. She has previously held the position of Vice Chair of the Law Society of Kenya, South Eastern Branch

Ms. Kimeu holds a Master of Business Administration from the University of Liverpool, a Bachelor of Laws Degree from the University of Nairobi and a Post Graduate Diploma in Law from the Kenya School of Law.

Ms. Janet Kimeu
Advocate of the High Court



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

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

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

Mr. Long'et Terer
Editor/CEO of the National Council for
Law Reporting

3. MANAGEMENT TEAM

I. Key Information about the Management team, Position held and Qualifications



Long'et Terer	
Position	Editor/ CEO
Date Joined	March 2014
Profession	Advocate
Key Qualifications	LLM; LLB; PGD Law



Janet Munywoki	
Position	Senior Assistant Editor/ DCEO
Date Joined	August 2018
Profession	Advocate
Key Qualifications	M.A. (Int. Studies); LLB; BSL; PGD Law; Certified Mediator



Janet Watila	
Position	Manager, HRM
Date Joined	March 2014
Profession	Human Resources
Key Qualifications	PhD Administration (ongoing); MSC HRM; BBA



Pascal Othieno	
Position	Team Leader- Finance and Procurement
Date Joined	January 2007
Profession	Accountant
Key Qualifications	MBA (Strategic Management); BBM Accounting; CPA(K); Member-ICPAK

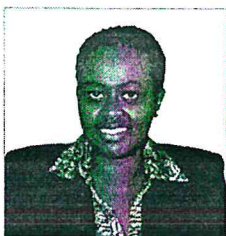


Linda Awuor	
Position	Team Leader- Research and Development
Date Joined	January 2009
Profession	Advocate
Key Qualifications	M.A Env. Law; LLB; PGD Law; SLDP; ISO Lead Auditor; Organisational Performance Index (OPI)

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Edna K Muthaura	
Position	Team Leader- Strategy, Quality and Performance Management
Date Joined	October 2014
Profession	Advocate
Key Qualifications	Msc-Organizational Development; PGD Law; ISO lead Auditor



Wambui Kamau	
Position	Team Leader- Laws of Kenya
Date Joined	January 2010
Profession	Advocate
Key Qualifications	LLB; PGD Law; Organisational Performance Index (OPI)



Martin Andago	
Position	Team Leader- Information, Communication and Technology
Date Joined	January 2010
Profession	ICT
Key Qualifications	BSC Business Information Systems Linux system Essential Training; Oracle; Workforce Development Programme; Oracle 9i PL/SQL Certification; Organizational Performance Index; Member – ICTAK; SLDP - KSG



Emily Nakhungu	
Position	Team Leader- Sales, Marketing and Customer Care
Date Joined	July 2017
Profession	Marketing and Communication
Key Qualifications	BA- Communication and Media; Marketing; PRSK; SMC

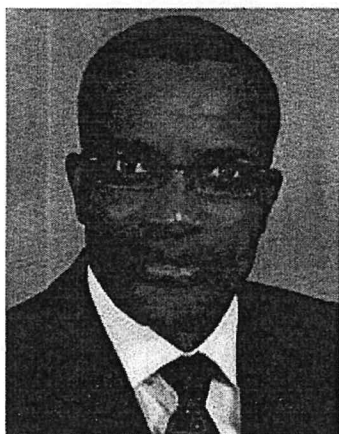


Njeri Githanga	
Position	Team Leader- Law Reporting
Date Joined	February 2019
Profession	Advocate
Key Qualifications	LLB; PGD Law; SMC



Fredrick Abea	
Position	Team Leader- Internal Audit
Date Joined	January 2016 – September 2018
Profession	Internal Auditor
Key Qualifications	BBM (Finance & Banking); CPA(K); SMC

4. CHAIRMAN'S STATEMENT



We are now one year into the implementation of the Kenya Law Strategic Plan 2018-2022 and this marks the first annual report under this strategic plan period. The last 12 months have seen progressive change in a number of areas, from innovations and service developments which are aimed at enhancing the experience of our customers and stakeholders, to new ways of working which are changing the way our services are delivered, and the development and deployment of different technological platforms to support our functions.

Kenya Law's Strategic Plan 2018 - 2022 Plan identified three strategic themes that Kenya Law will focus on over the course of the next five years. These are:

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

Our strategic focus in the area of access to public legal information was to acquire and implement robust systems to effectively and efficiently generate and disseminate all received public legal information. Our focus on the electronic delivery of information via digital services, including data and content across multiple platforms and devices like web or mobile shows our commitment to the fulfillment of our vision and mission as an organization.

As a semi-autonomous state corporation, we recognize that institutional capacity for sustainable growth and development needs to be addressed in order to facilitate the achievement of the institutional mandates. Towards this the institution was intentional in its focus in ensuring that Kenya Law had an adequate, competent and motivated workforce, that resource mobilization was enhanced while ensuring prudent financial management and that operational efficiency was continuously being transformed and improved through the application of new technologies.

Further, towards institutional development and sustainability, Kenya Law developed and implemented a Service Delivery Charter to guide its operations. This Charter is intended to facilitate efficient decision making by management in discharging their duties and responsibilities.

In terms of our Corporate identity and visibility, Kenya law directed its efforts towards enhancing its brand awareness and corporate image. This was undertaken by implementing various marketing and communication strategies in order to promote brand awareness, maintain a good corporate image and broaden the customer base. The development of our Citizens Service Charter was intended to enlighten our stakeholders on our mandate, vision, mission, core values and service standards. We are committed to continuously be of service to the citizens, who as customers or potential customers, are stakeholders and are entitled to know their rights and obligations.

We continued upholding the highest corporate governance standards within the Board and we were able to effectively discharge our functions and offer strategic direction the organization. The four Committees of the Council (Technical Committee, the Finance and General Purposes Committee, the Audit and Risk Management Committee and the Human Resources Committee) consistently met over this period and discharged their mandate as per the Council Charter.

I would like to thank the Kenya Law Council for their commitment to this organization, their exercise of the highest degree of care and skill in discharging their duties and always acting in the best interest of Kenya Law. I would also like to thank the Kenya Law team for their continued good work, their innovation and tireless efforts to make legal information public.


Hon. David Kenani Maraga, EGH
Chief Justice & President of the Supreme Court
Chairman, National Council for Law Reporting

5. STATEMENT FROM THE CHIEF EXECUTIVE OFFICER



Kenya Law's Annual Report 2018/2019 communicates its financial and non-financial information and provides a comprehensive overview of the financial and organizational performance of the institution in the reporting period July 1st 2018 to June 30th 2019. The financial statements have been prepared in accordance with the International Public Sector Accounting – Accrual Standards. The report is arranged in chapters covering the organization and its mandate; corporate governance; our methodology and strategies; achievements and milestones; the audited financial statements; challenges and recommendations; and our forecasts for the next financial year.

Our major achievements in the year included the collection and online publication of 21,708 decisions from the superior courts, the finalization of eight Kenya Law Reports volumes, the preparation and printing of four Laws of Kenya publications and the compilation and publication of four quarterly publications of the Bench Bulletin.

Kenya Law also undertook the publication of specialized law reports in recognition of the increasing specialization of legal practice in the country. We published various digests on topical issues in a simplified easy to understand format. Some of the publications developed include the Compendium of Rulings on Bail and Bond and a Specialized Digest on Arbitration.

Kenya Law's legislation database was updated on a daily basis by uploading all legislative instruments that were assented to by both the national and county governments. In the period under review a total of 86 bills and 167 statutes were collected and uploaded unto this database. The legislation database, which consists of more than 40,000 pages of legislative text, was continuously updated so that the legislation on the database was on average 90% revised, updated and consolidated at any one time.

We were honored to be awarded the Public Sector Legal Department of the Year Award at the 2019 Nairobi Legal Awards. The Awards are an initiative of the Law Society of Kenya, Nairobi Branch which seeks to recognize excellence in legal practice and are meant to promote bench-marking of best practice standards in the Kenyan legal profession. To be recognized for this award, the recipient had to demonstrate that it had in place strategy and leadership structures including human resource policies, training and mentorship of interns, pupils and even young lawyers, its contribution to the development of law and legal practice or other legal practice matters that sets them apart from other departments, demonstrate high standards of legal services, evidence of corporate social responsibility as well as policy reform and law development. Kenya Law, the jury noted, had surpassed their expectation and became the first ever recipient to receive the Public sector legal department award.

As we seek to advance our mission, we rely on each of our team members to uphold the highest standards of professionalism. We recognize that each of our staff has the ability to shape the future and to build trust in our products and services. They have offered exemplary service in this past year and I would like to commend the Kenya Law team on their tireless efforts in the discharge of their duties. I would also like to thank that Chairman of our Council and the entire Council for continuously being available to us and for their visionary leadership which has enabled us stay the course and achieve so much.

Mr. Long'et Terer,
CEO/Editor,
National Council for Law Reporting

6. CORPORATE GOVERNANCE STATEMENT

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

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

The governance framework, the corporate culture and human relationships that underpin all governance frameworks, are operating as expected. The roles and functions of the Chairman and the Editor/CEO are distinct and their respective responsibilities clearly defined within the institution. The Council comprises of ten (10) Council Members, nine (9) of whom are non-executive members of the Council including the Chairman. The Council also co-opts members with diverse expertise in areas of Financial Management, Human Resource management and audit to complement its capacity.

The Council has a Charter that guides its operations and facilitates efficient decision making in discharging its duties and responsibilities. The Council has set up the following Committees, which meet at least quarterly under well-defined terms of reference:

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

The council held four (4) Council meetings in the Financial Year 2018/2019 and sixteen (16) committee meetings with over 90% attendance.

7. MANAGEMENT DISCUSSION AND ANALYSIS

SECTION A

Operational and Financial Performance

Kenya Law's operational performance in the period to June 2019 was as expected as the Council continued to collect, compile and disseminate Kenya's legal information through its web site (www.kenyalaw.org) in a timely manner.

The operational and financial performance of Kenya Law was very good. The organisation achieved very good results in the area of online reporting, collection and uploading and dissemination of public legal information as well as printing of specialised publications.

Below is a brief narrative expounding on Kenya Law's performance in the financial year 2018/2019:

Law Reporting:

- i. Nineteen (19) Kenya Law Reports were prepared and the status of the progress of these print publications is indicated in Table 1 below:

LAW REPORTS	STATUS
Kenya Law Reports, 2013 Vol. I	At Print
Kenya Law Reports, 2013 Vol. II	At Print
Kenya Law Reports, 2013 Vol. III	At Print
Kenya Law Reports, 2015 Vol. I	At Print
KLR, Devolution, Vol. I	At Print
Kenya Law Reports, 1995	At Print
Kenya Law Reports, 1996	At Print
KLR, Election Petitions, Vol. VI	At Print
KLR, Employment & Labour Relations	90% complete
KLR, Environment & Land	90% complete
KLR 2016 Vol. I	90% complete
KLR 1998	90% complete
KLR, Gender & Family Volume	75% complete
KLR, Commercial Volume	75% complete
KLR, 2015 Vol. II	75% complete
KLR, 2016 Vol. II	75% complete
KLR, 2017 Vol. I	60% complete
KLR, 2017 Vol. II	40% complete
KLR, 2018 Vol. I	15% complete

- ii. Uploaded 100 % of all judicial decisions i.e. 20,290 judicial decisions from the superior courts of record and 41 judicial decisions from the Tribunals collected, processed and disseminated on the Kenya Law website (case law database).

Laws of Kenya:

Kenya Law continued to update the laws of Kenya database by revising and updating its online platform, www.kenyalaw.org. Overall, it achieved 87% updates to all of Kenya's legislation through revision and updates to the Laws of Kenya database.

Below is a summary of the achievements:

- i. 1,000 copies of the Digest on Presidential Election petition Volume 2 were prepared, published and printed.
- ii. 1,000 copies of the Grey Book 2014 were prepared, published and printed.
- iii. 1,000 copies each of service issues volumes were prepared, published and printed for Public Finance Laws, Commercial Laws and Land laws and 2,000 copies of the Grey Book service issues.
- iv. 1,000 copies of the Publication on the National Assemblies standing orders were prepared, published and printed.
- v. Uploaded 100% of all received Acts, Bills, Legal notices, Amendment Acts and Regulations collected, processed and uploaded on the on the Kenya Law website (Laws of the Kenya database).
- vi. 67 statutes were revised, compiled and submitted to the Office of the Attorney General for approval towards the publication of the 24th Annual Supplement.

