

PARLIAMENT
OF KENYA
LIBRARY

REPUBLIC OF KENYA



*Paper laid by
Leader of Majority
Party
Tuesday
13/3/18
Agh*



OFFICE OF THE AUDITOR-GENERAL



REPORT

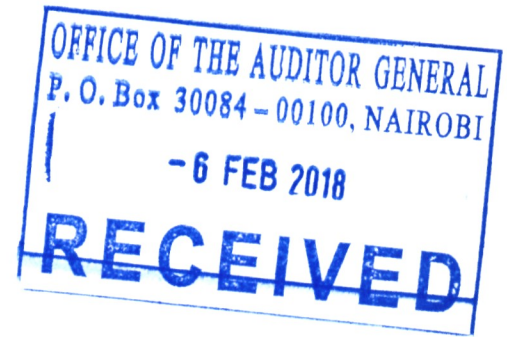
OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
KENYA SCHOOL OF LAW

FOR THE YEAR ENDED
30 JUNE 2017



THE KENYA SCHOOL OF LAW

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017

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

KENYA SCHOOL OF LAW
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

TABLE OF CONTENTS

	Page
I. KEY KENYA SCHOOL OF LAW INFORMATION AND MANAGEMENT	2
II. THE KENYA SCHOOL OF LAW BOARD MEMBERS	7
III. MANAGEMENT TEAM.....	12
IV. CHAIRMAN’S STATEMENT	16
V. REPORT OF THE CHIEF EXECUTIVE OFFICER.....	17
VI. CORPORATE GOVERNANCE STATEMENT	22
VII. MANAGEMENT DISCUSSION AND ANALYSIS.....	26
VIII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT	28
IX. REPORT OF THE BOARD OF DIRECTORS.....	29
X. STATEMENT OF BOARD’S RESPONSIBILITIES.....	30
XI. REPORT OF THE INDEPENDENT AUDITORS OF THE KENYA SCHOOL OF LAW	32
XII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 TH JUNE 2017..	33
XIII. STATEMENT OF FINANCIAL POSITION AS AT 30 TH JUNE 2017	34
XIV. STATEMENT OF CHANGES IN NET ASSETS	35
XV. STATEMENT OF CASH FLOWS AS AT 30 TH JUNE 2017	36
XVI. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 TH JUNE 2017.....	37
XVII. NOTES TO THE FINANCIAL STATEMENTS.....	39
XVIII. PROGRESS ON FOLLOW – UP OF AUDITORS RECOMMENDATIONS.....	58
XIX. APPENDIX 1: INTER-ENTITY TRANSFERS.....	60

**KENYA SCHOOL OF LAW
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

I. KEY KENYA SCHOOL OF LAW INFORMATION AND MANAGEMENT

a) Background information

The School was established in 1963, following the recommendations of the Denning Commission on Legal Education in Africa to the effect that the Country needed practical and professional legal training for legal practitioners in addition to the basic academic content being offered by various Universities and Colleges.

The School was re-established in 1995 is a public institution – a Semi-Autonomous Government Agency (SAGA) - mandated under the Council of Legal Education Act 16A of the Laws of Kenya to dispense practical legal training for and on behalf of the Government of Kenya. The School's first programme was the Advocates Training Programme (ATP) undertaken to train lawyers for admission as advocates of the High Court of Kenya and this remains the School's flagship programme.

The School was further mandated to provide Continuing Professional Development (CPD) training (Section 6 of the Council of Legal Education Act Cap 16A). The training was practice-oriented and intended to enhance legal competencies and skills in the delivery of legal services in the Country. The CPD programmes targets legal professionals engaged in the administration of justice, legal practitioners in the public and private sectors, as well as other professionals whose duties involve interpretation, administration and enforcement of law.

The mandate of the School was further reinforced by the report of the Ministerial Task Force on the Development of a Policy and Legal Framework for Legal Education and Training (2005), which recommended inter alia, the "setting up of an independent and autonomous public training institution with the sole responsibility of training in various aspects of law as well as training for the private sector and collaborating with international agencies to discharge their mandate".

The School's training portfolio has been enlarged further, in view of the promulgation of two Acts separating the functions of the Council of Legal Education (CLE) from those of the School. The Legal Education Act No. 27 of 2012 tasks CLE with policy, oversight and regulation responsibilities; while the Kenya School of Law Act No. 26 of 2012 makes 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. The two Acts were assented on 21st September, 2012 and commenced on 28th September, 2012 and 15th January, 2013 respectively.

