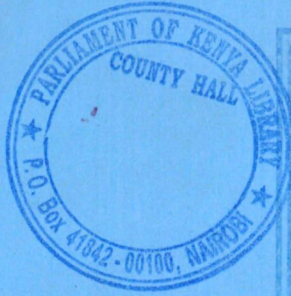


REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY	
JULY 2022	
Wednesday	
TABLED BY:	LOM
CLERK-AT-THE-TABLE	OF Minam Mado

THE AUDITOR-GENERAL

ON

KENYA SCHOOL OF LAW

**FOR THE YEAR
ENDED 30 JUNE, 2021**

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

15 SEP 2022

RECEIVED



THE KENYA SCHOOL OF LAW

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING 30TH JUNE 2021

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

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I. KEY KENYA SCHOOL OF LAW INFORMATION AND MANAGEMENT

a) Background information

The Kenya School of Law is a state body corporate established under section 3 of the Kenya School of Law Act, No. 26 of 2012 (revised 2019). It is the successor of the Kenya School of Law established under the Council of Legal Education Act (No. 9 of 1995). The Kenya School of Law Act establishes the School as a public legal education provider responsible for the provision of professional legal training as an agent of the Government.

The School's main campus is located in Karen, Nairobi with a satellite campus located in the Central Business District. The School is governed by a Board of Directors which is responsible for the general policy and strategic direction.

b) Principal Activities

Vision

A preferred centre of excellence in professional legal training, research and consultancy in the East African region and beyond.

Mission Statement

To offer quality and practical training in law and other related disciplines for the professional development of lawyers and other actors in the legal sector, and to undertake research, consultancies and projects.

Core functions of the School

- Training of advocates for entry into the legal profession,
- Continuing professional legal development,
- Provision of Para-legal training,
- Provision of specialized and customized legal training in the public service, and
- Offering consultancy and research services

Values

- Integrity
- Excellence

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- Client orientation
- Teamwork and partnership
- Competence and professionalism
- Transparency and accountability

c) Key Management

The School's day-to-day management is under the Director/Chief Executive Officer and Secretary to the Kenya School of Law Board. The Board of Directors exercise oversight role of policy formulation. The other key management of the School comprises of Assistant Directors and Heads of Departments.

d) Fiduciary Management

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

No	Name of the staff	Responsibility
1	Dr. Henry K. Mutai	Director/Chief Executive Officer
2.	Mr. Isaac Kuloba	Assistant Director, Continuous Professional Development (CPD)
3.	Ms. Anna Konuche	Assistant Director, Advocates Training Programme (ATP)
4.	Mr. John Malombe	Assistant Director, Human Resource & Administration
5.	Ms. Lucia Lulu	Principal Human Resource Officer
6.	CPA Ruth G. Gichuki	Principal Accountant
7.	Mr. Fredrick Abea	Principal Internal Auditor
8.	Ms. Mariam Ali Mahmud	Principal Supply Chain Management Officer
9.	Mr. Fredrick Muhia	Principal Officer, Academic Services
10.	Ms. Anastacia Otieno	Paralegal Training Programme Coordinator
11.	Ms. Agnes Mwai	Principal Librarian
12.	Ms. Pauline Mbuthu	Principal Legal Officer

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e) Fiduciary Oversight Arrangements

The fiduciary oversight arrangements of the School are held by the Board of Directors who carry out the oversight duties through the Board Committees. These committees are: Finance and General Purposes, which is charged with the responsibilities of budgetary planning, budget approval and procurement plans. It also provides policy guidance on implementation of Finance, Human Resources and Information strategies; Audit, Governance and Risk Management Committee is a statutory committee whose responsibilities include evaluating the adequacy of the existing Governance and Risk management systems and processes to ensure sound financial procedures and accountability; and the Academic Affairs Committee, which develops legal training policies and programmes to meet domestic market requirements and also to comply with international best practices, develop policies and strategies for managing Kenya School of Law examinations, provide guidelines and advise the government on matters pertaining to legal training. The School has also set up a Corruption Prevention Committee whose membership comprises of key management staff.

f) The Kenya School of Law Headquarters

Langata South Road, Karen

P.O. Box 30369 - 00100

Nairobi, Kenya

g) The Kenya School of Law Contacts

Telephone: (254) 020 – 2699581/1/2/3/4/5/6. ISDN: (020) – 8896000

Fax: +254-20-8891722

E-mail: lawschool@ksl.ac.ke

Website: www.ksl.ac.ke

DROPPING ZONE

141 Revlon Professional Plaza

Tubman Road, Nairobi

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h) The Kenya School of Law Bankers

1) Barclays Bank of Kenya

Corporate Branch

Barclays Plaza

P.O BOX 4661 – 0100

Nairobi, Kenya

2) Equity Bank of Kenya

Supreme Branch

Karen

Nairobi, Kenya

3) Co-operative Bank of Kenya

Karen Branch

P.O Box 24644-00502

Karen, Kenya

i) Independent Auditors

Auditor - General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084 GPO 00100

Nairobi, Kenya

j) The Kenya School of Law Principal Legal Advisor

The Attorney General

State Law Office



Harambee Avenue

P.O. Box 40112 City Square 00200



Nairobi, Kenya

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II. THE KENYA SCHOOL OF LAW BOARD MEMBERS

Board Member's photo, name, and role	Date of birth, Key qualifications and work experience
 <p>Prof. Fatuma N. Chege Chairperson KSL Board of Directors 30th August 2018-18th May 2021</p>	<ul style="list-style-type: none"> ❖ Professor of Education, Department of Educational Foundations, Kenyatta University (KU) ❖ Deputy Vice Chancellor (Administration), (KU) ❖ Doctor of Philosophy (Ph. D) – University of Cambridge (United Kingdom) ❖ M.A. (Education) – KU ❖ B.Ed.- KU ❖ Dip. Ed. – University of Nairobi
 <p>Hon. Lady Justice Pauline Nyamweya Member Representing Chief Justice, Republic of Kenya</p>	<ul style="list-style-type: none"> ❖ Court of Appeal Judge ❖ Lecturer - Faculty of Law, University of Nairobi ❖ Secretary – The Capital Markets Tribunal ❖ Bachelor of Laws (LL. B), ❖ Postgraduate Dip. In Law, ❖ Master of Laws (LLM) (University of Cambridge, UK) ❖ Member – Central Depository Settlement Corporation ❖ Advocate

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 <p>Prof. Michael Nyongesa Wabwile Ph.D. Member Representing University Law Lecturers in Kenya</p>	<ul style="list-style-type: none"> ❖ Bachelor of Laws (LL. B) University of Nairobi, 1995. ❖ Post-Graduate Diploma in Law, Kenya School of Law 1996. ❖ Master of Laws (LL.M.), University of Cambridge UK, 1998 ❖ Doctor of Philosophy (PhD) in Law, University of Leicester, UK, 2010 ❖ Founding Dean, School of Law, Egerton University ❖ Associate Professor, School of Law, Egerton University ❖ Practicing Advocate and Elected Member, Advocates' Disciplinary Tribunal ❖ Executive Director, Association of Child and Family Lawyers of Kenya ❖ Quality Auditor, Commission for University Education, Kenya ❖ Quality Auditor, Inter-University Council for East Africa ❖ Fellow, Cambridge Commonwealth Society
 <p>Mrs. Emily Chweya Member Representing State Law Office and Department of Justice</p>	<ul style="list-style-type: none"> ❖ Chief State Counsel, OAG & DOJ ❖ Bachelor of Laws (LLB) (University of Nairobi) ❖ Post graduate Diploma in Law, Kenya School of Law.

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 <p>CPA Rael J. Rottich Member Representing the National Treasury September 30th 2019 to 5th May 2021</p>	<ul style="list-style-type: none"> ❖ Assistant Accountant General, The National Treasury. ❖ Bachelor of Commerce (Bcom) Accounting ❖ Masters of Business Administration(MBA) Finance (University of Nairobi) ❖ Executive Post Graduate Diploma in Financial Management (Maastricht School of Management, The Netherlands) ❖ Post graduate Diploma in Planning and management of Development Projects (CUEA) ❖ CPA(K), ICPAK Member
 <p>CS. Jacqueline A.O. Manani, Member Representing the Law Society of Kenya</p>	<ul style="list-style-type: none"> ❖ Director, Legal Services, Public Service Commission (PSC) ❖ Bachelor of Laws (LL. B) (Moi) ❖ Post Graduate Dip. In Law, Kenya School of Law ❖ Master of Laws (LL.M) (University of London), ❖ ICPSK Member
 <p>Ms. Catherine Ochanda Member Representing State Law Office and Department of Justice</p>	<ul style="list-style-type: none"> ❖ Deputy Chief State Counsel ❖ Bachelor of Laws (LLB) ❖ Post Graduate Diploma in Law, Kenya School of Law (2001-2002) ❖ Master of Laws (LLM) in Advanced Legislative Studies at the Institute of Advanced Legal Studies, University of London (2012-2013)

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Dr. Henry Kibet Mutai,
Director/CEO & Secretary
Kenya School of Law Board



- ❖ Director and CEO of the Kenya School of Law
- ❖ Bachelor of Laws (LLB), University of Nairobi
- ❖ Post graduate Diploma in Law, Kenya School of Law
- ❖ Doctor of Philosophy (PhD), University of Melbourne
- ❖ Master of Laws (LLM), University of Melbourne
- ❖ Master of Laws (LLM), Temple University, US
- ❖ Advocate, High Court of Kenya