Other related Legal Information:

Kenya Law collected, processed and uploaded on the Kenya Law website 100% of all other received public legal information (Kenya gazette, cause list, parliamentary Hansard, commission reports etc.)

Specifically, the following were done;

- vii. 1,000 copies of the Compendium on Bail and Bond Vol 1 were prepared, published and printed.
- viii. 250 copies of the Kenya Law Review Journal were prepared, published and printed.
- ix. 4 issues of 1,500 copies each of the Bench Bulletins i.e. issues 41, 42, 43 & 44 were prepared, published and printed.
- x. 4 reports to the Office of the Attorney General and Kenya Law Reform Commission on the laws that require law reform were prepared and transmitted.
- xi. 4 reports to the Judiciary on differences in judicial reasoning were prepared and transmitted.
- xii. 46 weekly newsletters to Kenya Law subscribers were compiled and disseminated.

Increased access to the public legal information:

Kenya Law digitized and disseminated 100% of all legal information received through the Kenya Law website.

This online platform recorded increased access as follows:

- xiii. Case law database had 2,119,560-page views in the last quarter adding up to 6,683,371-page views in the year ended June 2019.
- xiv. Laws of Kenya database had 590,866-page views in the last quarter adding up to 2,078,333 -page views for the year ended June 2019.
- xv. Kenya Law's website had a 99% daily uptime and was secured by the most up to date security hardware and software.

The table below shows the sum total of 251 statutes processed; Legal Notices, Statutes, Amendment Acts and other legislation collected, revised and uploaded to the Kenya Law website in the year ending 30th June 2019:

SUPPLEMENT		NUMBER
National Legislation	Acts	22
	Amendment Acts	6
	Omitted Acts	5
	Repealed	2
	Legal Notices	115
Bills	National Assembly	53
	Senate	33

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County Legislation	Acts	11
	Legal Notices	4
	Bills	0

Table 3 list of statutes processed;

Acts

- i. The Kenya Coast Guard Service Act, No. 11 of 2018,
- ii. Income Tax Act (Cap 470)
- iii. Stamp Duty Act (Cap 480)
- iv. Value Added Tax Act, 2013 (No. 35 of 2013)
- v. Tax Appeals Tribunal Act, 2013 (No. 40 of 2013)
- vi. Excise Duty Act, 2015 (No. 23 of 2015)
- vii. Tax Procedures Act, 2015 (No. 29 of 2015)
- viii. Miscellaneous Fees and Levies Act, 2016 (No. 29 of 2016)
- ix. Betting, Lotteries and Gaming Act (Cap 131)
- x. Marine Insurance Act (Cap 390)
- xi. Air Passenger Service Charge Act (Cap 475)
- xii. Banking Act (Cap 488)
- xiii. Central Bank of Kenya Act (Cap 491)
- xiv. Kenya Revenue Authority Act, 1995 (No. 2 of 1995)
- xv. Retirement Benefits Act, 1997 (No. 2 of 1997)
- xvi. Accountants Act, 2008 (No. 15 of 2008)
- xvii. Proceeds of Crime and Anti- Money Laundering Act, 2009 (No. 9 of 2009)
- xviii. Employment Act, 2007 (No. 11 of 2007)
- xix. Assumption of the Office of Governor Act, 2019
- xx. Warehouse Receipt System Act, 2019
- xxi. Energy Act, 2019 (No. 1 of 2019).
- xxii. Petroleum Act, 2019.

Amendment Acts

- i. The Tax Laws (Amendment) Act, No. 9 of 2018,
- ii. Finance Act, No. 10 of 2018
- iii. Health Laws (Amendment) Act, 2019
- iv. National Cohesion and Integration (Amendment) Act, 2019
- v. Sports (Amendment) Act, 2019
- vi. Urban Area and Cities (Amendment) Act, 2019 (No. 3 of 2019)

Omitted Acts

- i. The Appropriation Act, No. 7 of 2018,
- ii. The County Allocation of Revenue Act, No. 8 of 2018
- iii. The Division of Revenue Act (Amendment), NO. 12 of 2018,
- iv. The Supplementary Appropriation (No. 2) Act, No. 13 of 2018,
- v. Supplementary Appropriation Act, 2019

Legal Notices

- i. L.N 133 of 2018 The Civil Aviation (Surveillance and Collision Avoidance Systems) Regulations, 2018
- ii. L.N 134 of 2018 The Civil Aviation (Aeronautical Charts) Regulations, 2018
- iii. L.N 135 of 2018 The Civil Aviation (Communication Procedures) Regulations, 2018
- iv. L.N 136 of 2018 The Civil Aviation (Aeronautical Radio Frequency Spectrum Utilization) Regulations,

- 2018
- v. L.N 137 of 2018 The Civil Aviation (Air Traffic Services) Regulations, 2018
 - vi. L.N 138 of 2018 The Tax Procedures (Tax Agents) Regulations, 2018
 - vii. L.N 139 of 2018 The Retirement Benefits (Occupational Retirement Benefits Schemes) (Amendment) Regulations, 2018
 - viii. L.N 140 of 2018 The Public Finance Management (Tourism Promotion Fund) Regulations, 2018
 - ix. L.N 141 of 2018 The Public Finance Management (National Government) (Amendment) Regulations, 2018
 - x. L.N 142 of 2018 The Proceeds of Crime and Anti-Money Laundering (Amendment) Regulations, 2018
 - xi. L.N 143 of 2018 The Air Passenger Service Charge Act (Apportionment) Order, 2018
 - xii. L.N 144 of 2018 The Retirement Benefits (Individual Retirement Benefits Schemes) (Amendment) Regulations, 2018
 - xiii. L.N 145 of 2018 The Civil Aviation (Radio Navigation Aids) Regulations, 2018
 - xiv. L.N 146 of 2018 The Civil Aviation (Communication Systems) Regulations, 2018
 - xv. L.N 147-156 of 2018 The Competition Act-Exclusions
 - xvi. L.N 157 of 2018 The Labour Relations Act- The Kenya Export Floriculture, Horticulture and Allied Workers Union Deduction of Union Dues Order, 2018
 - xvii. L.N 158 of 2018 The Labour Relations Act- The Union of National Research and Allied Institute Staff of Kenya Deduction of Agency Fees Order, 2018
 - xviii. L.N 159 of 2018 The Labour Relations Act- The Kenya Medical Practitioners, Pharmacists and Dentists Union Deduction of Union Dues Order, 2018
 - xix. L.N 160 of 2018 The Labour Relations Act- The Kenya National Union of Nurses Deduction of Union Dues Order, 2018
 - xx. L.N 161 of 2018 The Microfinance Act-Exemption
 - xxi. L.N 162 of 2018 The Energy (Energy Regulatory Commission Petroleum Levy) Order, 2018
 - xxii. L.N 163 of 2018 The Civil Aviation Act- Conferment of Functions
 - xxiii. L.N 164 of 2018 The Excise Duty Act- Adjustment of Rates for Inflation
 - xxiv. L.N 165 of 2018 The Civil Aviation (Operation of Aircraft- General Aviation Aeroplanes) Regulations, 2018
 - xxv. L.N 166 of 2018 The Civil Aviation (Meteorology Services for Air Navigation) Regulations, 2018
 - xxvi. L.N 167 of 2018 The Civil Aviation (Licensing of Air Services) Regulations, 2018
 - xxvii. L.N 168 of 2018 The -Traffic Act Exemption
 - xxviii. L.N 169-172 of 2018 The National Hospital Insurance Fund Act- Declaration of Hospitals, etc.
 - xxix. L.N 173 of 2018 The Clinical Officers (Training, Registration and Licensing Act- Commencement.
 - xxx. L.N 174 of 2018 The Public Finance Management (Sports, Arts and Social Development Fund) Regulations, 2018
 - xxxi. L.N 175 of 2018 The Export Processing Zones Act- Declaration of Export Processing Zone- Embu
 - xxxii. L.N 176 of 2018 The Export Processing Zones Act- Declaration of Export Processing Zone- Kwale
 - xxxiii. L.N 177 of 2018 The Universities Act-Koitalel Samoei University College Order, 2018
 - xxxiv. L.N 178 of 2018 The Kenya Union of Special Needs Education Teachers Deduction of Union Dues Order, 2018
 - xxxv. L.N 179 of 2018 The Environmental Management and Co-ordination Act- Declaration of Protected Area
 - xxxvi. L.N 180 of 2018 The Community Land (Amendment) Regulations, 2018
 - xxxvii. L.N 181 of 2018 The Stamp Duty Act- Exemption
 - xxxviii. L.N 182 of 2018 The Cattle Cleansing Act- Prescription of Effective Tick Destroying Agents
 - xxxix. L.N 183-189 of 2018 The Competition Act- Exclusions
 - xl. L.N 190 of 2018 The Labour Relations Act- Deduction of Union Dues L.N 191 of 2018
 - xli. L.N 192 of 2018 The Retirement Benefits (Post-Retirement Medical Funds) Guidelines, 2018
 - xl. L.N 193 of 2018 The Retirement Benefits (Good Governance Practices) Guidelines, 2018
 - xl. L.N 193 of 2018 The Public Finance Management (Sports, Arts and Social Development Fund) Regulations, 2018
 - xliv. L.N 194 of 2018
 - xl. L.N 195 of 2018 The Labour Relations Act- Kenya Union of Domestic, Hotels, Educational Institutions and Hospital Workers Act (Deduction of Union Dues)
 - xlvi. L.N 196-203 of 2018 The Competition Act- Proposed Acquisition
 - xl. L.N 204 of 2018 The Kenya Coast Guard Service Act, 2018- Commencement
 - xl. L.N 205 of 2018 The Statistics (Census of Population) Order, 2018
 - xl. L.N 206 of 2018 The Banking Act- Exemption
 - l. L.N 207-213 of 2018 The Competition Act- Exclusions

- li. L.N 214 of 2018 The State Corporations Act- The Kenya Fishing Industries Corporation Order, 2018
- lii. L.N 215 of 2018 The Traffic Act- Exemption
- liii. L.N 216-232 of 2018 The Competition Act- Exclusion
- liv. L.N 233 of 2018 The State Corporations Act- The Bandari Maritime Academy Order, 201
- lv. L.N 234 of 2018 The Income Tax Act- Exemption
- lvi. L.N 235 of 2018 The Central Bank of Kenya Act- Description of New issue of One Shilling, Five Shillings, Ten Shillings and Twenty Shillings Coins
- lvii. L.N 236 of 2018 The Public Finance Management Act- Sports, Arts and Social Development Fund (Amendment) Regulations, 2018
- lviii. L.N 237 of 2018 The Export Processing Zones Act- Revocation of Declaration of Export Processing Zone
- lix. L.N 238 of 2018 The Housing Fund Regulations, 2018
- lx. L.N 239 of 2018 The Excise Duty Act- Adjustment of Rates for Inflation
- lxi. LN 240 of 2018 The Excise Duty Act—Decrease in Rates of Excise Duty
- lxii. LN 241 of 2018 The Traffic Act—Exemption
- lxiii. LN 242 of 2018 The Energy (Appliances Energy Performance and Labelling) (Amendment) Regulations, 2018
- lxiv. LN 243 of 2018 The Labour Relations Act - Dock Workers Union (Deduction of Union Fees) Order, 2018
- lxv. LN 244 of 2018 The Competition Act—Exclusion
- lxvi. Private Security (General) Regulations, 2019, L.N 13/2019
- lxvii. Geothermal Development Company Limited (Vesting) Order, 2019
- lxviii. Statistics Act (Census of Population) (Amendment) Order, 2019
- lxix. Nairobi Metropolitan Area Transport Authority Order
- lxx. Crops (Irish Potato) Regulations, 2019
- lxxi. Engineers Rules, 2019
- lxxii. Air Passenger Service Charge Act (Apportionment) Order, 2018
- lxxiii. Public Finance Management (Tourism Promotion Fund) Regulations, 2019
- lxxiv. Labour Institutions (Private Employment Agencies) (Amendment) Regulations, 2019
- lxxv. Nairobi Centre for International Arbitration (Arbitration) (Amendment) Regulations, 2019
- lxxvi. Water Act—Commencement
- lxxvii. Water Act—Establishment of Waterworks Development Agencies
- lxxviii. Insolvency (Amendment) Regulations, 2019
- lxxix. Companies (General) (Amendment) Regulations, 2019
- lxxx. Environment Management and Coordination Act - Amendment to 2nd Sch.
- lxxxi. Environment Impact Assessment and Audit (Amendment) Regulations, 2019
- lxxxii. Judiciary Fund Regulations, 2019
- lxxxiii. Universities Act - Charter for the University of Embu
- lxxxiv. Public Service Commission Regulations, 2019
- lxxxv. Judicial Service (Tribunal to Investigate Justice Jackton Boma Ojwang) Rules of Procedure, 2019
- lxxxvi. Central Bank of Kenya Act—Description of New Issue of Fifty, One Hundred, Two Hundred, Five Hundred and One Thousand Shillings Kenya Currency Notes
- lxxxvii. Public Finance Management (Biashara Kenya Fund) Regulations, 2019
- lxxxviii. Public Finance Management (Uwezo Fund) (Revocation) Regulations, 2019
- lxxxix. Public Finance Management (Women Enterprise Fund) (Revocation) Regulations, 2019
- xc. Public Finance Management (Youth Enterprise Development Fund) (Revocation) Regulations, 2019
- xc. Insurance (Valuation of Technical Provisions for Life Insurance Business) (Amendment) Guidelines, 2019
- xcii. Tax Procedures (Unassembled Motor Vehicles and Trailers) Regulations, 2019
- xciii. Value Added Tax (Amendment) Regulations, 2019
- xciv. Retirement Benefits (Umbrella Retirement Benefits Schemes) (Amendment) Regulations, 2019
- xcv. Retirement Benefits (Occupational Retirement Benefits Schemes) (Amendment) Regulations, 2019
- xcvi. Retirement Benefits (Individual Retirement Benefits Schemes) (Amendment) Regulations, 2019
- xcvii. Public Finance Management (National Government) (Amendment) Regulations, 2019
- xcviii. Insurance (Motor Vehicles Third Party Risks) (Certificate of Insurance) (Amendment) Rules, 2019
- xcix. Insurance (Amendment) Regulations, 2019
- c. Excise Duty (Excisable Goods Management System) (Amendment) Regulations, 2019
- ci. Capital Markets (Securities) (Public Offers, Listing and Disclosures) (Amendment) Regulations, 2019
- cii. Protected Areas Order, 2019
- ciii. Cattle Cleansing Act—Prescription of Effective Tick Destroying Agent
- civ. Banking Act- Extension of Exemption (LN 1/2019).
- cv. Labour Institutions Act - Regulation of Wages (General) (Amendment) Order, 2018 (LN 2/2019).

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- cvi. Labour Institutions Act - Regulation of Wages (Agricultural Industry) (Amendment) Order, 2018 (LN 3/2019).
- cvi. State Corporations Act-The Kenyatta University Teaching, Referral and Research Hospital Order, 2019 (LN 4/2019).
- cvi. National Youth Service Act—Commencement (LN 5/2019).
- cix. Public Officer Ethics Act—The Witness Protection Agency Procedures for Administration of Part IV of the Act (LN 6/2019).
- cx. Fisheries Management and Development Act—Designated Fishing Port (LN 7/2019).
- cx. Public Finance Management (Roads Annuity Fund) (Amendment) Regulations, 2019 (LN 7/2019).
- cxii. Kenya Union of Pre-Primary Education Teachers (Collection of Union Dues) Order, 2019 (LN 9/2019).
- cxiii. Kenya Universities Staff Union (Collection of Union Dues) Order, 2019 (LN 10/2019).
- cxiv. Stamp Duty—Exemption (LN 11/2019).
- cxv. Banking Act—Exemption (LN 12/2019).

Below is the list of Bills collected, processed and uploaded on www.kenyalaw.org in the year

National Assembly Bills

- i. National Youth Service Bill, No. 26 of 2018
- ii. Nuclear Regulatory Bill, No. 27 of 2018
- iii. Supplementary Appropriation (No. 2) Bill, No. 23 of 2018
- iv. County Governments (Revenue Raising Process) Bill, No. 24 of 2018
- v. Sports (Amendment) Bill, No. 25 of 2018
- vi. Public Finance Management (Amendment Bill), 2019 gazetted on 12th April, 2019
- vii. Sectional Properties Bill, 2019
- viii. Independent and Boundaries Commission Bill, 2019
- ix. Crops (Amendment) Bill, 2019
- x. National Drought Management Authority (Amendment) Bill, 2019
- xi. Public Service commission (Amendment) Bill, 2019
- xii. Traffic (Amendment) Bill, 2019
- xiii. County Governments' Retirement Scheme Bill, 2019
- xiv. Statute Law (Miscellaneous Amendment) Bill, 2019
- xv. Independent and Boundaries Commission(Amendment) (No. 2) Bill, 2019
- xvi. Kenya Food and Drugs Authority Bill, 2019
- xvii. Crops (Amendment) (No. 2) Bill, 2019
- xviii. Kenya Institute of Curriculum Development (Amendment) Bill, 2019
- xix. Assisted Reproductive Technology Bill, 2019
- xx. Independent Electoral and Boundaries Commission (Amendment) (No. 3) Bill, 2019
- xxi. Public Procurement and Asset Disposal (Amendment) Bill, 2019
- xxii. Statistics (Amendment) Bill, 2019
- xxiii. Gaming Bill, 2019
- xxiv. Public Procurement and Asset Disposal (Amendment) (No. 2) Bill, 2019
- xxv. Constitution of Kenya (Amendment) (No. 2) Bill, 2019
- xxvi. Supplementary Appropriation Bill, 2019
- xxvii. Kenya Uwezo Fund Bill, 2019
- xxviii. Equalisation Bill, 2019
- xxix. Data Protection Bill, 2019
- xxx. Parliamentary Pensions (Amendment) Bill, 2019
- xxxi. Appropriation Bill, 2019
- xxxii. Radiographers Bill, 2019
- xxxiii. Public Finance Management (Amendment Bill), 2019, gazetted on 5th July, 2019
- xxxiv. Law of Contract (Amendment) Bill, 2019.
- xxxv. Livestock and Livestock Products Marketing Board Bill, 2019.
- xxxvi. Institute of Directors of Kenya Bill, 2019.
- xxxvii. Industrial Training (Amendment) Bill, 2019.
- xxxviii. Anti-Corruption and Economic Crimes (Amendment) Bill, 2019.
- xxxix. Narcotic Drugs and Psychotropic Substances (Control) (Amendment) Bills, 2019.
- xl. National Youth Council (Amendment) Bill, 2019.

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- xli. Higher Education Loans Board (Amendment) Bill, 2019.
- xlvi. National Disaster Management Authority Bill, 2019.
- xlvi. Division of Revenue Bill, 2019.
- xliv. National Cohesion and Integration (Amendment) Bill, 2019.
- xliv. Statutory Instruments (Amendment) Bill, 2019.
- xlvi. Public Order (Amendment) Bill, 2019.
- xlvi. Employment (Amendment) Bill, 2019.
- xlvi. National Government Constituencies Development Fund (Amendment) Bill, 2019.
- xlvi. Public Service (Values and Principles)(Amendment) Bill, 2019.
- l. Labour Relations (Amendment) Bill, 2019.
- li. Constitution of Kenya (Amendment) Bill, 2019.
- lii. Kenya Information and Communications (Amendment) Bill, 2019.
- liii. Statute Law (Miscellaneous Amendment) Bill, 2019.

Senate Bills

- i. County Allocation of Revenue Bill, No. 29 of 2018
- ii. Determination of the Nature Bills (Procedure) No. 30 of 2018
- iii. Natural Resources (Benefit Sharing) Bill, No. 31 of 2018
- iv. Mental Health (Amendment) Bill, No. 32 of 2018
- v. Election Laws (Amendment) Bill, No. 33 of 2018
- vi. County Wards (Equitable Development) Bill, No. 34 of 2018
- vii. National Cohesion and Peace Building Bill, 2018
- viii. Tea Bill, No. 36 of 2018
- ix. Election Laws (Amendment)(No. 2) Bill, 2018
- x. Kenya Medical Supplies Authority (Amendment) Bill, 2018
- xi. County Hall of Fame Bill, 2018
- xii. Constitution of Kenya (Amendment) Bill, 2018
- xiii. County Outdoor Advertising Control Bill, No. 19 of 2018
- xiv. Prevention of Terrorism (Amendment) Bill, No. 20 of 2018
- xv. County Statutory Instruments Bill, No. 21 of 2018
- xvi. Petition to County Assemblies (Procedure) Bill, No. 22 of 2018
- xvii. Treaty Making and Ratification (Amendment) Bill, No. 23 of 2018
- xviii. Statutory Instruments (Amendment) Bill, No. 24 of 2018
- xix. County Law Compliance and Enforcement Bill, No. 25 of 2018
- xx. County Early Childhood Education Bill, No. 26 of 2018
- xxi. Preservation of Human Dignity and Enforcement of Economic and Social Rights Bill, No. 27 of 2018
- xxii. County Oversight and Accountability Bill, 2018
- xxiii. Public Finance Management (Amendment Bill), 2019
- xxiv. Control of Stray Dogs Bill, 2019
- xxv. County Terrorism Bill 2019
- xxvi. Commission on Administrative Justice (Amendment Bill), 2019
- xxvii. National Museums and Heritage (Amendment Bill), 2019
- xxviii. County Allocation of Revenue Bill, 2019
- xxix. Cancer Prevention and Control (Amendment) Bill, 2019
- xxx. Street Vendors (Protection of Livelihood Bill, 2019
- xxxi. Care and Protection of Child Parents Bill, 2019
- xxxii. Persons with Disabilities (Amendment) Bill, 2019.
- xxxiii. Constitution of Kenya (Amendment) Bill, 2019

Table 5 shows legislation from the County assemblies collected, processed and uploaded on www.kenyalaw.org:

1. County Acts

- i. Meru County Investment and Development Corporation Act, 2014.
- ii. Meru County Microfinance Corporation Act, 2014.
- iii. Meru County Revenue Board Act, 2014.
- iv. Meru County Co-operatives Societies Act, 2014.

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- v. Meru County Alcoholic Drinks Control Act, 2016.
- vi. Meru County Early Childhood Development and Education Act, 2016.
- vii. Meru County Health Services Act, 2016.
- viii. Meru County Disaster Management Act, 2017.
- ix. Meru County Honours and Award Act, 2018.
- x. Meru County Tea Cess Act, 2018.
- xi. Meru County Appropriation Act, 2018.

2. County legal notices

- i. County Assembly of Meru Staff Car Loan Fund Regulations, 2015 (LN 1/ 2015).
- ii. County Assembly of Meru Staff Housing Fund Regulations, 2015 (LN 2/ 2015).
- iii. Meru County Executive Staff Car Loan Fund Regulations, 2015 (LN 3/ 2015).
- iv. Meru County Executive Staff Housing Fund Regulations, 2015 (LN 4/ 2015).

Law Reform:

Judicial opinions are an important tool for evaluating the constitutionality, propriety, effectiveness and utility of statutory legislation as well as government administrative actions. Therefore, judicial pronouncements relating to an aspect of constitutional or statutory law or administrative actions that in need of reform are an important driver of the legal and administrative reform process.