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III MANAGEMENT TEAM

Key manager's photograph, name and key professional/academic qualifications	Responsibility
<p>1. Dr. Henry Kibet Mutai</p>  <p>Doctor of Philosophy (Ph.D), Master of Laws (LLM), Postgraduate Diploma in Law, Bachelor of Laws (LLB)</p>	<p>Director/ Chief Executive Officer & Secretary, Kenya School of Law Board</p> <p>Appointment Date: 26th March, 2018</p>
<p>2. Mr. Isaac Simiyu Kuloba</p>  <p>Master of Laws (LLM), Postgraduate Diploma in Law, Bachelor of Laws (LLB)</p>	<p>Ass. Director, Continuing Professional Development /Projects & Research</p> <p>Appointment Date: 1st October, 2017</p>




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<p>3. Ms. Anna Konuche</p>  <p>Master of Laws (LLM), Postgraduate Diploma in Law, Bachelor of Laws (LLB)</p>	<p>Assistant Director, Advocate Training Programme.</p> <p>Appointment Date: 7th November, 2017</p>
<p>4. Mr. John Malombe</p>  <p>Executive MBA, Post Graduate Diploma (HRM), Post Graduate Diploma (ED.), Bachelor of Arts (Sociology) Member, IHRM</p>	<p>Asst. Director, Human Resource & Administration</p> <p>Appointment Date: 15th October, 2019</p>

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<p>5. Ms. Lucia Lulu</p>  <p>Master of Business Administration (HR), Bachelor of Science - International Business Administration (Management)</p>	<p>Principal Human Resource Officer.</p> <p>Appointment Date: 2nd August, 2019</p>
<p>6. CPA Ruth G. Gichuki</p>  <p>Master of Business Administration (MBA, Finance), Bachelor of Commerce, Certified Public Accountant (K), Member, ICPAK</p>	<p>Principal Accountant.</p> <p>Appointment Date: 1st July, 2019</p>

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<p>7. CPA Fredrick Abea</p>  <p>Master of Business Administration (Finance) Bachelor of Business Management, Certified Public Accountant (K), Diploma in Accounts, Member, ICPAK & IIA(K)</p>	<p>Principal Internal Auditor.</p> <p>Appointment Date: 30th August 2019</p>
<p>8. Ms. Mariam A. Mahmud</p>  <p>MSc in Procurement and Logistic, Bachelor of Commerce, Member, Chartered IPS -(UK) and KISM</p>	<p>Principal Supply Chain Management Officer.</p> <p>Appointment Date: 3rd October 2016</p>
<p>9. Mr. Fredrick Muhia</p>  <p>Master of Business Administration, Bachelors of Business Administration, Diploma in Technical Education, Diploma in Personnel Management & Industrial Relations</p>	<p>Principal Officer, Academic Services</p> <p>Appointment Date: 1st May 2010</p>

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<p>10. Ms. Anastasia Otieno</p>  <p>Master of Laws (LLM), Postgraduate Diploma in Law, Bachelor of Laws (LLB),</p>	<p>Principal Lecturer</p> <p>Paralegal Studies Programme Coordinator</p> <p>Appointment Date: 2nd August, 2019</p>
<p>11. Ms. Agnes Mwai</p>  <p>Masters in Library & Information Science, Bachelor of Education (Arts)</p>	<p>Principal Librarian</p> <p>Appointment Date: 4th May, 2015</p>
<p>12. Ms Pauline Mbuthu</p>  <p>Master of Laws (LLM), Postgraduate Diploma in Law, Bachelor of Laws (LLB), Bachelor of Arts (Psych) , Member, LSK</p>	<p>Principal Legal officer</p> <p>Appointment Date: 16th March, 2020</p>

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III. CHAIRPERSON'S STATEMENT

I am delighted to present the Seventeenth Annual Report and Accounts of the Kenya School of Law (herein after referred to as the "School") for the period ending 30th June, 2021.

KEY ACHIEVEMENTS

During the year under review the School continued to discharge its mandate of provision of quality and practical training in law and other related disciplines for the professional development of lawyers and other actors in legal sector, and to undertake research, consultancies and projects. The following were key activities during the year:

- i. The Board of Directors exercised general control and management of the School by;
 - a) Providing strategic advice and direction to the school
 - b) Approving study programmes
 - c) Approving schedules for examinations
 - d) Monitoring performance of the School and making policy decisions that enhance the performance of the School
 - e) Monitoring and evaluating the impact of the School's programmes on the legal sector
 - f) Administering the property and funds of the School in a transparent and accountable manner
 - g) Approving financial statements through Cabinet Secretary for consideration by Treasury

- ii. The student numbers remained stable at 2163 for both Advocates Training Programme and Diploma in Law (Paralegal studies) being a total of 1833 and 330 students respectively. Due to Covid-19 restrictions the students attended their classes online.

- iii. During the year, the Continuing Professional Development (CPD) policy was approved by the board for implementation.

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CHALLENGES

The school faced a shortfall in revenue due to budget cuts and the Covid-19 pandemic which altered the academic year and continued to affect a number of planned activities.

Freezing of employment in government institutions also hindered full implementation of the planned activities due to shortage of staff in some departments.

THE WAY FORWARD

The school will lay down post Covid-19 strategies to enable it meet its mandate.

The recruitment of communications and marketing officers, which took place during the year, will increase its visibility and competitiveness and thus lead to increased revenues.

The School will seek approvals for filling of critical positions in order to achieve all the planned activities.

The School's future outlook looks bright and the School's students have confidence in the programmes being offered.



Prof. Michael N. Wabwire

For Chairperson

KENYA SCHOOL OF LAW BOARD

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IV. REPORT OF THE CHIEF EXECUTIVE OFFICER

It is my pleasure to present the Annual Report and Financial Statements of the Kenya School of Law (hereafter referred to as the "School") for the financial year ended 30th June, 2021. This is the Seventeenth Annual Report and Accounts since its re-establishment as a Semi-Autonomous Government Agency. During the year, the School acting within its mandate, successfully executed most of its planned programmes, projects and new initiatives with a view of delivering quality legal services to its clients. However, the ongoing Covid-19 pandemic meant that not all planned activities could be carried out.

KEY ACTIVITIES

The key activities of the School during the year included Academic services comprising the Advocates Training Programme, Diploma in Law (Paralegal Studies) and Continuing Professional Development. There was also the provision of Hospitality services as well as Finance, Human Resources and Administration activities.

a) Academic Services

During the Financial Year 2020/2021, ATP academic program admitted 1833 students compared to 1732 students admitted in the Financial Year 2019/2020. 330 students both in first and second year were undertaking the Diploma in Law (Paralegal Studies) Programme. Final examinations for the ATP students were administered in June 2021. Following the Covid-19 pandemic and the presidential directive to close educational institutions, the school has adopted the online learning method for continuity.

Orientation of the new cohort of ATP students was done virtually on May 13th 2021, the heads of departments enlightened the students on what to expect in the school.

The School continued to offer legal aid through collaboration with the Law Society of Kenya. The School also carried out pupillage supervision from July 2020 to January 2021. Graduation was held in the month of June 2021 for the year 2019 cohort.

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Legal Aid session by Kenya School of Law at Milimani Law Courts.

b) Continuing Professional Development

The financial year 2020-2021 began at a time the Covid-19 pandemic had broken out followed by Government restrictions on group meetings and travel. CPD Department was one of the most affected departments of the School, since most of its activities involve meetings. Despite the pandemic, the department opened up physical training in September 2020 and the subsequent months turned out to be the busiest, with the department delivering the highest number of courses since it was established in 2009.

The School successfully mounted thirty-two continuing professional development courses during the year in diverse fields of law, including: Introduction to New Land Regulations, Legal Audit and Compliance training for Young Lawyers (in collaboration with the Law Society of Kenya), Training of the Committee on Compliance Monitoring and Communication, Public Procurement Regulatory Authority, Public Procurement Law and Policies, Data Protection Law, Human Resource Legal Audit & Compliance, Monitoring and Management of Regulatory Compliance, Monitoring and Management of Regulatory Compliance, Board Operations & Processes, International Commercial Disputes Resolution, Public Policy & Legislative Process in Devolved Governments, Corporate Governance & the Law, Procurement and Financial Risk Management, Legislative Drafting and Andragogy for Law Lecturers.

During the year, the School organized its 2nd Annual Conference themed “Lawyers, Constitutionalism & Globalization in East Africa”. The Conference which was held virtually, was well-attended, despite the challenges caused by Covid-19 pandemic. The Conference generated interest from scholars and legal practitioners, and the papers that were presented at the Conference were well researched on the thematic

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areas. It is hoped that the annual conferences would be a springboard to the School doing more research on matters of law.

The School also completed carrying out consultancy services to various organizations including: the Industrial & Commercial Development Corporation, the Kenya Maritime Authority, the Kenya Export Promotion and Branding Agency, the Kenya Roads Board and the Agriculture Development Corporation. The School carried out substantial portions of legal audit work for the Kenya Reinsurance Corporation which would be concluded in the first quarter of the financial year 2021-2022. Towards the close of the financial year, the School signed consultancy agreements with the Sacco Societies Regulatory Authority, Kenya Accountants and Secretaries National Examinations Board, and the Nursing Council of Kenya, to undertake legal audits for them. The actual audit would be concluded early in the new financial year. Finally, regarding other types of consultancies, the School assisted the Kenya Dairy Board with respect to the new Dairy Regulations (2021) by carrying out regulatory impact assessment of the regulations.

During the year, the Board approved the CPD Policy which will guide the department in carrying out training, consultancies and research. The Policy, for the first time, sets out the approved rates for courses and consultancies undertaken by the School, and establishes a framework for assuring quality in the delivery of the services offered by the department.