In the period ending 30th June 2019, eight (8) Law Reform issues were identified and highlighted to the Attorney General and the Kenya Law Reform Commission:

- i. There is need for the review of sentencing, penal laws and policies and guidelines to determine which could be adjusted to reduce the elderly prisoner population without risking public safety (Wilson Kipchirchir Koskei v Republic [2019] eKLR)
- ii. Regulation 87(2)(b)(iii) of the Elections (General) Regulations which requires transposition of results on Form 37C declared null and void for contradicting section 39 of the Elections Act (Alfred Nganga Mutua & 2 others V Wavinya Ndeti & another [2019] eKLR)
- iii. The need for reform under rule 99 of the Court of Appeal Rules, 2010 to allow for any interested person to make applications for the revival of an abated appeal at the Court of Appeal as the legal representative of the deceased.
- iv. (Elizabeth Wanjiru Njenga & another v Margaret Wanjiru Kinyara & 2 others [2019] eKLR)
- v. Court of Appeal recommends review of age of sexual consent under the Sexual Offences Act (Eliud Waweru Wambui v Republic [2019] eKLR)
- vi. High Court recommends a review of the Sexual Offences Act to create a section to deal with sexual activities among children and a special system to handle such cases (SNN v Republic [2019] eKLR)
- vii. High Court declares the imposition of levies on the issuance and filling of the P.3 forms and other medical examination forms required by victims of crimes violated their rights contrary to Article 48 of the Constitution on the right of access to justice
- viii. (Legal Resources Foundation Trust v Attorney General & 5 others [2019] eKLR)
- ix. There is a conflict between Sections 297 (2) and 389 of the Penal Code as to the sentence for the offence of attempted robbery with violence
- x. (Tom Ochieng Wayumba v Director of Public Prosecutions [2019] eKLR)
- xi. There is need for Section 9 of the Law Reform Act to be amended to provide for extension of time in cases where strict adherence to the limitation period manifests a miscarriage of justice (Republic v Cabinet Secretary of Lands; Elijah Muema Kitavi & another (Interested Parties) Ex parte Raphael Kakene Muloki & another [2019] eKLR)
- xii. The Regulation banning outdoor advertisement of gambling was tainted with illegality, irrationality, unreasonableness and procedural impropriety and thus invalid
- xiii. (Republic v Betting Control and Licensing Board and another ex parte Outdoor Advertising Association of Kenya)
- xiv. The Sexual Offences Act does not provide for offences occasioned by when a person indecently touches another person against his/her will or other parts of the body other than those provided under Section 2.
- xv. (John Kimani Njoroge v Republic [2019] eKLR)
- xvi. Supreme Court calls on Parliament to consider legislation where a higher court of appeal has jurisdiction to stay and order acquittal of an accused from another court of appeal.

- xvii. (Republic v Ahmad Abolfathi Mohammed and another [2018] eKLR)
- xviii. The law is discriminatory by treating women suffering from post-partum psychosis the same way as people not suffering from it when both commit murder.
- xix. (Republic v C M W [2018] eKLR)
- xx. Rule 6(b) of the Kenya National Examinations Council (Equation of Certificates) Rules, 2015 (Legal Notice No 130 of 2015) and clause 1.8 of Circular No KNEC/GEN/R&QAS/A&R/EQN/16/0004 circular on guidelines on equation of foreign certificates (Revised Edition IV) dated October 26, 2016 are unconstitutional and invalid. (Dennis Kabuaya Mucheke v Kenya National Examinations Council & 2 others Petition No 487 of 2017)

Sections of law that were declared unconstitutional by various judicial decisions:

Kenya Law further identified and highlighted to the Attorney General and the Kenya Law Reform Commission fifteen (15) sections of laws that were declared unconstitutional by various judicial decisions:

- i. Contempt of Court Act declared unconstitutional for lack of public participation as required by Articles 10 and 118(b) of the Constitution and for encroaching on the independence of the Judiciary
- ii. (Kenya Human Rights Commission v Attorney General & another[2019]eKLR)
- iii. Section 14 (4) of the National Land Commission Act which empowers the National Land Commission to make a determination as opposed to a recommendation is inconsistent with the Constitution
- iv. (Mwangi Stephen Muriithi v National Land Commission & 3 others[2019]eKLR)
- v. Exclusion of prisoners serving life sentences or detention at the President's pleasure from the benefit of remission under section 46(1)(ii) of the Prisons Act is discriminatory and therefore unconstitutional
- vi. (Kenneth Otieno Odhiambo & 4 others v Republic[2019]eKLR)
- vii. Section 17(1) (a) and (b) of the National Cohesion and Integrations Act on the membership of the Commission and the procedure for nominating Commissioners by the National Assembly under the first schedule to the Act declared unconstitutional.
- viii. (Okiya Omtatah Okoit v Attorney General & another [2018] eKLR)
- ix. Section 9(1) (e) of the Victim Protection Act, which requires accused persons to disclose and supply the victims with the evidence they intended to rely on, declared unconstitutional. (Joseph Nduvi Mbuvi v Republic [2018] eKLR)
- x. Section 33B (1) and (2) of the Banking Act on capping of interest rates declared unconstitutional
- xi. (Boniface Oduor v Attorney General and 4 others [2019] eKLR)
- xii. Provisions on parental responsibility under sections 2 (b), 27 (2), 94 (1), 102 (1), 158 (4) (b) & (c) of the Children Act, section 3 (2) & (3) of the Law of Succession Act and section 12 of the Births & Deaths Registration Act declared unconstitutional for being discriminatory to children born out of wedlock
- xiii. (NSA & another v Cabinet Secretary for, Ministry of Interior and Coordination of National Government & another [2019] eKLR)
- xiv. Task Sharing Policy Guidelines 2017-2030 which allowed non-laboratory staff to conduct medical tests violated inter alia, the right to health, consumer rights and introduced unfair labour practices
- xv. (Association of Kenya Medical Laboratory Scientific Officers v Ministry of Health & another [2019] eKLR)
- xvi. Sections 10, 16, 23, 26 and 53 (2) (d), 2 (e), 58 and the entire part IV and V of the Work Injury Benefits Act, declared unconstitutional on grounds of violating the doctrine of separation of powers and fundamental rights and freedoms
- xvii. (Juma Nyamawo Ndungo & 4 others v Attorney General; Mombasa Law Society (Interested Party) [2019] eKLR)
- xviii. Section 4 of the Retirement Benefits (Deputy President and Designated State Officers) Act, 2015 declared unconstitutional for unreasonably impeding the right to run for political office, right to equality and the right to own property
- xix. (Coalition for Reforms and Democracy (CORD) v Attorney General; International Institute for Legislative Affairs & another (Interested Parties) [2019] eKLR)
- xx. Section 63 of the Finance Act, 2018 and section 31A of the Banking Act which required financial institutions to maintain a register of the next of kin for their customers declared unconstitutional for violating the right to privacy
- xxi. (Kenya Bankers Association v Attorney General & another; Central Bank Of Kenya (Interested Party) [2019] eKLR)
- xxii. Section 7(2) & 7(10-15) of the Salaries and Remuneration Commission Act declared unconstitutional for requiring the nominating bodies to submit two nominees of opposite gender and be approved by the National Assembly

- xxiii. (Judicial Service Commission v Attorney General & Another Interested Party; Jacqueline Akinyi Okeyo Manani [2019] eKLR)
- xxiv. Section 8(3) (c) and section 5(5) (a) of the National Land Commission Act and National Police Service Commission Act respectively declared unconstitutional for disqualifying from recruitment the former MPs, MCAs, Governors and those who contested in an election for a period of five years
- xxv. (FOPA Association Kenya Suing through its Officials Humphrey Kimani Njuguna – Chairman & Kinoti Gatobu – Secretary v Attorney General & 3 others; County Assemblies Forum & another (Interested Parties) [2019] eKLR)
- xxvi. High Court declares section 2 of the Community Land Act unconstitutional to the extent of being vague in defining community land
- xxvii. (Kelly Malenya v Attorney General and another Interested Party: Council of Governors [2019] eKLR)
- xxviii. Machakos County Finance Act 2018 is unconstitutional for lack of public participation (Simeon Kioko Kitheka & 18 others v County Government of Machakos & 2 others [2018] eKLR)

Comparative analysis of judicial decisions from Kenya and other jurisdictions:

Kenya Law monitors, tracks and reports international jurisprudence which provide a comparative analysis of judicial decisions from Kenya and other jurisdictions. These Judicial decisions though not binding on the courts, form persuasive precedent which are useful or relevant and may guide judicial officers in making decisions.

In the period under review, Kenya Law reported eight (8) cases touching on decriminalization of homosexuality, decriminalization of marijuana, giving of unique numbers by government to citizens (huduma number) and copyright protection from other jurisdictions. These are all emerging areas of jurisprudence that Kenyan courts are currently dealing with and the reporting of these decisions seeks to give an insight in how other countries address the issues.

- i. The Aadhaar Act affords unique identity to individuals to ensure that such government subsidies, benefits and services reach only the intended beneficiaries and thus upholds the concept of limited government, good governance and constitutional trust
- ii. (K S Puttaswamy (Retd.) & another v Union of India & others) Supreme Court of India
- iii. Cultivation, Possession and use of Cannabis by an adult in private and for personal use should be decriminalized
- iv. (Minister of Justice and Constitutional Development and Others v Prince National Director of Public Prosecutions and Others v Rubin; National Director of Public Prosecutions and Others v Acton and Others) Constitutional Court of South Africa
- v. Botswana High Court declares sections 164(a), (c) and 165 of the Botswana Penal Code criminalizing homosexual acts between two adults in private as unconstitutional as they violated the right to liberty, privacy, dignity and non-discrimination
- vi. (Letsweletse Motshidiemang v Attorney General; LEGABIBO (Amicus Curiae) High Court of Botswana at Gaborone
- vii. Supreme Court of India declares section 377 of the India Penal Code criminalizing homosexual acts as unconstitutional hence declaring all private consensual sexual acts between adults legal (Navtej Singh Johar v. Union of India) Supreme Court of India
- viii. Authoritative work made by the agents of the people in the legitimate exercise of delegated, sovereign power is not eligible for copyright protection
- ix. (Code Revision Commission, (for the Benefit of and on behalf of General Assembly of Georgia, State of Georgia) v Public Resource Org, Inc) United States Court of Appeals for the Eleventh Circuit
- x. The legitimate expectations of an objective, hypothetical neighbour should be considered by a local authority when considering a proposed building in assessing all disqualifying factors of the possibility of derogation of value of adjacent properties, disfigurement and unsightliness of the area.
- xi. (Trustees of the Simcha Trust v Da Cruz and 3 Others; City of Cape Town v Da Cruz and 3 Others [2018]) Constitutional Court of South Africa
- xii. East African Court of Justice declares several sections of the Tanzania Media Services Act, 2016 to be in violation of the Treaty for the Establishment of the East African Community for encroaching on the freedom of expression
- xiii. (Media Council of Tanzania & 2 others v the Attorney General of the United Republic of Tanzania) East African Court of Justice
- xiv. An accused must be present when the fatal injury is inflicted for criminal liability to ensue on the basis of a common purpose
- xv. (Shane Jacobs and Others V State) Constitutional Court of South Africa

Growth and Strategies:

Acquisition of ICT systems for legal publishing

- i. Revision and consolidation of the Laws of Kenya is a manual and cumbersome process. Kenya Law embarked on the acquisition of an ICT system envisaged to be highly automated and user friendly thus enabling higher efficiency in real time publication of the laws on the online portal.
- ii. In addition, this system will give Kenya Law the option to segregate data so that premium content of public legal information may be placed behind a pay wall and accessed at a fee. This will improve the organisations revenues and ensure that its services are sustainable.
- iii. Kenya Law also commenced activities towards improving the case law database so as to increase efficiencies within the organisation as well provide a better user experience on the front end. This system will rely on the most up to date technology to ensure that judicial decisions are properly captured and tracked thus ensuring ease of navigation of the 142,659 judicial decisions archived in the case law database.