Participants of a Legal Audit and Compliance course at Kenya School of Law

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c) Hospitality and Conferencing Activities

The School offers conferencing facilities, including accommodation, for guests. The pandemic adversely affected the operations of the hospitality industry resulting in a drastic reduction in the number of guests and events that were hosted. The following institutions held workshops in the School:

State Law Office and Department of Justice, Co-operative University, Anti Counterfeit Authority, Kenyatta National Hospital, Council of Legal Education, Multimedia University, Nairobi Centre for International Arbitration and The Ombudsman.

d) Human Resources and Administration

During the year ended 30th June 2021, the school continued to implement the approved staff establishment by filling five (5) positions during the year, three (3) being new positions while two (2) were replacements. Also, the School engaged 15 interns and offered 19 students attachment opportunities.

The following policies were developed: Overtime Policy, Bonus Policy, Conference & Retreat Center Policy and Sports Policy, Road Safety, Occupational Safety and Health policy.

The School implemented the Training Needs Assessment report and supported staff to attend training for skills development in addition to professional training for those who are members of recognized professional bodies.

Staff performed their duties while observing the MoH Guidelines on Covid-19, setting individual targets for the year and going through mid- year review and end of year appraisal.

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FINANCIAL PERFORMANCE

a) Revenue

During the year the School received **Kshs 195.03 Million** as Government recurrent subvention against **Kshs 213.9 Million** received in the 2019/2020 financial year. This amount was in line with approved budget allocation. The School managed to raise **Kshs 294.6 Million** from its internal operations against **Kshs 336.7 Million** in 2019/2020 financial year. This represented a decrease of 12.5% and resulted mainly from reduced activity in hospitality and altering of the academic year due to the Covid-19 Pandemic. Student's fees income of **Kshs 233 Million** contributed the highest portion of this internally generated revenue representing 79%. Combined Hospitality and CPD activities generated **Kshs 55 Million** against **Kshs 45 Million** in 2019/2020 financial year representing an increase of 22%.

b) Expenditure

The School expended **Kshs 585.9 Million** in recurrent expenses. A total of **Kshs 47.5 Million** was spent on items of a capital nature.

c) Results

The School's net assets dropped from **Kshs 2.57 billion** in the 2019/2020 financial year to **Kshs 2.481 billion** in 2020/2021 financial year. During the year the School reported a deficit of **Kshs 96.3 Million**.

This deficit was largely attributed to the late commencement of the academic year for ATP students who reported in April 2021 and not in January as is usually the case. Low activity in the hospitality section leading to low revenues. This meant that in the financial year 2020/2021, only two months of income from students was taken into account, with the bulk of the fees income being deferred to the subsequent financial year.

CHALLENGES

The School faced a number of challenges during the year under review. These included: Firstly, a reduction in exchequer funding especially with regard to the recurrent and development grant. This slowed the pace of completion of Ultra-Modern Library and Moot courts. Secondly, the school operations were adversely affected by Covid-19 pandemic but the school has reinvented ways to remain afloat despite the tough times by introducing the eLearning module.

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Thirdly, despite an increase in the enrolment of students, quite a number are financially challenged which poses a challenge to the School in terms of collection of the fees.

WAY FORWARD

The School looks forward to continued execution of its mandate with a view to delivering quality legal training services to its customers, stakeholders and the public. Both Management and Board will continue to diversify sources of revenue with a view to achieving financial self- sustainability. The School will also continue to adhere to laid down policies and procedures in management of its affairs and particularly ensure prudent use of allocated resources. Implementation of austerity measures and compliance with Government circulars will result to continual funding from the Government. With the clear strategic objectives and initiatives being undertaken, the future of the School is great.

VOTE OF THANKS

In conclusion, I wish to sincerely thank the Board of Directors of the School for their unwavering support and commitment in oversight, policy formulation and strategic guidance. Secondly, I thank the Government of Kenya for timely release of recurrent subvention during the year and continual guidance through well thought out circulars and various engagements. Thirdly, the success of this School owes much to the Kenyan public who pay taxes to enable the Government run its activities. These very Kenyans have trusted the quality of training offered by the School; it is this trust that has made them to bring their children to us. Fourth, I appreciate Government agencies who have always chosen to enroll their staff for our continuous professional development courses. This also includes all other clients who have chosen to utilize our facilities. Lastly, I thank the entire Kenya School of Law staff for their dedication and professionalism in upholding the School's values.


Dr. Henry K. Mutai

Director/Chief Executive Officer & Secretary

KENYA SCHOOL OF LAW BOARD

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**VI. STATEMENT OF KENYA SCHOOL OF LAW PERFORMANCE AGAINST
PREDETERMINED OBJECTIVES FOR FY 2020/2021**

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

KSL has 6 strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2018/19-2021/2022. These strategic pillars/ themes/ issues are as follows:

Pillar /theme/issue 1: Legal Education

Pillar/theme/issue 2: Continuing Professional Development

Pillar/theme/issue 3: Research, consultancies and projects

Pillar/theme/issue 4: Financial Sustainability and cost cutting

Pillar/theme/issue 5: Institutional Capacity/ Operational excellence

Pillar/theme/issue 6: Customer Focus

KSL develops its annual work plans based on the above 6 pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The KSL achieved its performance targets set for the FY 2020/2021 period for its 6 strategic pillars, as indicated in the diagram below;

Strategic Pillar/Theme/I ssues	Objective	Key Performance Indicators	Activities	Achievements
Legal Training	To provide quality professional legal training for ATP and PTP	No. of students trained in the ATP	Train 1500 students under ATP	Trained a total of 1833 lawyers under the Advocates Training and Paralegal
		No. of students	Train 190 students under PTP	Trained a total of 114 Students under the Paralegal Training Programmes

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		trained in the PTP		
		No. of trainings undertaken	Train academic staff on teaching methodologies	Conducted one training on teaching methodologies for all the academic staff,
		Operational E-learning platform	Implement E-learning for both ATP and PTP	Successfully implemented E-learning for both programmes
Continuing Professional Development CPD	To provide Practical Training for Continuing Professional Development	No. of courses delivered	Develop and Deliver CPD short courses	Delivered 28 CPD short courses
		Approved CPD policy	To develop the CPD policy	Policy developed and approved by the Board
Research, consultancies and projects:	To undertake Research, consultancies and projects:	No. of legal consultancies undertaken	Undertake legal consultancies	Three consultancies were awarded during the FY. i.e Nursing Council of Kenya, KASNEB, SASRA.
		No. of conferences held	Hold an annual conference	Held the The 2 nd Annual Conference
		No. of trainings undertaken	Train staff on project management and research skills	Staff were trained on <i>Project Management and Research Skills</i> by the Jomo Kenyatta University of Agriculture and Technology

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Financial Sustainability and cost cutting	To enhance and broaden revenue streams and cut costs to achieve financial sustainability	No. of MOUs signed	Sign MOU with strategic partners	Signed MOUs with 2 strategic partners (HELB and LSK). The partnerships are aimed at enhancing resources.
		No. of officers recruited	Recruit staff in charge of marketing	Marketing officer was recruited to handle marketing activities in the School
Institutional capacity/ Operational Excellence	To strengthen institutional capacity for operational excellence	% implementation of TNA report	Implement Training Needs Assessment Report	A total of 47 staff members were trained on the TNA approved trainings
		% implementation of the ERP system	Implement an ERP system	Implementation of the ERP system is estimated at 98%
Customer Focus	To enhance customer satisfaction	Customer satisfaction index	Conduct a customer satisfaction survey	The School conducted a CSS and determined the CSS index of 69% showing an improvement from the 2018/2019 CSS
		Certification	Maintain the ISO 900:2015 Certification	School recertified by the KEBs who is the Schools Certification Body

The School aligns its annual Performance Contract targets with the Strategic Plan targets specifically under the Core mandate section which are under the Strategic Pillars 1,2 and 3. Therefore, an achievement of the

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2020/2021 strategic plan activities as indicated above clearly demonstrates an achievement of the School's 2020/2021 signed Performance Contract.

VII. CORPORATE GOVERNANCE STATEMENT

The Board is responsible for appropriate strategic advice and direction to the School and accountable to the Government, Stakeholders and the Kenyan Public at large through the State Law Office and Department of Justice. The legal education laws, policies and strategies in place aim at achieving the goals of the School as stated in the Vision and Mission statements. In addition, the School is committed to comply with the law and demonstrate high standards of best practice in corporate governance and ethics.

Members of the Board

The Members of the Board comprise of appointees of the Principal Secretary of the Ministry for the time being responsible for legal education; the Principal Secretary of the Ministry for the time being responsible for National Treasury; the Attorney-General; the Chief Justice; a representative of the Law Society of Kenya nominated by its Council; two others persons appointed by the Cabinet Secretary of whom – (i) one shall be a person who teaches law in Kenya, nominated by the Universities; and (ii) one shall be a curriculum expert who teaches education in a University in Kenya; and the Director.

The School Board as guided by the State Corporations Act and The KSL Act meets at least four times a year with special meetings held on a need basis. The Chief Executive Officer and Secretary of the KSL Board and management are delegated by the Board to run the day to day affairs of the School.

The School Board operates three (3) standing committees to which it has delegated various responsibilities. Each Committee meets as need be under the terms of reference set by the Board Charter.