Opportunities:

- i. Updated ICT systems for Legal Publishing
- ii. Kenya Law relies on ICT systems for processing and dissemination of public legal information and the updating of these systems provides an opportunity for improved internal efficiencies that will directly translate to better service delivery to citizens. The main objective of these systems is to have a customised platform that will take a broad approach to collection, compiling, amendment and review all legal information received and processed by Kenya Law
- iii. Improvement of Revenue Collections
- iv. Kenya Law is in the process of reviewing the modalities for dissemination of legal information with the objective of segregating premium from the free content that it generates. In doing so Kenya Law will be able to continue providing free access to public legal information to the general citizenry while providing a paid for service to more specialized groups that require public legal information that have benefitted from some value addition e.g. Kenya Law Reports would be disseminated online at a fee as opposed to actual print copies. The use of ICT systems to provide these services is expected to enhance revenue collection.
- v. Collection and Publication of County Legislation
- vi. The devolved system of government has increased the number of institutions that generate public legal information and this has created an opportunity for the organisation to enhance its breadth of data. Kenya Law continues to engage the 47 County Assemblies to ensure that County Acts and Bills are collected and disseminated through its online platforms.
- vii. Enhanced Legal Framework
- viii. Kenya Law is in the process of reviewing its founding law (National Council for Law Reporting Act, Act No. 11 of 1994) with the objective of providing an enhanced legal framework for the operations of the organisation.

Challenges:

- i. Insufficient budgetary allocations have limited Kenya Law's ability to deliver on its mandate as per the strategic plan. The current funding consists of only 50% of its most realistic annual budgetary requirements and this necessitated the organisation to cut back on its programmes and activities to fit into the available funding.
- ii. Kenya Law is operating at 44% of its staff establishment which has primarily been caused by the limited budgetary allocations. Out of a staff establishment of 163, Kenya Law only has 72 officers in post, leading to work overload that affects the timely production of quality outputs. This may be put in context, in one way, by considering the growth that has occurred in the Judiciary in the last 9 years. There has been a 164% increment in the number of judges from 58 in 2010 to 153 in the year 2019; there has been a 135% increase in the number of court stations from the year 2010 to date; there has been a 342% increase in the number of judicial decisions collected from the year 2010 to date: while the number of Law Reporters has increased by only 36% from 7 to 11 officers in the same period. Kenya Law requires additional funding to recruit 20 additional law reporters and 20 legal researchers to cope with the increased number of judicial decisions delivered daily.
- iii. Kenya Law has not been able to continuously upgrade and improve its ICT infrastructure to the required standards. Kenya Law relies heavily on current ICT systems to ensure the proper processing, storage and dissemination of legal information. It currently holds 50 TB worth of public legal information. The inability to upgrade and improve hardware and software systems has a negative impact on its core mandate – the provision of and access to public legal information in terms of enhancing data integrity and safety to the most optimum levels.

NATIONAL COUNCIL FOR LAW REPORTING

- iv. The ICT systems for publishing the Laws of Kenya and Case Law are out of date and inefficient as their level of automation does not meet the current standards of the industry. These systems are no longer user friendly as they require a lot of manual intervention thus creating inefficiencies and delays in the productions of various services and products. Kenya Law has planned to upgrade these systems.
- v. Kenya Law works with various players in the justice and legal sector to collect process and disseminate public legal information and as such some of these processes are outside the control of the organisation. Any delay by any one of the actors involved in the production of public legal information will negatively affect its ability to meet its mandate of providing access to public legal information.
- vi. The 24th Annual Supplement was not completed due to pending approval by the Office of the Attorney General arising from the lack of sufficient statutes available for sale to the Kenyan public at the Government Printers office. The approval was granted towards the end of the of the reporting period and the compilation process began.

SECTION B

Compliance with statutory requirements

- i. Kenya Law published judicial decisions received from the superior courts of record online and published the Kenya Law Reports in compliance with the National Council for Law Reporting Act (No.11 of 1994).
- ii. Kenya Law updated all the Laws of Kenya ensuring compliance with the Revision of Laws Act (CAP 1).
- iii. Kenya Law adhered to the Legal and regulatory frameworks issued by the Government of Kenya to ensure compliance with the statutory requirements under the Constitution, the Public Finance Management Act 2012 and Public Procurement and Disposal of Assets Act 2015 and the Employment Act No.11 of 2007.
- iv. In addition, Kenya Law endeavored to fulfill its corporate governance obligations with the guidance of the Mwongozo code.

SECTION C

Key projects and investment decisions Kenya Law is planning/implementing

Kenya Law is not planning or implementing any capital projects.

SECTION D

Major risks facing Kenya Law

Financial risk

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

Further, Kenya Law's Human Resource costs constitute 52% (compared to the recommended level of 35%). This has deprived it of additional funds to undertake all its planned activities. The limited financial resources have meant that Kenya Law has not fully discharged all its activities as envisaged in the Strategic Plan 2018/2022 resulting to reprioritized to fit within the available resource ceilings.

Operational risk

Kenya Law is operating at 44% of its staff complement (72 officers vis a vis a staff establishment of 163) and this has negatively impacted on its ability to discharge its mandate in a timely manner as staff have to multitask and work long hours. The turnaround time for production of time bound publications has therefore increased and there is a rolling backlog of publications for print. The timely preparation and dissemination of public legal information through the website has also been negatively affected.

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

SECTION E**Material arrears in statutory/financial obligations**

The Council had no material arrears in statutory/ financial obligations that were worth noting. However, there was a total of Kshs. 5,662,192 due as payroll deductions for PAYE, HELB, NSSF, NHIF, withholding VAT payments, Sacco deductions, Insurances deductions, mortgage, staff pension and welfare obligations for the payroll month of June 2019.

SECTION F**Financial probity and serious governance issues**

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

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

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

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

8. CORPORATE SOCIAL RESPONSIBILITY STATEMENT / SUSTAINABILITY REPORTING

Corporate Social Responsibility (CSR) is an integral part of Kenya Law's corporate culture. It reflects the inescapable reality that if the values of a business fail to resonate with the values of society, it is endangering long-term prosperity. Kenya Law is committed to identifying and living with the values which are important to our colleagues, customers and community at large.

The following CSR activities were implemented in the financial year 2018/2019:

The Standard Chartered Marathon 2018

The Standard Chartered Marathon 15th Edition was held on Sunday, 28th October, 2018. The event is hosted annually by the Standard Chartered Bank. The Marathon is the flagship project for the 'Seeing is believing' community initiative that aims at raising funds for the needy in the community. Kenya Law sponsored 41 members of staff to attend the renowned Marathon.

Visit to Thogoto Home for the Elderly

In 2014, the government launched the expanded social protection plan that seeks to cover more than one million people. Even with this programme, many of the elderly have become destitute. Thogoto Home for the Aged in Kikuyu was established by the PCEA Church and is sponsored by the Women's Guild of PCEA. The home currently hosts 40 senior citizens (16 females and 24 male) in their sunset years, aged between 54 and 106. They are taken care of by 7 employees, most of them volunteers.

The Kenya Law Welfare Association visited the Home on Friday, April 5, 2019 and donated medical and mobility related aids to the home to enable the elderly persons to move with ease around the environment they reside. These included 2 wheel chairs, 2 Mobility carts, 4 Walking Frames, 5 Walking sticks and usable goods (Dettol Disinfectant, Bathing/ laundry soap and other usable items).

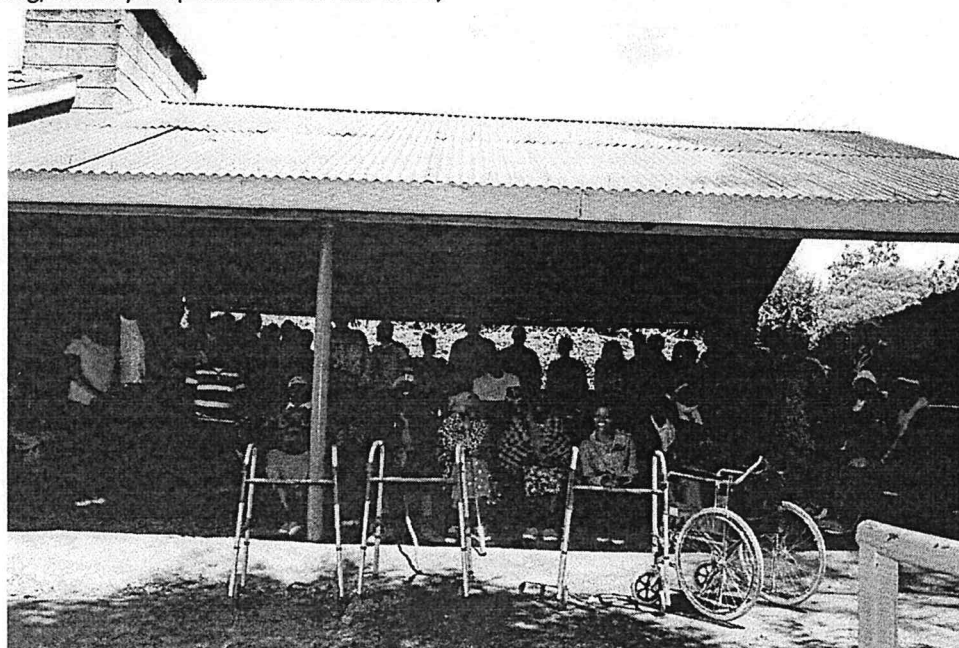


Photo: Courtesy of Kenya Law

Baraka Children's Home

As part of Corporate Social Responsibility, the National Council for Law Reporting (Kenya Law) staff visited Baraka Children's home, Bamburi Mombasa, on 26th September 2018. Baraka Children's home is a home for children orphaned by HIV and most vulnerable in the society. The Home Rescues Rehabilitates and Reintegrates these boys back into the society.

Kenya Law staff refurbished and painted the home and also provided dry foodstuffs to the home. Items donated included; dry food stuff, stationery, school books, school bags, shoes, socks and personal effects



Photo: Courtesy Kenya Law

9. REPORT OF THE COUNCIL MEMBERS

The Council Members submit their report together with the audited financial statements for the year ended June 30, 2019 which show the state of affairs of the National Council for Law Reporting.

Principal activities

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

- i. To publish the official reports of the judicial opinions of the superior courts of Kenya. Kenya Law is the designated publisher of the Kenya Law Reports, which are the official law reports of the Republic of Kenya.
- ii. To revise, consolidate and publish the Laws of Kenya, through Legal Notice No. 29 of 2009, through which the Attorney General has delegated to the Council the powers of law revision conferred by Sections 7 and 8 of the Revision of Laws Act.
- iii. To publish such other related publications as it deems necessary.
On Kenya Law's website - www.kenyalaw.org- you will find Case Law, the Laws of Kenya, the Parliamentary Hansards, the Kenya Gazette, and the Daily Cause List from various courts, Legal Notices and other publications.

Results

The results of the National Council for Law reporting for the year ended June 30, 2019 are set out on page 43 below.

Council Members

The members of the Council who served during the reporting period are shown on page 7 - 12 above in accordance with the NCLR Act No. 11 of 1994.

Auditors

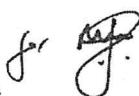
The Auditor General is responsible for the statutory audit of the National Council for Law Reporting in accordance with the Public Audit Act 2015.

By Order of the Council

Council Secretary

Nairobi

Date: 31/12/19



10. STATEMENT OF COUNCIL MEMBERS RESPONSIBILITIES

Section 89 of the Public Finance Management Act, 2012 and The State Corporations Act Cap 446 of laws of Kenya; require the Council to prepare financial statements in respect of National Council for Law Reporting, which give a true and fair view of the state of affairs and the operating results of Kenya Law for that year. The Council Members are also required to ensure that Kenya Law keeps proper accounting records which disclose with reasonable accuracy the financial position of Kenya Law. The Council is responsible for safeguarding the assets of Kenya Law and the preparation and presentation of Kenya Law's financial statements, which give a true and fair view of the state of affairs of Kenya Law as at the end of the financial year ended on June 30, 2019.