Finance and General Purposes Committee

This committee is charged with the responsibilities of budgetary planning, budget approval and procurement plans. It also provides policy guidance on implementation of Finance, Human Resources and Information strategies. The committee is composed of:

- | | |
|-----------------------------------|-------------|
| 1. Prof. Michael Nyongesa Wabwile | Chairperson |
| 2. CPA Rael J. Rottich | Member |
| 3. Mrs. Emily Chweya | Member |

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- | | |
|-------------------------------|--------|
| 4. Ms. Catherine Ochanda | Member |
| 5. C.S Jacqueline A.O. Manani | Member |

Academic Affairs Committee

The committee's responsibilities are to develop legal training policies and programmes to meet domestic market requirements and also to comply with international best practices, develop policies and strategies for managing Kenya School of Law examinations, provide guidelines and advise the government on matters pertaining to legal training. The Academic Affairs Committee comprises of:

- | | |
|---------------------------------------|-------------|
| 1. Mrs. Emily Chweya | Chairperson |
| 2. Hon. Lady Justice Pauline Nyamweya | Member |
| 3. CS. Jacqueline A.O. Manani | Member |
| 4. Prof. Michael Nyongesa Wabwile | Member |
| 5. Ms. Catherine Ochanda | Member |

Audit and Risk Management Committee

The Audit, Governance and Risk Management Committee is a statutory committee under the Act. The committee comprises of:

- | | |
|---------------------------------------|-------------|
| 1. CS. Jacqueline A.O. Manani | Chairperson |
| 2. Hon. Lady Justice Pauline Nyamweya | Member |
| 3. CPA Rael J. Rottich | Member |
| 4. Prof. Michael Nyongesa Wabwile | Member |
| 5. Ms. Catherine Ochanda | Member |

The committee's responsibilities include evaluating the adequacy of the existing Governance and Risk management systems, management procedures and processes with regard to Governance and Risk management to ensure sound financial procedures and accountability.

OTHER STATUTORY COMMITTEES

Corruption Prevention Committee

The Committee's responsibility is to effectively address corruption related issues in the institution and to provide oversight function. The Kenya School of Law Anti-Corruption Policy provides the guiding framework for prevention, detection, investigation and reporting of corruption to the Kenya School of Law.

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The Committee implements its mandate and operations guided by legal instruments and statutory policies such as:

- i) The Anti-Corruption and Economic Crimes Act, 2003
- ii) The Kenya School of Law Act 27 of 2012
- iii) The Public Officers Ethics Act, 2003
- iv) The State Corporations Act, Cap 446 and the Regulations
- v) The Public Procurement and Asset Disposal Act, 2015
- vi) The Public Finance Management Act, 2012

The composition of the committee is as follows:

1. The Director/C.E. O – Chairman
2. Assistant Director, ATP
3. Assistant Director, CPD
4. Assistant Director, HR & Administration
5. Principal Legal Officer
6. Principal Accountant
7. Principal Supply Chain Management Officer.
8. Principal Librarian
9. Senior ICT Officer
10. Principal Human Resources Officer
11. Principal Officer Academic Services

In compliance with the requirements of the Public Procurement and Assets Disposal Act, 2015, the School appoints ad hoc procurement committees for independent tasks.

Board Expenses

The remuneration and expenses of the Chairperson and Members of the Board are guided by the State Corporations Act, Cap. 446 and the provisions of the Kenya School of Law Act, No.26 of 2012.

Board Meetings

During the year there were seven board meetings, two of which were special board meetings and one for Evaluation. The Board Committee meetings were as follows:

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Name of Committee	Members	Number of meetings held
Finance and General Purpose Committee	1. Prof. Michael Nyongesa Wabwile Chairperson 2. CPA Rael J. Rottich Member 3. Mrs. Emily Chweya Member 4. Ms. Catherine Ochanda Member 5. CS. Jacqueline A.O. Manani Member	7 (4 ordinary meetings 3 special meetings)
Academic Affairs Committee	1. Mrs. Emily Chweya Chairperson 2. Hon. Lady Justice Pauline Nyamweya Member 3. CS. Jacqueline A.O. Manani Member 4. Prof. Michael Nyongesa Wabwile Member 5. Ms. Catherine Ochanda Member	5 (4 ordinary meetings 1 special meeting)
Audit and Risk Management Committee	1. CS. Jacqueline A.O. Manani Chairperson 2. Hon. Lady Justice Pauline Nyamweya Member 3. CPA Rael J. Rottich Member 4. Prof. Michael Nyongesa Wabwile Member 5. Ms. Catherine Ochanda Member	6 (4 ordinary meetings 2 special meetings)

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

a) The School's operational and financial performance:

The operational and financial performance of the School is set out on page xiv to page xxi.

b) School's compliance with statutory requirements:

During the 2020/2021 financial year, the School met all its statutory obligations (PAYE, NSSF, NHIF, VAT).

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c) Key projects and investment decisions the School is planning/implementing

The School is currently undertaking construction of an Ultra-Modern Library which is about 84% complete and is financed through grants from the Government. The construction of the Library has been severely affected by the budget cuts from Government thus delaying the completion of the same.

Major risks facing the entity:

i) Competition

Operationally, the School has monopoly of offering the Advocates Training Program and this is the main source of revenue. This might not be sustained in the foreseeable future. To mitigate this risk, the School is in the process of reviewing its Strategic Plan so as to diversify the revenue base. The School is currently experiencing competition in both Continuing Professional Development courses and Paralegal Studies Programme. To mitigate this, the School has planned to market its facilities and legal trainings offered so as to sensitize the public and other stakeholders.

ii) Reputation

The pass rate in the ATP Programme is likely to dis-advantage the School in the event of competition. To mitigate this risk, and hence maintain a good reputation, the School has undertaken a number of interventions which have resulted in improved performance over the last 2 years.

iii) Financial Risk

Continual reduction and occasional delay in submission of Government subvention especially for development projects poses a liquidity risk to the School. This risk is being mitigated by preparing adequate operations and projects justifications, the use of internally generated revenue will supplement the government funding.

A number of students being enrolled have difficulty in raising full fees for their entire duration of study Programme. This poses a risk of failure to collect fees income. The School has established a HELB fund as a way of mitigating this risk and during the year 163 students benefitted from the fund.

iv) Risk of Interest and fines from stalled project

The school is currently undertaking construction of the Ultra-Modern Library. The project has taken long to be completed and the school risk to incur costs in variation due to inflation brought by economic changes.

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IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The School exists to transform lives through offering quality and practical training in law and other related disciplines for the professional development of lawyers and other actors in the legal sector, and to undertake research, consultancies and projects.

Below is an outline of policies and activities that promote sustainability;

The School is committed to providing a safe, fair and stimulating work environment that empowers employees to make a meaningful contribution to the organization's performance development, and offers challenging and rewarding opportunities for personal and professional growth. The School recognizes the importance of attracting and retaining the best staff. To achieve this, the School is guided by the human resource policy covering the career guidelines and progression.

Training needs assessment is carried out and the staff are trained as per the priority of needs in their department.

OSHA audit was carried out in the school to determine the compliance levels of the health and safety in the school; a health and safety policy was also developed.

The school is involved in energy saving projects including installation of solar panels for water heating and environmental audits.

To ensure that youth, women and people with disability benefit from Access to Government Procurement Opportunities, the School carried out sensitization sessions with these groups of potential suppliers. They were enlightened on how to take advantage of this provision in law and benefit from Government procurement.

The school carried out CSR activities to Lang'ata Women's Prison, Karen C Primary and St Paul's Children's home Rongai by donating books, foodstuffs, water tanks, Covid-19 materials and essential items to the organisations.

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Kenya School of Law CSR Committee donating items at the Lang'ata Women Prison

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X. REPORT OF THE BOARD OF DIRECTORS

The Board submits this report together with the financial statements for the year ended June 30, 2021 which show the state of the School's affairs.

Principal activities of the School

The School is mandated to carry out the following training functions:

- (i) Training of advocates for entry into the legal profession,
- (ii) Continuing professional legal development,
- (iii) Provision of Para-legal training,
- (iv) Provision of specialized and customized legal training in the public service, and
- (v) Offering consultancy and research services

Results

The results of the School for the year ended June 30, 2021 are set out on page 1 to page 8.

Directors

The Members of the Board of Directors who served during the year are shown on page v to page viii in accordance with Section 6(2) of the Kenya School of Law Act, No. 26 of 2012.

Auditors

The Auditor-General is responsible for the statutory audit of the School in accordance with the Public Audit Act 2015, which empowers the Auditor-General to audit Kenya School of Law Financial Statements.

By Order of the Board.

Dr. Henry K. Mutai



Director/Chief Executive Officer & Secretary

KENYA SCHOOL OF LAW BOARD

Date... 05 / 09 / 2022

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XI. STATEMENT OF BOARD'S RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and Section 23 of the Kenya School of Law Act No. 26 of 2012, require the Board to prepare financial statements in respect of Kenya School of Law, which give a true and fair view of the state of affairs of the School at the end of the financial year and the operating results of the School for that year. The Board is also required to ensure that the Kenya School of Law keeps proper accounting records which disclose with reasonable accuracy the financial position of the School. The Members are also responsible for safeguarding the assets of the School.

The Board is responsible for the preparation and presentation of the School's financial statements, which give a true and fair view of the state of affairs of the School for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes:

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

The Board accepts responsibility for the School'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 2012 and the State Corporations Act Cap 446. The Board is of the opinion that the Kenya School of Law's financial statements give a true and fair view of the state of School's transactions during the financial year ended June 30, 2021, and of the Kenya School of Law's financial position as at that date. The Board Members further confirm the completeness of the accounting records maintained for the School, which have


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been relied upon in the preparation of the Kenya School of Law's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Kenya School of Law's financial statements were approved by the Board on _____ 2021 and signed on its behalf by:



Prof. Michael N. Wabwile

For Chairperson

KENYA SCHOOL OF LAW BOARD



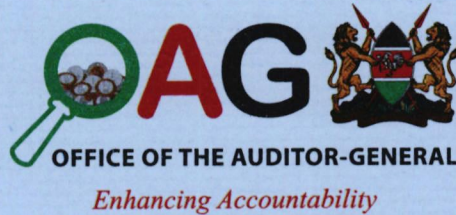
Dr. Henry K. Mutai

Director/Chief Executive Officer & Secretary

KENYA SCHOOL OF LAW BOARD

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA SCHOOL OF LAW FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

Qualified Opinion

I have audited the accompanying financial statements of the Kenya School of Law set out on Pages 1 to 30, which comprise the statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, the financial position of the Kenya School of Law as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kenya School of Law Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Account Receivables

As disclosed under Note 18 to the financial statements, the statement of financial position reflects account receivables balance of Kshs.180,339,335 which is net of a provision for doubtful debts of Kshs.4,703,715. However, the basis for the computation of the provision was not provided.

Further, the balance includes school fees receivables of Kshs.75,512,101 and non-school fees receivables of Kshs.55,677,967 which were not supported with individual listing and aging analysis of debtors.

In addition the staff receivables amounting to Kshs.2,014,929 relating to the imprests issued to the staff were not supported with individual listing of imprests holders.

In the circumstances, the accuracy and completeness of the accounts receivables balance of Kshs.180,339,335 could not be confirmed.

2. Reconciliation of Revenue from Exchange Transactions

The statement of financial performance reflects revenue from non-exchange transactions balance of Kshs.195,027,462 and revenue from exchange transactions of Kshs.294,588,412, all totalling Kshs.489,615,874. However, the financial statements of the State Law Office and Department of Justice reflects an amount of Kshs.484,446,695 in respect of transfer to Kenya School of Law, resulting in an unreconciled variance of Kshs.5,169,179.

In the circumstances, the accuracy and completeness of the revenue totalling Kshs.489,615,874 could not be confirmed.

3. Omissions of Property, Plant and Equipment

The statements of financial position and as disclosed in Note 22 to the financial statements reflects property, plant and equipment balance of Kshs.2,207,402,271 which

excludes the value of land and a building which was reverted back to the school by the High Court.

Further, the land did not have a title deed and physical verification revealed that the land had not been permanently fenced, the main house's roof had been removed and the compound was being used as a private car park.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.2,207,402,271 could not be confirmed.

4. Irregular Expenditure on Land Rent

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects use of goods and services amounting to Kshs.92,229,313 which includes land rent expenses of Kshs.3,892,389 paid to the Nairobi City County Government Further, Nairobi City County payment request (invoice) dated 16 September, 2020 indicated an amount of Kshs.1,004,170 as land rate penalties and Kshs.2,248,590 as land rate arrears (principal), all totalling Kshs.3,252,760. The resulting difference of Kshs. 639,629 between the amount paid and the amount invoiced was not explained. Further, the school paid Kshs.3,892,389 against budgeted amount of Kshs.600,000 leading to an over expenditure of Kshs.3,292,389 or about 549% of the budget. In addition, the Nairobi City County Government request for payment indicated that the land belongs to Agricultural Finance Corporation and no explanation was provided.

In the circumstances, the propriety and regularity of the expenditure could not be ascertained.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.572,507,462 and Kshs.489,615,874 respectively resulting to an under-funding of Kshs.82,891,588 or 15% of the budget.

Similarly, the Fund expended Kshs.585,895,102 against an approved budget of Kshs.572,507,462 resulting to an over-expenditure of Kshs.13,387,640 or 2% of the budget.

The underfunding affected the planned activities and may have impacted negatively on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Delayed Completion of Contract

As previously reported, the contract for the construction of an Ultra-Modern Library and Moot Courts was awarded to a contractor at a cost of Kshs.488,704,449 and commenced on 24 June, 2013. The construction period was three years and the Project was expected to be completed by September, 2016. By 30 June, 2021, a total of Kshs.247,503,300 had been paid to the contractor. Physical inspection and verification of the progress revealed that, although the contractor was still on site, the works had not been completed five years after the expected completion period.

In the circumstances, it was not possible to confirm that the School obtained value for money from the expenditure of Kshs.247,503,300 incurred on the Project

2. Irregular Procurement of Assets

Review of the procurements documents revealed an amount of Kshs.17,197,261 was spent on the acquisition of office equipment, computer equipment, library books, furniture and fittings procured through use of quotations. However, tender evaluation committee minutes in support of procurement of these items were not signed and initialed on each page by each member of the Committee contrary to Section 80(7) of the Public Procurement and Asset Disposal Act, 2015 which states that the evaluation report shall be signed by each member of evaluation committee.

Further, the school procured ten (10) sets of Ipads for a total amount of Kshs.957,255. However, the framework agreement provided to support the procurement was signed on 30 November, 2018 which had expired as at the time of procurement. This is contrary to Section 114(2) of the Public Procurement and Asset Disposal Act, 2015 which provides for a maximum term of three years for the framework agreement.

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

3. Irregular Board of Directors Committee Membership

During the year under review examination of records revealed that three board members sat in three (3) committees contrary to the provisions of Circular Ref. OP/CAB.9/1A dated 11 March, 2020 - part B (4) which states that a Board member can only sit in a maximum of two committees.

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

4. Unauthorized Expenditure

The statement of comparison of budget and actual amounts reflects final capital expenditure budget and actual on comparable basis of Kshs.33,000,000 and Kshs.47,455,399 respectively resulting in an over-expenditure of Kshs.14,455,399 or 44% of the budgeted amount. Management did not provide evidence of the Board's approval for the excess expenditure.

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

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

REPORT ON EFFECIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and the Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual

Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School 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, revenue transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them, and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue 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 School 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 the Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 September, 2022

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XIII. STATEMENT OF FINANCIAL PERFORMANCE

	Note	2021 Kshs	2020 Kshs
Revenue from non-exchange transactions			
National Treasury	3	195,027,462	213,890,000
		<u>195,027,462</u>	<u>213,890,000</u>
Revenue from exchange transactions			
School Fees Income	4	232,979,137	285,658,077
Hospitality income	5	13,793,723	19,191,933
Continuous Professional Development Income	6	41,501,685	26,458,643
Rental revenue from facilities and equipment	7	4,289,000	4,181,001
Other income	8	2,024,866	1,232,993
		<u>294,588,412</u>	<u>336,722,647</u>
Total revenue		<u>489,615,874</u>	<u>550,612,647</u>
Expenses			
Employee costs	9	246,769,937	214,349,967
Remuneration to Directors	10	8,009,468	15,472,575
Use of Goods and Services	11	92,229,313	90,214,735
Repairs & Maintenance	12	24,017,565	19,891,605
Depreciation and Amortization	13	124,535,652	132,262,309
Operational costs	14	59,969,561	42,276,586
Continuing Prof Dev. Expenses	15	20,621,282	8,862,779
Hospitality Costs	16	9,742,324	17,213,376
Total expenses		<u>585,895,101</u>	<u>540,543,931</u>
Surplus/ (Deficit) for the period		<u>(96,279,228)</u>	<u>10,068,716</u>

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XIV STATEMENT OF FINANCIAL POSITION

Assets	Note	2021 Kshs	2020 Kshs
Current assets			
Inventories	17	5,830,479	6,081,365
Accounts Receivables	18	180,339,335	172,835,661
Prepayments and Deposits	19	1,137,500	137,000
HELB Fund	20	10,000,000	-
Cash and Bank Balances	21	<u>365,926,388</u>	<u>338,769,008</u>
Total Current Assets		<u>563,233,702</u>	<u>517,823,034</u>
Non-current assets			
Property, Plant and Equipment	22	2,207,402,271	2,280,957,227
Intangible Assets	23	<u>10,576,010</u>	<u>14,101,347</u>
Total non - current assets		<u>2,217,978,281</u>	<u>2,295,058,574</u>
Total assets		<u>2,781,211,983</u>	<u>2,812,881,607</u>
Liabilities			
Current liabilities			
Trade and Other Payables	24	286,205,658	229,651,726
VAT	25	<u>13,913,859</u>	<u>12,858,188</u>
Total current liabilities		<u>300,119,517</u>	<u>242,509,914</u>
Total liabilities		<u>300,119,517</u>	<u>242,509,914</u>
Reserves		1,321,729,160	1,321,729,160
Accumulated Deficit		-288,282,426	-192,003,199
Capital Fund		<u>1,447,645,732</u>	<u>1,440,645,732</u>
		<u>2,481,092,466</u>	<u>1,806,748,988</u>
Total net assets and liabilities		<u>2,781,211,983</u>	<u>2,812,881,607</u>

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The financial statements set out on pages 1 to 6 were signed on behalf of Kenya School of Law by:



Director/ CEO & Secretary

Dr. Henry Mutai

Date

5/9/22



Principal Accountant

CPA Ruth G. Gichuki

Date

5.9.2022



For Chairperson of the Board

Prof. Michael N. Wabwile

Date

5/9/2022

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XIV. STATEMENT OF CHANGES IN NET ASSETS

	Note	Accumulated Deficit Kshs	Revaluation Reserve Kshs	Capital Fund Kshs	Total Kshs
At 1st July 2019		(194,981,138)	1,208,756,563	1,370,145,732	2,383,921,157
Assets Revaluation			112,972,597		112,972,597
Development Grant				70,500,000	70,500,000
Prior Year Adjustments		(7,090,776)			(7,090,776)
Surplus/(Deficit)		10,068,715		-	10,068,715
As at 30th June, 2020		(192,003,199)	1,321,729,160	1,440,645,732	2,570,371,693
At 1st July 2020		(192,003,199)	1,321,729,160	1,440,645,732	2,570,371,693
Development Grant				7,000,000	7,000,000
Prior Year Adjustments					-
Surplus/(Deficit)		(96,279,227)		-	(96,279,227)
As at 30th June, 2021		(288,282,426)	1,321,729,160	1,447,645,732	2,481,092,466