This responsibility includes:

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

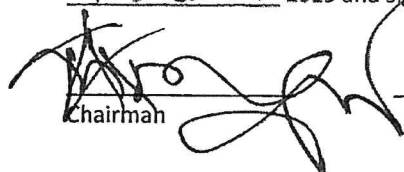
The Council members accept responsibility for Kenya Law's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required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

The Council members are of the opinion that the Kenya Law's financial statements gave a true and fair view of the state of Kenya Law's transactions during the financial year ended June 30, 2019, and of the its financial position as at that date. The members further confirm the completeness of the accounting records maintained for Kenya Law, which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

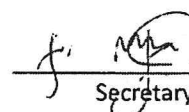
Nothing has come to the attention of the Council members to indicate that Kenya Law will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The financial statements for National Council for Law Reporting were approved by the Council on 21st December 2019 and signed on its behalf by:

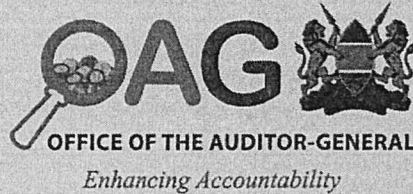

Chairman


Member


Secretary

REPUBLIC OF KENYA

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HEADQUARTERS
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL COUNCIL FOR LAW REPORTING FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of the National Council for Law Reporting set out on pages 31 to 60, which comprise the statement of financial position as at 30 June, 2019, and the statement of financial performance, statement of cash flows, statement of changes in net assets and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Council for Law Reporting as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the National Council for Law Reporting Act, 1994.

Basis for Opinion

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, 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

1. Lack of Internal Auditing

Section 73(1)(a) of the Public Finance Management Act, 2012 provides that every national government entity shall ensure that it has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board. However, the Council did not have an Internal Audit Department. It could not therefore, be confirmed that the Council had developed a system of risk management and internal controls that builds robust business operations as required under Regulation 165(1) of Public Finance Management (National Government) Regulations, 2015.

2. Shortage of Staff

The Council's Human Resource Policy Manual, 2016 provides for a staff establishment of one hundred and sixty-three (163) in various categories and job groups. However, the total staff in post during the financial year were seventy-two (72) resulting into a deficit of ninety-one (91). The significant under staffing might have adversely affected segregation of duties and effective delivery on the Council's mandate.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit so as to obtain assurance as to whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the National Council for Law Reporting'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 going concern 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 Council's ability to continue as a going concern or 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 National Council for Law Reporting to cease to continue as a going concern or to sustain its services.

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

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

19 July, 2021



12. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE, 2019

	Notes	2018-2019 Kshs	2017-2018 Kshs
Revenue from non-exchange transactions			
Transfers from GOK	1(i)	313,600,000	320,000,000
Grants from donor (JPIP)	1(i)	9,445,188	23,131,379
Deferred Income realized	1(ii)	6,064,308	4,054,802
		329,109,496	347,186,181
Revenue from exchange transactions			
Other Incomes	2	2,022,095	14,783,250
Sale of goods	3	8,138,625	7,907,602
Total revenue		339,270,216	369,877,033
Expenses			
Employee costs	4	132,824,653	128,500,941
Remuneration of Directors	5	4,707,616	3,069,400
General Expenses	6	26,021,126	26,496,093
Depreciation and amortization expense	7	12,221,266	13,057,237
Repairs and maintenance	8	4,974,557	2,873,820
Contracted services	9	17,266,547	16,004,727
Purchase of Goods and Services	10	121,039,037	127,340,342
Bank Charges	11	209,495	216,943
Total expenses		319,264,297	317,559,503
Surplus / (Deficit) before Tax		20,005,919	52,317,530
Taxation			-
Surplus / (Deficit) for the period		20,005,919	52,317,530

The notes set out on pages 37 to 61 form an integral part of these Financial Statements



13. STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE, 2019

	Notes	2018-2019 Kshs	2017-2018 Kshs
Assets			
Current assets			
Cash and cash equivalents	12	72,240,984	28,642,729
Receivables from exchange transactions	13 (i)	24,903,633	34,666,400
Receivables from non-exchange transactions	14	761,825	7,076,371
Inventories	15	197,104,622	195,272,415
Total Current assets		295,011,064	265,657,915
Non-current assets			
Non-Current Receivables	13 (ii)	3,780,255	3,780,255
Property, plant and equipment	16	62,140,659	69,170,169
Intangible assets	17	2,906,655	3,568,611
Total Non - current assets		68,827,569	76,519,035
Total Assets		363,838,633	342,176,950
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	18	20,679,692	12,880,976
Deferred income	1(i)	165,610,694	171,675,002
Employee benefit obligation	19	1,283,735	1,362,379
Total current liabilities		187,574,121	185,918,357
Net assets			
Capital Fund		23,565,276	23,565,276
Retained Earnings		152,699,236	132,693,317
Total net assets		176,264,512	156,258,593
Total net Assets and Liabilities		363,838,633	342,176,950

The Financial Statements set out on pages 31 to 36 were signed on behalf of the Council by:

C.E.O/Editor

Date..... 31/12/19

Head of Finance

ICPAK No: 7326
Date..... 31st Dec 2019

Chairman of the Council

Date..... 31/12/19

14. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30th JUNE, 2019

	Deferred Income Kshs.	Retained earnings Kshs.	Capital/ Development Grants/ Fund Kshs.	Totals Kshs.
Balance as at 30 th June 2016	171,705,851	66,934,776	23,565,276	262,205,903
Additions	-	-	-	-
Surplus for the period	-	13,441,011	-	13,441,011
Transfer to deferred Income	(4,200,475)		-	(4,200,475)
Balance as at 30 th June 2017	167,505,376	80,375,787	23,565,276	271,446,439
Additions	8,224,428	-	-	8,224,428
Surplus for the period	-	52,317,530	-	52,317,530
Transfer to deferred Income realized	(4,054,802)		-	(4,054,802)
At 30 th June, 2018	171,675,002	132,693,317	23,565,276	327,933,595
Additions	-	-	-	-
Surplus for the period	-	20,005,919	-	20,005,919
Transfer to deferred Income realized	(6,064,308)	-	-	(6,064,308)
At 30 th June, 2019	165,610,694	152,699,236	23,565,276	341,875,206

15. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30th JUNE, 2019

	Notes	2018-2019 Kshs	2017-2018 Kshs
Cash flows from operating activities			
Surplus / (Deficit) for the period		20,005,919	52,317,530
Non - Cash Adjustments			
Depreciation and Amortization	7	12,221,266	13,057,237
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	16	(4,529,800)	(12,076,113)
Net cash flows used in investing activities		(4,529,800)	(12,076,113)
Cash flows from working Capital changes			
(Decrease)/increase in Receivables from exchange transactions	13	9,762,767	(19,226,721)
(Decrease)/increase in Receivables from non-exchange transactions	14	6,314,546	(5,914,178)
(Decrease)/increase in Inventories	15	(1,832,207)	(1,691,720)
(Decrease)/increase in trade and other payables from exchange transactions	18	7,798,716	(1,589,204)
(Decrease)/increase in Employee benefit obligation	19	(78,644)	(1,026,985)
(Decrease)/increase in Deferred income	1(ii)	(6,064,308)	4,169,626
Net cash flows used in investing activities		15,900,870	(25,279,182)
Cash flows from financing activities		0	0
Net increase/(decrease) in cash and cash equivalents		43,598,255	28,019,472
Cash and cash equivalents at beginning of the Year		28,642,729	623,257
Cash and cash equivalents at end of the Year		72,240,984	28,642,729

16. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30th JUNE, 2019

	Original budget	Adjustments	Final budget	Actuals	Variance	Performance difference	
	2018-2019	2018-2019	2018-2019	2018-2019	2018-2019	2018-2019	
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Grants from the GOK	320,000,000	(6,400,000)	313,600,000	313,600,000	0	0	
Other Income	1,958,080	0	1,958,080	2,022,095	64,015	3.27	(a)
Sale of goods	29,449,712	0	29,449,712	8,138,625	(21,311,087)	(72.36)	
Deferred Income	0	0	0	6,064,308	6,064,308	-	
Grants from Donor (JPIP)	9,445,188	-	9,445,188	9,445,188	0	-	
Total Income	360,852,980	(6,400,000)	354,452,980	339,270,216	(15,182,764)	(4.28)	
Compensation of employees	140,275,096	0	140,275,096	132,824,653	(7,450,443)	(5.31)	
Good and services	26,881,920	0	26,881,920	26,021,126	(860,794)	(3.20)	
Bank Charges	300,000	0	300,000	209,495	(90,505)	(30.17)	(b)
Other Payments	29,927,615	0	29,927,615	26,948,720	(2,978,895)	(9.95)	(c)
Purchase of goods and services including Depreciation	163,468,349	(6,400,000)	157,068,349	133,260,303	(23,808,046)	(15.15)	(d)
Total expenditure	360,852,980	(6,400,000)	354,452,980	319,264,297	(35,188,683)	(9.93)	
Surplus / (Deficit) for the period	0	0	0	20,005,919	20,005,919		

Notes to the statement of comparison of budgeted and actual amounts for the year 2018/2019

Under collection of revenue from the sale of legal publication was due to increased use of the online platform and insufficient Human resource to market the published products.

Under expenditure of finance costs was attributed to overestimation of bank charges in the budgeting process.

Under expenditure of other payments was attributed to reduction in scale of operations. Kenya Law realized inadequate funds owing to low revenue collections from sale of publications.

Under expenditure of General expenses was attributed to delays in finalizing the publication of Kenya Law Reports and the Laws of Kenya publications due to inadequate Human resources.

Reconciliation of Budget to the Statement of Comprehensive Income as at 30th June 2019

Details	Kshs
Reconciliation of Incomes	
Total Income as per Statement of Comprehensive Income	339,270,216
Less: Revenues from other sources	
Other income	(2,022,095)
Revenues	(8,138,625)
Deferred Income	(6,064,308)
Receipts in kind from Judiciary Performance Improvement Project (JPIP)	(9,445,188)
Total	(25,670,216)
Budgeted Income from GOK	313,600,000
Reconciliation of expenses	
Total Budgeted Expenditure as per statement of budget	356,452,980
Less: Non budgeted expenses	
Depreciation and amortization	12,221,266
Cost of sales	4,637,552
Total	16,858,818
Less: Expenses paid by third parties	
Rent paid - JPIP	9,445,188
Accrued Rent not budgeted for	2,499,011
Total	11,944,199
Less: Non-Current Expenditure not expensed in Statement of Comprehensive Income	
Non-current Assets Purchased	4,529,800
Inventory Purchased	3,855,866
Total	8,385,666
Total Expenses as per Statement of Comprehensive Income	319,264,297

17. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

a) Statement of compliance

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

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

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

i) Relevant new standards and amendments to published standards effective for the year ended 30th June 2019.

Several new and revised standards and interpretations were effective during the year. The Council Members have evaluated the impact of the new standards and interpretations and none of them had an impact on the Kenya Law's financial statements.

ii) Expected impact of issued relevant new and amended standards and interpretations in issue but not yet effective in the year ended 30th June 2019.

The management of Kenya Law has evaluated the impact of the new standards not yet effective for the year and none of them had an impact on Kenya Law's financial statements.

iii) Early adoption of standards

Kenya Law did not early-adopt any new or amended standards in the financial year 2018-2019.

Basis of preparation

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

1. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30th June 2019

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Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1 st January 2019: The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only) Business combinations and combinations arising from non-exchange transactions which are covered purely under Public Sector combinations as amalgamations (This standard was not applicable to National Council for Law Reporting in the year 2018/2019)

2. ADOPTION OF NEW AND REVISED STANDARDS (Continued)

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30th June 2019

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2022:</p> <p>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> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>(This standard will be applicable to the National Council for Law Reporting and will have considerable impact upon adoption)</p>
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2022</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"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <p>(This standard will be applicable to the National Council for Law Reporting and will have considerable impact upon adoption)</p>

- iii. Early adoption of standards

Kenya Law did not adopt any of the new or amended standards in the financial year 2018/2019; earlier than the effective date of adoption.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a) Revenue recognition
 - i) Revenue from non-exchange transactions
 - Grants from the National Government

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Kenya Law recognizes grants from the National Government when the event occurs and the asset recognition criterion is met. An inflow of resources from a non-exchange transaction recognized as an asset is recognized as revenue, except to the extent that a liability is also recognized in respect of the same inflow.

- Donor Grants (Donations in Kind)

Donor funds are received through the Judiciary Performance Improvement Programme (JPIP) other development Agencies. Revenues from non-exchange transactions with donor entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property).

For Donations in Kind; Revenues are recognised when the economic benefits or service potential related to the asset will flow to the Council and can be measured with certainty and reliably.