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XV STATEMENT OF CASH FLOWS

	Notes	2021 Kshs	2020 Kshs
CASHFLOWS FROM OPERATING ACTIVITIES			
Net Surplus/ (Deficit) for the year		(96,279,228)	10,068,715
Adjustments for:-			
Depreciation	20	<u>124,535,652</u>	<u>132,262,309</u>
Surplus / (Deficit) before working capital changes		<u>28,256,425</u>	<u>142,331,024</u>
(Increase)/ Decrease in Receivables		(18,504,174)	(50,283,989)
(Increase)/ Decrease in Consumable Stocks		250,886	177,844
Increase/(Decrease) in Payables		<u>57,609,603</u>	<u>39,216,015</u>
Net cash flows from operating activities		<u>67,612,739</u>	<u>131,440,894</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	20	<u>(47,455,359)</u>	<u>(239,857,728)</u>
Net cash flows from investing activities		<u>(47,455,359)</u>	<u>(239,857,728)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Gok Development Grant		7,000,000	70,500,000
Revaluation Reserve		-	112,972,597
Prior year adjustment		<u>-</u>	<u>(7,090,776)</u>
Net Cash flow from Financing Activities		<u>7,000,000</u>	<u>176,381,820</u>
Net Increase in Cash and Cash Equivalents		<u>27,157,380</u>	<u>67,964,985</u>
Cash and Cash Equivalents at beginning of period		<u>338,769,008</u>	<u>270,804,024</u>
Cash and Cash Equivalents at end of period		<u><u>365,926,388</u></u>	<u><u>338,769,008</u></u>

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XVI STATEMENT OF BUDGET AND ACTUAL COMPARISON

	Budget 2020/2021	Apportioned Budget 2020/2021	Actual Cumulative to date	Performance Difference	%
	Kshs	Kshs	Kshs	Kshs	Change
Revenue					
GoK Grants - Recurrent	195,027,462	195,027,462	195,027,462	0	0%
School Fees Income	289,152,000	289,152,000	232,979,137	-56,172,863	-19% (i)
Hospitality Income	46,240,000	46,240,000	13,793,723	-32,446,277	-70% (ii)
Continuous Professional Development	34,000,000	34,000,000	41,501,685	7,501,685	22% (iii)
Rental Revenue from Facilities and Equipment	4,488,000	4,488,000	4,289,000	-199,000	-4%
Other Incomes	3,600,000	3,600,000	2,024,866	-1,575,134	-44% (iv)
Total Income	572,507,462	572,507,462	489,615,874	-82,891,588	
Expense					
Administrative Costs	107,019,187	107,019,187	92,229,313	14,789,874	14% (v)
Employee Costs	266,070,000	266,070,000	246,769,937	19,300,063	7%
Depreciation	55,000,000	55,000,000	124,535,652	-72,623,986	-126% (vi)
Repairs and Maintenance	24,800,000	24,800,000	24,017,565	782,435	3%
Hospitality	14,324,000	14,324,000	9,742,324	4,581,676	32% (vii)
Operational Cost	78,678,775	78,678,775	59,969,561	21,797,547	24% (viii)
Board of Directors expenses	8,700,000	8,700,000	8,009,468	690,532	8%
Continous Professional Development	17,915,500	17,915,500	20,621,282	-2,705,782	-15% (ix)
Total Expense	572,507,462	572,507,462	585,895,102	-13,387,640	
Surplus/(Deficit) for the Year	0	0	-96,279,228		

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b) Capital/ Development budget

Asset class	Budget 2020/2021 Kshs	Apportioned Budget 2020/2021 Kshs	Actual Cumulative to date Kshs	Performance Difference Kshs	% Change %	
Capital works in progress	12,000,000	12,000,000	30,258,098	-18,258,098	-152%	(x)
Office Equipment	3,000,000	3,000,000	2,219,543	780,457	26%	(xi)
Computer Equipment	9,000,000	9,000,000	8,484,720	515,280	6%	
Library books	5,000,000	5,000,000	3,528,248	1,471,752	29%	(xii)
Furniture and fittings	<u>4,000,000</u>	<u>4,000,000</u>	<u>2,964,750</u>	<u>1,035,250</u>	26%	(xiii)
Total	<u>33,000,000</u>	<u>33,000,000</u>	<u>47,455,399</u>	<u>-14,455,319</u>		

Explanations of material variance

- (i) The school fees income in the FY 2020/2021 was negatively affected by the late commencement of the academic year in April as opposed to January, meaning less income was earned before the financial year ended.
- (ii) There was reduced activity in the hospitality section than had been budgeted, this largely being attributed to the Covid-19 disruption.
- (iii) Continuing Professional Development department mounted more trainings than had been budgeted.
- (iv) Many past students paid for and collected their certificates
- (v) Some activities set to be carried out in the financial year, like the energy saving project, did not take place.
- (vi) There was a higher depreciation expense than budgeted
- (vii) The disruption by Covid-19 led to the hospitality section operating at a lower level than budgeted.
- (viii) Some activities that had been budgeted for, like legal clinic visits, did not take place due to disruption by Covid-19 pandemic
- (ix) Continuing Professional Development department mounted more trainings than had been budgeted and this meant that the expenses incurred were also more.

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- (x) Payment for the ongoing construction of the ultramodern library is made upon presentation of certificates of payment by the contractor. The funds received for capital development from GOK are therefore not always used within the financial year. Equally, certificates of payment that are presented do not necessarily amount to the funds allocated within a particular year.
- (xi) Some items that had been budgeted for in the financial year were not procured since students were studying on-line.
- (xii) Some items that had been budgeted for in the financial year were not procured since students were studying on-line.
- (xiii) Some items that had been budgeted for in the financial year were not procured since students were studying on-line.

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XVII NOTES TO THE FINANCIAL STATEMENTS

1. General Information

The Kenya School of Law was established by and derives its authority and accountability from Kenya School of Law Act No. 26 of 2012. The School is wholly owned by the Government of Kenya and is domiciled in Kenya. The School responsible for legal training at all levels, including Advocates and Para-legal training and Continuing Professional Development service delivery in the areas of training and continuing legal education.

2. Statement of compliance and basis of preparation – IPSAS 1

The school's 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 the School. The accounting policies have been consistently applied to all the years presented except when reporting Continuing Professional Development income and expenses where the School has adopted to report them separately from other incomes and operational expenses respectively. This is contrary to the previous years. This approach enables the School to clearly evaluate the performance of this department.

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.

3. Summary of significant accounting policies

a) Revenue recognition

i) Revenue from exchange transactions – IPSAS 9

The School recognizes revenue from School fees, hospitality activities, Continuous Professional Development and other revenue from various services including rental income, hire of grounds, laundry and parking. These are recognized when the service has been rendered – when earned. For School fees income, this is recognized and apportioned to the year that it relates since most of the fees is paid in January for the entire academic year and pupillage of the Advocates Training Programme.

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ii) Revenue from non-exchange transactions – IPSAS 23

Non exchange transactions revenue is mainly from Government grants which are split into recurrent and development. They are recognized on receipt. In cases where the receipt is after year end, the School still recognizes the revenue to the year it applies to and records the same as income receivable.

b) Budget information – IPSAS 24

The original budget for the financial year 2020/2021 was approved by Board of the Directors in January 2020. This was later reviewed and the School received actual allocation from the Government in May 2020 through printed estimates. This actual allocation is what the School implemented during the financial year 2020/2021 with no budget revisions. The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the School. As a result of the adoption of the accrual basis for budgeting purposes, there are no timing or entity 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.

c) Taxes – IAS 12

The School is exempted from Taxation under First Schedule to the income Tax Act (CAP470). However, it charges VAT on both Continuous Professional Development courses and Hospitality activities.

d) Property, plant and equipment – IPSAS 17

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

Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life. Full depreciation is charged for the year of acquisition.

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The annual depreciation rates in use are:

Computer Equipment and Software	30.0%
Office Equipment	30.0%
Motor Vehicles	25.0%
Library books	20.0%
Furniture and Fittings	12.5%
Buildings	2.5%

There was no revaluation of the assets during the financial year.

e) Inventories – IPSAS 12

Inventories are stated at the Lower of Cost and Net Realisable Value. 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 purchased by the School are expensed immediately to the various expense classes. At the end of the year, a stock take is carried out to establish the remaining consumable stock.

As at the closure of 2020/2021 financial year the School had consumable stock valued at Kshs 5,830,479.

f) Provisions – IPSAS 19

Provisions are recognized when the School 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.

g) Contingent assets

The parcel of land along the Bishops Road where the School principal's house stands has been a subject of a court case. The case was finalised and ruled in favour of the School. The value of the property has however not been included in the financial statements as the property reverted to The Treasury, as is the procedure for such recoveries.

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h) Changes in accounting policies and estimates – IPSAS 3

Estimates and Judgements are continually evaluated on the basis of historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances. The School separated income and expenses of Continuous Professional Development courses from other incomes and operational costs respectively. This was to enable the School evaluate the performance of this department.

i) Employee benefits – IPSAS 25

Retirement benefit plans

The School operates a defined contribution benefit scheme for all its employees. The scheme is administered by Zamara Consultants and Administrators and operates according to provisions of the Retirement Benefits Act (1997). The assets of the scheme are held in a separate trustee administered fund that is funded by both the School and its Employees.

The School also contributes to a statutory defined contribution scheme, The National Social Security Fund (NSSF). The contributions are determined by the National Social Security Fund Act (CAP258).

The School's contribution to this scheme is charged to the income statement in the year to which they relate.

The School provides gratuity for senior management who are employed on contract. Such staff do not benefit from the Defined Contribution Benefit Scheme.

j) Related parties – IPSAS 20

Members of key management are regarded as related parties. Key management of the School have been disclosed on pages 9 to 13 of these financial statements. The School is also related to National Government, Office of the Attorney-General and Board of Directors.

k) 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 various commercial banks at the end of the financial year.