- Donor Grants (Conditional Grants)

These funds are recognised at fair value when there is reasonable assurance that the Council will comply with the Conditions attaching to them and the funds will be received. Donor funds related to purchase of assets are treated as deferred income and allocated to the statement of financial performance as income over the useful lives of the related assets while grants related to expenses are treated as donor fund income and totally expensed in the income statement.

- Recognition of Other Income

Other income include monies received from other transactions other than the sale of books e.g. good will transfers, funds for projects and grants in kind from other institutions e.g. training, special jobs for specific institutions. These are recognized when received.

- ii) Revenue from exchange transactions

- Rendering of services

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

- Sale of goods

Revenue from the sale of legal publications such as Kenya Law Reports, Laws of Kenya and other related publications 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 Kenya Law.

Budget information

Kenya Law's original budget for FY 2018/2019 was approved by the National Assembly in June 2018. A subsequent downward revision of Kshs. 6,400,000 was effected in the 1st supplementary budget by the National Treasury. No additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The reduction in appropriations is deducted from the original budget by the entity upon receiving the respective communication in order to conclude the final budget. Accordingly, the entity recorded no additional appropriations on the 2018/2019 budget.

The annual budget is prepared on accrual basis, that is, all planned costs and income are presented in a single statement to determine the financial needs of Kenya Law. As a result of the adoption of the accrual basis for budgeting purposes, there is no basis, timing or Kenya Law operational differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

Kenya Law's budget is prepared on a different basis to the actual income and expenditure results 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. 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.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 45 of these financial statements.

b) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the entity operates and generates taxable income.

Kenya Law being a service oriented Semi- Autonomous Government Agency is exempted from paying Income Tax.

Deferred tax

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

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

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

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

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

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Kenya Law being a service oriented Semi- Autonomous Government Agency does not employ the deferred tax methodology in tax computation.

Sales tax

Kenya Law recognizes expenses and assets net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

- ii) When receivables and payables are stated with the amount of sales tax included.

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

c) Investment property

Kenya Law initially measures investment properties 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.

d) Property, plant and equipment

Kenya Law states all property, plant and equipment 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, Kenya Law measures the asset initially at its fair value.

e) Intangible assets

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

The useful life of the intangible assets is assessed as either finite or indefinite.

The amortisation rate for Intangible assets is 20% on a reducing balance basis.

f) Financial instruments

i) Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Held-to-maturity

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

Impairment of financial assets

The Entity 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 a 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).

ii) Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and

fees or costs that are an integral part of the effective interest rate.

g) Research and development costs

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

- 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.

h) Inventories

Kenya Law measures its Inventory at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

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

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

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

i) Provisions

Provisions are recognized when Kenya Law has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where Kenya Law expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net

of any reimbursement.

Contingent liabilities

Kenya Law does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

Kenya Law does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

j) Nature and purpose of reserves

Kenya Law creates and maintains reserves in terms of specific requirements. However, Kenya Law does not have any reserves currently.

k) Changes in accounting policies and estimates

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

l) Employee benefits

Retirement benefit plans

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

m) 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.

n) 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.

o) Related parties

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

p) Service concession arrangements

Kenya Law analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, it recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, Kenya Law also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

q) Cash and cash equivalents

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

r) Comparative figures

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

s) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on Kenya Law's financial statements for the year ended June 30, 2019.

4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Kenya Law's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

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. Kenya Law based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or

circumstances arising beyond its control. Such changes are reflected in the assumptions when they occur IPSAS 1.140

Useful lives and residual values

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

- i) The condition of the asset based on the assessment of experts employed by Kenya Law.
- ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- iii) The nature of the processes in which the asset is deployed.
- iv) Availability of funding to replace the asset.
- v) Changes in the market in relation to the asset.

Provisions

Provisions were raised and management determined an estimate based on the information available. 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. A provision of Kshs. 800,000 was made for audit fees based on the actual fees paid in the financial year 2017/2018.

NOTES TO THE FINANCIAL STATEMENTS

1. i) TRANSFERS FROM GOVERNMENT OF KENYA

Description	2018-2019	2017-2018 Kshs
Transfers from The Government of Kenya-Unconditional Grants	313,600,000	320,000,000
Deferred Income realized	6,064,308	4,054,802
Grants in kind from Donor (Judiciary Performance Improvement Programme)	9,445,188	23,131,379
Total government grants and subsidies	329,109,496	347,186,181
Unconditional grants	313,600,000	320,000,000

Analysis of the Grants to the National Council for Law Reporting is as follows;

- Government of Kenya- These are Un-conditional grants by the government allocated to Kenya Law for recurrent expenditure. These grants are received through the Office of the Attorney General & Department of Justice (our parent ministry) on a quarterly basis.
- Judiciary performance improvement Project grants are non-cash grants attributable to the monetary value of Assets and expenses for items procured by and paid for by the JPIP secretariat in accordance with our JPIP work plan. Specifically, it includes rent expenses and service charge paid for under the JPIP. The expense items and Assets in this regard have been captured in the statement of financial performance and matched to this item of income.

Unconditional Grants / Transfers from Line ministry

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund. KShs	Total grant income during the year Kshs	2018-2019 Kshs
The Office of the Attorney General & Department of Justice	313,600,000	-	-	-	313,600,000
Total	313,600,000	-	-	-	313,600,000

1. ii) DEFERRED INCOME REALIZED

Description	2018-2019 Kshs	2017-2018 Kshs
Balance as at 1 st July 2018	171,675,002	167,505,376
Additions in the year	-	8,224,428
Less: Realized	(6,064,308)	(4,054,802)
Total value of Deferred Income 30th June 2019	165,610,694	171,675,002

NATIONAL COUNCIL FOR LAW REPORTING

Statement of Deferred Income

	Kshs
Balance b/f 1 st July 2018	171,675,002
Additions for the year	0
Totals	171,675,002
Depreciation for the year	
Land and Building	0
Motor Vehicles	(1,631,604)
Furniture and Fittings	(885,562)
Computers	(3,547,141)
Plant and Equipment	0
	(6,064,308)
Total transferred to the Statement of Comprehensive Income	
Balance c/f 30 th June 2019	165,610,694

Deferred Income for the year is recognized to be equivalent to the depreciation /used value or economic benefits derived from Assets donated / acquired through the JPIP or other development partner in the financial year 2018/2019.

2. OTHER INCOME

Description	2018-2019 Kshs	2017-2018 Kshs
Other Income	2,022,095	14,783,250
Total revenue from the Other Incomes	2,022,095	14,783,250

Revenues earned as other income were a conditional grant for consultancy services offered by Kenya Law to the Parliament of Kenya for the preparation and printing of Parliamentary Standing orders for new members of the National Assembly in the financial year 2018/2019.

3. SALE OF GOODS

Description	2018-2019 Kshs	2017-2018 Kshs
Sale of Kenya Law Reports and other related publications	8,138,625	7,907,600
Total revenue from the sale of goods	8,138,625	7,907,600

This is revenue earned from sale of Kenya Law reports and other legal publications that were published by Kenya Law in the financial year 2018/2019.

4. EMPLOYEE COSTS (73 members of staff)

	2018-2019 Kshs	2017-2018 Kshs
Salaries and wages	55,860,914	54,721,511
Housing benefits and allowances	65,354,145	63,557,644
Employee related costs - contributions to pensions and medical aids	11,609,594	9,826,786
Performance and other bonuses	0	395,000
Employee costs	132,824,653	128,500,941

5. REMUNERATION OF COUNCIL MEMBERS

Description	2018-2019 Kshs	2017-2018 Kshs
Chairman's Honoraria	1,044,000	981,000
Directors emoluments	2,507,000	1,873,000
Other allowances	1,156,616	215,400
Total remuneration for council members	4,707,616	3,069,400

6. GENERAL EXPENSES

Description	2018-2019 Kshs	2017-2018 Kshs
Internet Connections	2,304,934	2,404,194
Other Fuels (Cooking gas)	16,874	12,400
Education and Library Expenses including subscriptions to Newspapers	3,014,125	2,173,460
Catering services, refreshments and gifts	5,712,143	5,102,043
Cleaning Services	1,326,838	1,295,220
Parking Charges	904,800	1,778,350
Computer Software	12,741,412	13,069,977
Total general expenses	26,021,126	25,835,644

7. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2018-2019 Kshs	2017-2018 Kshs
Property, plant and equipment	11,559,310	12,240,846
Intangible assets	661,956	816,391
Total depreciation and amortization	12,221,266	13,057,237

NATIONAL COUNCIL FOR LAW REPORTING

8. REPAIRS AND MAINTENANCE

Description	2018-2019 Kshs	2017-2018 Kshs
Plant, MC and Equipment	2,122,948	555,140
Furniture and Equipment	47,350	199,400
Repair of Vehicles including cleaning	335,619	187,820
Repair of Computers	2,450,142	1,824,940
Communications Equipment	18,498	102,240
Total repairs and maintenance	4,974,557	2,869,540

9. CONTRACTED SERVICES

Description	2018-2019 Kshs	2017-2018 Kshs
Contracted Professional Services	4,720,000	4,968,435
Contracted Technical services	12,201,273	10,793,451
Courier and Postage	345,274	242,840
Total contracted services	17,266,547	16,004,727

10. PURCHASE OF GOOD AND SERVICES

Description	2018-2019 Kshs	2017-2018 Kshs
Advertising and publicity	6,240,734	3,287,786
Audit fees	800,000	800,000
Accessories to Computers	1,213,225	1,343,080
Conferences and Seminars	1,632,595	3,542,075
Casual Labour	909,136	265,000
Fuel and oil	622,630	307,445
General office stationery	1,096,584	2,261,678
Hire of Transport	0	244,196
Insurance (Medical, Group life and WIBA, Motor)	16,705,102	16,217,102
Legal expenses	845,160	232,000
Donations	181,000	0
Laundry expenses	106,300	0
Printing and publishing	23,664,129	26,115,654
Rental (Office and Warehouse)	25,236,982	23,876,222
Sanitary and Cleaning materials	683,120	666,912
Security costs	1,025,440	1,183,200

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Temporary Committee allowances	3,355,000	4,712,500
Training expenses	10,124,099	5,191,119
Telephone	939,147	702,423
Tradeshows and Exhibitions	3,115,012	1,445,471
Membership fees, dues, subscriptions to professional orgs. and trade bodies	347,260	605,875
Cost of Sales	4,637,552	6,434,328
Domestic travel, accommodation and Foreign travel, accommodation and sundry allowances	17,558,830	27,906,277
Total general expenses	121,039,037	127,340,342

11. BANK CHARGES

Description	2018-2019 Kshs	2017-2018 Kshs
Finance Costs/ Bank Charges	209,495	216,943
Total finance costs	209,495	216,943

These costs are related to charges incurred when undertaking transactions through the organisations bank accounts.