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l) Receivables

Receivables are recognised and carried at original invoice amounts less an allowance for the uncollectable amounts.

m) Payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid of goods and services received whether or not billed to the school.

n) Subsequent Events – IPSAS 14

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

o) Financial Risk Management Objectives and Policies

The School's activities expose it to a variety of financial risks including credit risk and liquidity risk. There exists an audit and risk management committee of the Board charged with overall responsibility of reviewing the risk profile and establishing mitigating measures to manage risks. The School's overall risk management programme focuses on the unpredictability in the markets and seeks to minimize adverse effects on its financial performance.

The School regularly reviews its risk management policies and systems to reflect emerging best practises. Risk management is carried out by the management under the supervision of Board of Directors.

4. Significant judgments and sources of estimation uncertainty – IPSAS 1

The preparation of the School'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.

The useful lives and residual values of assets were 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 the School's management.
- (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

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(v) Changes in the market in relation to the asset

Credit Risk Management

Credit risk refers to the risk that counter party will default on its contractual obligations resulting in financial loss to the School. Most of the credit facilities offered by the School are in relation to the Continuous Professional Development courses.

Credit risk arises from bank balances, trade receivables and amounts due from related parties. The school's management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by Board. The utilisation of credit limits is regularly monitored.

Accounts receivable from exchange transactions are as follows:

	As at 30 th June 2021	As at 30 th June 2020
Accounts Receivables	Kshs 180,339,335	Kshs 172,835,661

Liquidity Risk Management

Liquidity risk is the risk that the school will not be able to meet its financial obligations when they fall due. The school's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring un acceptable losses or at the risk of damaging the School's reputation. This is done by phasing the Schools activities in line with the timing of receipt of Government subventions and School fees revenue.

The School ensures that it has sufficient cash on demand to meet expected operational expenses. This is done by ring fencing funds for mandatory expenses including employee emoluments and academic related expenses. All liquidity policies and procedures are subject to review and approval by board of directors. All capital investments are funded by grants from Government of Kenya and internally generated funds.

Trade payables from exchange transactions are as follows:

	As at 30 th June 2021	As at 30 th June 2020
Trade payables	Kshs. 43,782,600	Kshs. 54,630,740

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3. Transfer from other Government Entities

	2021 Kshs	2020 Kshs
Operational Grant	195,027,462	213,890,000
Total	195,027,462	213,890,000

4. School Fees Income

	2021 Kshs	2020 Kshs
Application/Registration Fee	4,178,000	4,454,100
Examination Fees	16,996,900	15,860,700
Library Fees	7,551,462	8,634,702
Pupilage Supervision	9,261,998	8,097,000
Tuition Fees	194,990,777	248,611,575
Total	232,979,137	285,658,077

5. Hospitality Income

	2021 Kshs	2020 Kshs
Staff Catering	713,546	503,224
Seminars/Conferences/Accommodation	7,689,390	11,197,698
Hire of Grounds	449,144	1,060,966
Sports Facilities	1,799,805	765,936
Students Cafeteria Income	351,600	2,790,486
Laundry Income	119,238	122,623
Hostel Fees	2,671,000	2,751,000
Total	13,793,723	19,191,933

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6. Continuing Professional Development Income

	2021 Kshs	2020 Kshs
CPD Workshops	29,170,470	17,409,332
Consultancy Services	<u>12,331,216</u>	<u>9,049,310</u>
	<u>41,501,686</u>	<u>26,458,643</u>

7. Rental Revenue from Facilities and Equipment

	2021 Kshs	2020 Kshs
Staff houses	<u>4,289,000</u>	<u>4,181,001</u>
	<u>4,289,000</u>	<u>4,181,001</u>

8. Other income

	2021 Kshs	2020 Kshs
Photocopy Services	111,186	89,035
Tender Documents	3,000	3,000
Graduation Income	343,000	775,617
Other Income	<u>1,567,680</u>	<u>365,341</u>
Total	<u>2,024,866</u>	<u>1,232,993</u>

9. Employee costs

	2021 Kshs	2020 Kshs
Basic Salaries	127,587,086	113,263,353
Casual wages - Other	1,786,690	1,280,248

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House Allowance	45,704,215	40,118,548
Leave Allowance	3,819,037	4,717,623
Overtime Allowance	2,221,584	-
Medical Employer Contributions	23,315,710	20,826,908
NSSF Employer Contributions	303,400	326,000
Pension Employer Contributions	24,259,836	21,354,453
Responsibility Allowance	80,117	70,877
Special duty	-	344,403
Gratuity Contribution	1,789,568	1,724,096
Commuter Allowance	10,598,693	9,849,459
Extraneous Allowance	561,000	474,000
Taskforce Allowance	4,617,000	-
Retreat Allowance	126,000	-
Total	<u>246,769,937</u>	<u>214,349,967</u>

10. Remuneration to directors

	2021	2020
	Kshs	Kshs
Chairman's Honoraria	856,667	960,000
Directors emoluments	<u>7,152,801</u>	<u>14,512,575</u>
Total director emoluments	<u>8,009,468</u>	<u>15,472,575</u>

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11. Use of Goods and Services

	2021 Kshs	2020 Kshs
Advertising & Publicity	2,183,996	3,339,920
Official Entertainment	70,000	40,210
Newspapers & Journals	656,539	768,360
Printing & Stationery	3,135,538	3,105,755
Cleaning services & Materials	8,548,392	9,863,791
Security Services	7,406,498	7,501,227
Travel & Accommodation Expenses	16,027,215	16,368,152
Fuel	2,932,359	2,923,586
Bank Service Charges	1,171,220	910,446
Insurance Expenses	1,871,654	1,611,200
Postage and Delivery	14,130	75,960
Telephone & Faxes	3,046,500	2,986,623
Electricity	6,516,935	6,050,536
Water & Sewerage	3,818,880	5,629,362
Internet & E-mail	4,622,847	5,539,239
Audit Fees	696,000	696,000
Professional Fees	1,348,950	2,742,234
Communication	340,700	321,600
Conferences & Workshops	4,974,019	3,859,421
Litigation	311,595	548,399
Staff Uniforms	1,665,926	331,300

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Staff Welfare	1,158,670	4,058,036
Training & Development	4,064,550	4,916,635
Subscriptions	348,860	258,260
I.S.O Expenses	475,600	873,920
Corporate Social Responsibility	796,747	394,344
Boarding of Items	-	45,820
E-board License	1,071,840	974,400
Asset Tagging & Valuation	1,798,000	1,900,000
Land rent	3,892,389	-
Energy Saving Project	-	1,580,000
Strategic Planning & Review	1,186,951	-
Performance contract	3,975,142	-
Offsite Back-up	2,100,672	-
Total	92,229,313	90,214,735

12. Repairs and Maintenance

	195027462 Kshs	213890000 Kshs
Vehicles	3,231,758	1,562,106
Buildings	5,950,613	12,599,036
Computers and accessories	11,217,624	3,321,200
Equipment	3,617,570	2,409,262
Total Repairs and Maintenance	24,017,565	19,891,605

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13. Depreciation and Amortization	2021	2020
	Kshs	Kshs
Property , Plant, and Equipment	121,010,315	132,262,309
Intangible Assets	<u>3,525,337</u>	<u>-</u>
	<u>124,535,652</u>	<u>132,262,309</u>
14. Operational Cost	2021	2020
	Kshs	Kshs
Hire of Facilities & Equipment	7,744,301	6,491,723
Examination Expenses	7,781,756	8,214,190
Library Expenses	8,000	-
Library Online Subscriptions	6,262,230	4,464,954
Part Time, Guest Lecturers Cost	18,332,000	13,378,100
Pupilage & Legal Clinics	3,036,576	884,800
Pupil Master Workshop	906,630	708,555
Students Welfare	163,650	1,365,365
Accreditation Expense	1,130,800	500,000
Graduation expense	865,049	1,591,158
Legal Clinic Visits	7,019,687	2,390,012
Moot Court Competition	3,931,002	213,429
Andragogy Training Curriculum/Training Modules Development	1,481,040 - -	1,924,300 150,000
E-Learning Content Development	1,287,000	-
Binding of Books	<u>19,840</u>	<u>-</u>
Total	<u>59,969,561</u>	<u>42,276,586</u>

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15. Continuing Prof. Dev. Expenses

	2021 Kshs	2020 Kshs
CPD Expenses - Training	19,557,622	8,295,939
CPD Expenses -Consultancy	<u>1,063,660</u>	<u>566,840</u>
Total	<u>20,621,282</u>	<u>8,862,779</u>

16. Hospitality Costs

	2021 Kshs	2020 Kshs
Gas	346,750	355,000
Foodstuffs & Drinks	7,076,455	9,846,375
Kitchen & Hostel Expenses	1,413,623	4,687,978
Laundry Expenses	418,339	1,249,964
Swimming Pool/Sports Expenses	487,157	793,175
Club House Expenses	<u>-</u>	<u>280,884</u>
Total	<u>9,742,324</u>	<u>17,213,376</u>

17. Inventories

	2021 Kshs	2020 Kshs
Stationery	3,082,804	2,307,117
Cleaning materials	791,707	1,302,935
Electrical materials	1,603,910	1,697,323
Dry Foodstuff	249,774	496,893
Non-Foods	<u>102,285</u>	<u>277,097</u>
Total	<u>5,830,479</u>	<u>6,081,365</u>