12. CASH AND CASH EQUIVALENTS

	Bank Account Number	Currency	30-Jun 2019
Name of the Bank			
KCB O&M account	1103135449	KSH	67,884,213
KCB Donations and Grants account	1131298241	USD	4,783
Barclays Bank of Kenya	451230484	KSH	3,078,282
Bank Balance			70,967,278

Description	2018-2019 Kshs	2017-2018 Kshs
a) Current account		
Kenya Commercial bank	67,884,213	26,270,372
Kenya Commercial bank(Grants)	4,783	4,783
Barclays Bank of Kenya	3,078,282	1,474,722
	70,967,278	27,749,877
b) Others(specify)		
Cash in hand	35,445	21,291
M-Pesa	1,238,261	871,561
Total Cash and Cash Equivalents	72,240,984	28,642,729

NATIONAL COUNCIL FOR LAW REPORTING

13. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2018-2019 Kshs	2017-2018 Kshs
Current receivables		
Debtors - Legal Publications	22,945,553	19,026,200
Other Debtors – The National Assembly	1,958,080	-
Other prepayments - Medical insurance	-	15,640,200
Total current receivables	24,903,633	34,666,400
Non-current receivables		
Lease agreement Deposits (transferred to current receivables)	3,780,255	3,780,255
Total non-current receivables	3,780,255	3,780,255
Total receivables	28,683,888	38,446,655
Current portion transferred to current receivables	24,903,633	19,026,200

14. RECEIVABLES FROM NON-EXCHANGE CONTRACTS

Description	2018-2019 Kshs	2017-2018 Kshs
Current receivables		
Debtors - Salary Advances	551,825	1,078,777
Other debtors (Non-exchange transactions)	210,000	1,275,000
Receivables from JPIP	-	4,722,594
Total current receivables	761,825	7,076,371

15. INVENTORIES

Description	2018-2019 Kshs	2017-2018 Kshs
Kenya Law Reports and LOK publications	187,795,410	191,968,672
Library Books	7,307,724	3,227,205
Consumables	2,001,488	76,538
Total inventories at the lower of cost and net realizable value	197,104,622	195,272,415

16. PROPERTY, PLANT AND EQUIPMENT

Cost	Motor vehicles Kshs	Furniture and fittings Kshs	Computers Kshs	Plant and Equipment Kshs	Total Kshs
At 1 st July 2016	12,422,974	55,798,061	55,952,002	13,959,849	138,132,886
At 30 th June 2017	3,859,755	39,391,108	17,357,127	8,726,912	69,334,902
Additions	6,262,840	474,751	5,338,522	-	12,076,113
Disposals	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-
At 30 th June 2018	10,122,595	39,865,859	22,695,649	8,726,912	81,411,015
Additions	-	1,459,628	3,070,172	-	4,529,800
Disposals	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-
At 30 th June 2019	10,122,595	41,325,487	25,695,649	8,726,912	81,411,015
Depreciation and impairment					
At 1 st July 2016	1,335,440	10,095,784	24,387,341	3,692,894	39,511,459
Depreciation	964,939	4,376,790	5,798,840	1,540,043	12,680,612
Accumulated depreciation At 30 th June 2018	3,626,966	18,307,860	36,025,677	6,472,414	64,432,917
Depreciation in the year	1,631,604	3,542,249	5,320,712	1,064,745	11,559,310
On Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
At 30 th June 2018	5,258,570	21,850,109	41,346,389	7,537,159	75,992,227
Net book values					
At 30 th June 2019	7,164,404	33,947,952	14,605,613	6,422,690	62,140,659
At 30 th June 2018	8,796,008	36,030,573	16,856,153	7,487,435	69,170,169

17. INTANGIBLE ASSETS-SOFTWARE

Description	2018-2019 Kshs	2017-2018 Kshs
Cost		
At beginning of year	3,568,611	4,385,002
Additions	-	-
At end of year 30 th June 2017	3,568,611	4,385,002
Additions-internal development	-	-
At end of quarter	-	-
Amortization and impairment		
At beginning of year 2018	3,568,611	4,385,002

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Amortization	661,956	816,391
At end of year 30 th June 2019	2,906,655	3,568,611
Impairment loss		-
At end of year 30 th June 2019	2,906,655	3,568,611
Net Book Value	2,906,655	3,568,611

18. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2018-2019 Kshs	2017-2018 Kshs
Trade payables	11,250,036	7,954,584
Accrued Rent	2,499,011	4,722,594
Other payables	6,930,645	203,794
Total trade and other payables	20,679,692	12,880,976

19. EMPLOYEE BENEFIT OBLIGATIONS

Description	Defined benefit plan Kshs	2018-2019 Kshs	2017-2018 Kshs
Current benefit obligation	1,283,735	1,283,735	1,362,379
Total employee benefits obligation	1,283,735	1,283,735	1,362,379

20. FINANCE LEASE OBLIGATION

Description	Minimum lease payments Kshs	Future finance charges Kshs	Present value of minimum lease payments Kshs	2018-2019 Kshs
Within current year	24,819,679	24,819,679	-	24,819,679
Total obligations	24,819,679	24,819,679	-	24,819,679

Kenya Law has had a defined benefit scheme for all full-time employees from July 1, 2012. Contribution to the scheme is at the ratio of 10:20 per cent of salary for employee and employer respectively. No actuarial valuation was done in the financial year to value the scheme. The scheme value at the end of the year was as follows:

	2018-2019 Kshs	2017-2018 Kshs
Valuation at the beginning of the year	78,591,033	61,192,787
Changes in valuation during the year	19,590,637	17,398,245
Valuation at end of the year	98,181,670	78,591,033

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

21. FINANCIAL RISK MANAGEMENT

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

(i) Credit risk

Credit risk is the risk that a borrower is unable to meet her financial obligations to the lender. Kenya Law's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the council's management based on prior experience and assessment of the current economic environment.

The amount that best represents the company's maximum exposure to credit risk is made up as follows:

	Total Amount Kshs	Fully Performing Kshs	Past due Kshs	Impaired Kshs
At 30 th June 2019				
Bank balances	-	-	-	-
Receivables from exchange transactions	24,903,633	9,903,633	-	-
Receivables from non-exchange transactions	761,825	761,825	-	-
	=====	=====	=====	=====
At 30 th June 2018				
Bank balances	-	-	-	-
Receivables from exchange transactions	34,666,400	38,446,655	-	-
Receivables from non-exchange transactions	7,076,371	7,076,371	-	-
	=====	=====	=====	=====

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

At 30 th June 2019	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
Receivables from exchange transactions	24,903,633	10,733,733		
Receivables from non-exchange transactions	761,825	761,825	-	-
Bank balances	-	-	-	-
Total	25,665,458	11,495,558	-	-

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

Kenya Law had credit risk on amounts due from customers for the sale of legal publications of Kshs. 14,169,900.

(ii) Liquidity risk management

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Liquidity risk is a financial risk that for a certain period of time at a given financial asset, security or commodity cannot be traded quickly enough in the market without impacting the market price.

Prudent liquidity risk management includes maintaining sufficient cash to meet company obligations. Ultimate responsibility for liquidity risk management rests with the council board members, which has built an appropriate liquidity risk management framework for the management of the council's short, medium and long-term funding and liquidity management requirements. Kenya Law manages liquidity risk by continuous monitoring of forecasted and actual cash flows.

The table below analyses the Kenya Law's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts here below disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs
At 30th June 2019				
Trade and other payables	21,942,426	-	-	-
Other Current Liabilities	-	-	-	-
Bank Overdraft	-	-	-	-
Total	21,942,426			
At 30th June 2018				
Trade payables	22,981,391	-	-	-
Other Current Liabilities	-	-	-	-
Bank Overdraft	-	-	-	-
Total	22,981,391	-	-	-

(iii) Market risk

Market risk refers to the risk an institution faces resulting from movements in market prices. In particular, changes in interest rates, foreign exchange rates, and equity and commodity prices. It comprises of Price risk, Fair value interest rate risk and Foreign exchange risk.

▪ Price risk

This is risk of a decline in the value of a security or a portfolio that can be minimized through diversification, unlike market risk.

Kenya Law does not hold investments that would be subject to price risk; hence this risk does not directly affect its net worth.

▪ Fair value interest rate risk

This is a risk that future cash flows will fluctuate because of changes in market interest rates. Investments and borrowings subject to fixed rates expose Kenya Law to fair value interest rate risk, as the fair value of the financial instrument fluctuates because of changes in market interest rates.

Kenya Law does not hold interest bearing assets or liabilities subject to fair value interest rate risk; hence this risk does not directly affect its net worth.

- Foreign exchange risk

This is risk that an asset or investment denominated in a foreign currency will lose value as a result of unfavourable exchange rate fluctuations between the investment's foreign currency and the investment holder's domestic currency.

Kenya Law occasionally receives grants denominated in foreign currency especially in US Dollars. This exposes Kenya Law to risks that may arise from fluctuations in the foreign currency exchange rates. Kenya Law has a USD bank account for transacting receipts and payments in USD to minimise the exposure to exchange risks.

Sensitivity analysis on the Foreign exchange of Kenya Law's USD Account reported a Forex loss attributed to loss in value of the Kenya shilling to the US dollar at the year-end date.

The analysis assumes that exchange rate fluctuations on currency derivatives that form part of an effective cash flow hedge relationship affect the fair value reserve in equity and the fair value of the hedging derivatives.

- Foreign currency sensitivity analysis

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate Kshs	Effect on Profit before tax Kshs	Effect on equity Kshs
2019			
Euro	10%	-	-
USD	10%	-	-
2018			
Euro	10%	-	-
USD	10%	-	-

i) Capital Risk Management

Kenya Law's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the council consists of equity attributable to equity holders, comprising capital fund, reserves and retained earnings. Kenya Law would ordinarily monitor its capital risk using the gearing ratio. Gearing ratio is calculated as net borrowings over the total capital. Kenya Law had no borrowings as at 30th June 2019.

	2018-2019 Kshs	2017-2018 Kshs
Retained earnings	152,720,237	132,693,317
Capital reserve	23,565,276	23,565,276
Total funds	176,285,513	156,258,593

22. RELATED PARTY BALANCES
Nature of related party relationships

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the 'reporting entity')

The parties that were related to Kenya Law in the financial year 2018/2019 were:

- ☐ Government of Kenya - The Government of Kenya is the primary financier of Kenya Law as a Semi-autonomous Government Agency. The GOK Transfers non-conditional Grants to the National Council for Law Reporting every financial year.
- ☐ Grants in Kind from the World Bank Judiciary Performance Improvement Programme (JPIP) – The World Bank are a development partner funding the JPIP project of which Kenya Law is a key beneficiary. Provide Conditional grants to the National Council for Law Reporting through the Judiciary.
- ☐ Office of the Attorney General and Department of Justice - This is our parent ministry; that then influences the Kenya Law's strategy. It also approves Kenya Law's budget as part of the total budget of the Office of the Attorney General and Department of Justice as a ministry.
- ☐ Council members – This is the body that gives the strategic direction of the National Council for Law Reporting and provides oversight over Kenya Law's secretariat and its activities.
- ☐ Key Management – These are the persons who manage the secretariat and implement the policy direction and strategies of the National Council for Law Reporting as directed by the Council members. Kenya Law has a total of eleven (11) management staff.

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

	2018-2019 Kshs	2017-2018 Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of goods to Judiciary	1,821,000	4,864,100
Total	1,821,000	4,864,100
b) Grants from the Government		
Grants from National Govt.	313,600,000	320,000,000
Donations in kind	9,445,188	23,131,379
Total	323,045,188	343,131,379
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for 73 employees	121,215,059	118,279,155
Total	121,215,059	118,279,155
d) Key management compensation		
Directors' emoluments	4,707,616	3,069,400
Compensation to the CEO	7,713,230	6,275,600
Compensation to key management	31,389,371	39,508,696
Total	43,810,217	48,853,696

23. EVENTS AFTER THE REPORTING PERIOD

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

24. ULTIMATE AND HOLDING ENTITY

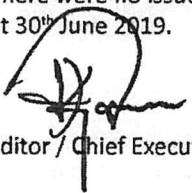
National Council for Law Reporting is a State Corporation or a Semi- Autonomous Government Agency in the Office of the Attorney General & Department of Justice, herein the holding entity. Its ultimate parent is the Government of Kenya.

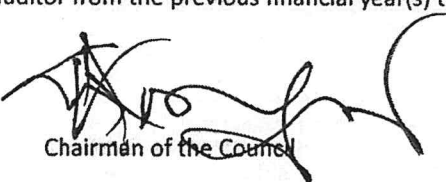
25. CURRENCY

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

18. APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

There were no issues raised by the external auditor from the previous financial year(s) that were still outstanding as at 30th June 2019.


Editor / Chief Executive Officer


Chairman of the Council

Date 31st Dec 2019

Date 31/12/19

APPENDIX II: INTER-ENTITY TRANSFERS

	Date	Details	Amount (Kshs.)
		Drawer	
1	Quarter 1 - (14 th August 2018)	Office of the Attorney General & Department of Justice	80,000,000
2	Quarter 2 - (31 st October 2018)	Office of the Attorney General & Department of Justice	73,600,000
3	Quarter 3 - (19 th February 2019)	Office of the Attorney General & Department of Justice	80,000,000
4	Quarter 4 - (26 th April 2019)	Office of the Attorney General & Department of Justice	80,000,000
	Totals		313,600,000

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

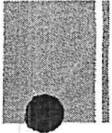
Head of Accounting Unit
National Council for Law Reporting

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

Sign



Sign-----



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