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18. Accounts Receivables

	2021 Kshs	2020 Kshs
School Fees Receivable	75,512,101	71,992,550
CPD Receivable	20,838,608	17,983,365
Hospitality Receivable	30,999,444	29,870,565
Non-School Fees Receivables	55,677,967	55,677,967
Staff Receivables	2,014,929	2,014,929
Provision for Doubtful Debts	<u>(4,703,715)</u>	<u>(4,703,715)</u>
Total	<u>180,339,335</u>	<u>172,835,661</u>

19. Prepayments and Deposits

	2021 Kshs	2020 Kshs
Utility Deposits	240,000	240,000
Rent Deposit	1,000,500	-
Unreconciled receipts	<u>(103,000)</u>	<u>(103,000)</u>
Total Other Current Assets	<u>1,137,500</u>	<u>137,000</u>

20. Helb Fund

	2021 Kshs	2020 Kshs
HELB Fund	<u>10,000,000</u>	<u>-</u>
	<u>10,000,000</u>	<u>-</u>

21. Cash and Cash Equivalents

	2021 Kshs	2020 Kshs
Absa Bank Acc. 2022099224	16,742,109	16,181,559
Absa Bank Acc. 2022029110	155,865,186	94,683,507

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Absa Bank Acc. 2022099240	6,649,727	7,177,753
Equity Bank Acc. 1630263144477	4,659,586	3,939,331
Coop. Bank Acc. 01129706350500	182,009,780	216,786,857
Petty Cash Control	<u>-</u>	<u>-</u>
Total Cash at bank and in hand	<u>365,926,388</u>	<u>338,769,008</u>

21 (a) Detailed Analysis of the Cash and Cash Equivalents

Financial institution	Account number	2021 KShs	2020 KShs
a) Current account			
Absa Bank	2022099224	16,742,109	16,181,559
Absa Bank	2022029110	155,865,186	94,683,507
Absa Bank	2022099240	6,649,727	7,177,753
Equity Bank	1630263144477	4,659,586	3,939,331
Coop. Bank	1129706350500	<u>182,009,780</u>	<u>216,786,857</u>
Sub- total		<u>365,926,388</u>	<u>338,769,008</u>

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22. Property, Plant & Equipment

Depreciation Rate	Leasehold Land 0.0% Kshs	Buildings 2.5% Kshs	Capital Work in Progress 0.0% Kshs		Office Equipment 30.0% Kshs	Computer Equipment 30.0% Kshs	Library Books 20.0% Kshs	Motor Vehicles 25.0% Kshs	Furniture & Fittings 12.5% Kshs	Total Kshs
As at 1st July 2019	710,000,000	1,305,754,509	180,268,044	38,731,050	76,260,316	30,309,232	40,999,024	74,617,682	2,456,939,858	
Additions	-	5,958,700	89,678,122	3,694,261	13,359,940.23	2,701,713	290,000	4,977,452	120,660,188	
Revaluation	-	-	-	33,860,994	36,633,223	-	34,655,166	7,823,214	112,972,596	
As at 30th June 2020	710,000,000	1,311,713,210	269,946,166	76,286,304	126,253,479	33,010,945	75,944,190	87,418,348	2,690,572,642	
As at 1st July 2020	710,000,000	1,311,713,210	269,946,166	76,286,304	126,253,479	33,010,945	75,944,190	87,418,348	2,690,572,642	
Additions	-	-	30,258,098	2,219,543	8,484,720.20	3,528,248	-	2,964,750	47,455,359	
As at 30th June 2021	710,000,000	1,311,713,210	300,204,264	78,505,847	134,738,199	36,539,193	75,944,190	90,383,098	2,738,028,001	
DEPRECIATION										
As at 1st July 2019	-	102,054,093	-	31,416,953	61,800,158	28,425,192	27,338,143	26,318,566	277,353,105	
Charge for the Year	-	32,792,830	-	22,885,891	42,084,493	4,585,753	18,986,048	10,927,294	132,262,309	
As at 30th June 2020	-	134,846,923	-	54,302,844	103,884,651	33,010,945	46,324,190	37,245,860	409,615,413	

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As at 1st July 2020	-	134,846,923	-	54,302,844	103,884,651	33,010,945	46,324,190	37,245,860	409,615,413
Charge for the Year	-	32,792,830	-	23,551,754	30,853,549	3,528,248	18,986,048	11,297,887	121,010,315
As at 30th June 2021	-	167,639,753	-	77,854,599	134,738,200	36,539,192	65,310,238	48,543,747	530,625,729
NET BOOK VALUE									
As at 30th June 2021	710,000,000	1,144,073,456	300,204,264	651,249	0	0	10,633,952	41,839,351	2,207,402,271
As at 30th June 2020	710,000,000	1,176,866,287	269,946,166	21,983,460	22,368,828	0	29,620,000	50,172,488	2,280,957,227

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Property plant and Equipment includes the following assets that are fully depreciated:

	Cost or valuation KShs	Normal annual depreciation charge KShs
Computers and related equipment	134,738,199	40,421,460
Library Books	39,627,526	7,925,505
Total	174,365,725	48,346,965

23. Intangible Assets

Description	2020-2021 KShs	2019-2020 KShs
Depreciation Rate	25.0%	25.0%
Cost		
At beginning of the year	14,101,347	7,876,404
Additions	-	6,224,943
At end of the year	14,101,347	14,101,347
Amortization and impairment		
At beginning of the year	-	-
Amortization	3,525,337	-
At end of the year	3,525,337	-
NBV	10,576,010	14,101,347

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24. Trade and Other Payables

	2021	2020
	Ksh	Ksh
Trade payables	43,782,600	54,050,740
Payments received in advance	188,257,288	136,372,288
Employee payables	19,695,254	8,626,280
Third-party payments	32,580,516	29,326,418
Other payables	<u>1,890,000</u>	<u>1,276,000</u>
Total trade and other payables	<u>286,205,658</u>	<u>229,651,726</u>

25. VAT	<u>13,913,859</u>	<u>12,858,188</u>
Total	<u>13,913,859</u>	<u>12,858,188</u>

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Additional Disclosures

26 Related Party Transactions

The following transactions were carried out with related parties

	2020/21	2019/20
	Kshs	Kshs
Transfers from related parties (State Law Office)	195,027,462	213,890,000
Key management remuneration	6,715,200	6,521,600
Board of Directors expenses	9,081,308	15,472,575

27 Transfers from Ministries, Departments and Agencies

Name of Entity sending the grant	Amount recognized to the Statement of Comprehensive Income	Amount deferred under deferred income	Amount recognized in capital fund	Total grant income during the year	2019/2020
	Kshs	Kshs	Kshs	Kshs	Kshs
State Law Office and Department of Justice	195,027,462	-	-	195,027,462	213,890,000
Total	195,027,462	-	-	195,027,462	213,890,000

28 Events after the reporting period

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

29 Ultimate and Holding Entity

The Kenya School of Law is a Semi-Autonomous Government Agency under the Office of the Attorney General-Department of Justice. Its ultimate parent is the Government of Kenya.

30 Currency

The financial statements are presented in Kenya Shillings.

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XVIII APPENDICES

APPENDIX I PROGRESS ON FOLLOW – UP OF AUDITORS RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status:	Timeframe:
				(Resolved / Not Resolved)	(Put a date when you expect the issue to be resolved)
Property without Title Deed	The High Court had cancelled the fraudulent allocation of the School's property in Bishops road – Kilimani and issued orders to revert the land to The National Treasury. However, no tile deed was provided at the time of audit	After the Court's order to revert the property to The National treasury, no title was issued. The School has however initiated a follow up to have the property registered in its name.	D/CEO	Not Resolved	Indeterminate

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<p>Delayed Construction Project of Ultra-modern Library and Moot Courts</p>	<p>The project was scheduled to be completed by September 2016. However, the project was still ongoing four after the expected completion date</p>	<p>Funding of the project is from the government The project has however taken inordinately longer to complete due to under-funding, with the School receiving less budget or no funding at all in some financial years. The School has however been setting some funds from AIA to fast truck the project's completion.</p>	<p>D/CEO</p>	<p>Resolved</p>	<p>FY 2022/2023</p>
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Dr. Henry K. Mutai
Director/Chief Executive Officer

Date..... 05/09/2022

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APPENDIX II: INTER-ENTITY TRANSFERS

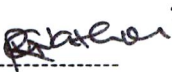
Breakdown of Transfers from the State Department of Office of the Attorney General and Department of Justice

		Bank Statement Date	Amount (Kshs)	Financial Year
a	Recurrent Grants	24-Aug 2020	48,756,865.50	2020/2021
		6-Nov. 2020	48,756,865.50	
		05-Mar 2021	48,756,865.50	
		25-June 2021	48,756,865.50	
		Total	195,027,462	
b	Development Grants	09-Sept 2020	7,000,000	2020/2021
		Grand Total	202,027,462	

The above amounts have been communicated to and reconciled with the parent ministry.

Finance Manager
Kenya School of Law

Sign



Head of Accounting Unit
State Law Office

Sign-----

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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received	as per bank statement	Nature: Recurrent/Development/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized					Total Transfers during the Year
						Capital Fund	Deferred Income	Receivables	Others - must be specific		
Office of the Attorney General and Department of Justice	24-Aug 2020		Recurrent	48,756,865.50	48,756,865.50	-	-	-	-	-	48,756,865.50
	6-Nov. 2020		Recurrent	48,756,865.50	48,756,865.50	-	-	-	-	-	48,756,865.50
	05-Mar 2021		Recurrent	48,756,865.50	48,756,865.50	-	-	-	-	-	48,756,865.50
	25-June 2021		Recurrent	48,756,865.50	48,756,865.50	-	-	-	-	-	48,756,865.50
	09-Sept 2020		Development	7,000,000.00		7,000,000.00					7,000,000.00
Total				202,027,462.00	195,027,462.00						202,027,462.00