The School is governed by a Board which is responsible for the general policy and strategic direction.

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

b) Principal Activities

Vision of Kenya School of Law

A preferred centre of excellence in professional legal training in 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 legal sector.

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
- 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, Kenya School of Law Board. The Board of Directors exercise oversight role of policy formulation. The other key management of the School comprises of the Deputy Director, Assistant Directors and Heads of Departments.

d) Fiduciary Management

The key management personnel who held office during the year ended 30th June 2017 and who had direct fiduciary responsibility were:

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

No.	Designation		Name
1.	Secretary/Chief Executive Officer	-	Prof. PLO Lumumba
2.	Deputy Director	-	Prof. Morris Kiwinda Mbondenyi
3.	Asst. Director, Finance & Admin	-	Mr. Amos K. Mwangi
4.	Ag. Asst. Director, ATP & PS	-	Hon (rtd) Judge Richard Kuloba
5.	Ag. Asst. Director, CPD, P&R	-	Mr. Isaac Simiyu
6.	Human Resource & Admin Manager	-	Mrs. Joyce Maingi
7.	Finance Manager	-	CPA Anaclet B. Okumu
8.	Procurement Manager	-	Ms Mariam Ali Mahmud
9.	Internal Audit Manager	-	Mrs. Maria Aridi
10.	Academic Services Manager	-	Mr. Fredrick Muhia
11.	Legal Clinics Manager	-	Mr. Albert Simiyu
12.	Paralegal Studies Programme Coordinator	-	Ms. Anastacia Otieno
13.	Librarian	-	Ms Agnes Mwai
14.	PA/Senior Legal Officer	-	Ms Brenda Kiberenge

e) Fiduciary Oversight Arrangements

The fiduciary oversight arrangements of the School are by the Board of Directors who carry out the oversight duties through the Board Committees. These committees are: Finance and General Purpose 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 advice the government on matters pertaining to legal training. The School has also set up Corruption Prevention Committee whose membership comprise of key management staff.

f) The Kenya School of Law Headquarters

Langata South Road, Karen

P.O. Box 30369 - 00100

Nairobi, Kenya

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

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.ac.ke

Website: www.ksl.ac.ke

DROPPING ZONE

141 Revlon Professional Plaza

Tubman Road, Nairobi

h) The Kenya School of Law Bankers

1) National Bank of Kenya

Hill Plaza

P.O. Box 45219

City Square 00100

Nairobi, Kenya

2) Barclays Bank of Kenya

Corporate Branch

Barclays Plaza

P.O BOX 4661 – 0100

Nairobi, Kenya

3) Equity Bank of Kenya

Supreme Branch

Karen

Nairobi, Kenya

4) Co-operative Bank of Kenya

Karen Branch

P.O Box 24644-00502

Karen, Kenya

i) The Kenya School of Law Independent Auditors

Auditor - General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084 GPO 00100

Nairobi, Kenya

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

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

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

II. THE KENYA SCHOOL OF LAW BOARD MEMBERS

Board Member's passport-size photo and name, and role	Date of birth, Key qualifications and work experience
<div style="text-align: center;">  <p>Prof. Patricia Kameri-Mbote, EBS, SC Chairperson Kenya School of Law Board (Independent Board Member)</p> </div>	<ul style="list-style-type: none"> ❖ DOB: 19th March, 1963 ❖ Former Dean, School of Law, University of Nairobi ❖ Professor of Law University of Nairobi ❖ Doctorate in Juridical Sciences (JSD) ❖ Chair – Advisory Board, Strathmore Law School ❖ Member – Kenya National Academy of Sciences ❖ LL.M, Postgraduate Dip. In Law, LLB
<div style="text-align: center;">  <p>Hon. Lady Justice Pauline Nyamweya Member Representing Chief Justice, Republic of Kenya (Executive Board Member)</p> </div>	<ul style="list-style-type: none"> ❖ DOB: 1966 ❖ Resident Judge, Machakos High Court ❖ Former Lecturer - Faculty of Law, University of Nairobi ❖ Former Secretary – The Capital Markets Tribunal ❖ Member – Central Depository Settlement Corporation ❖ LL.M (University of Cambridge, UK), Postgraduate Dip. In Law, LLB

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**



Mr. James Aggrey Mwamu
Member
Representing Law Society of Kenya
(Independent Board Member)

- ❖ DOB: 6th September, 1966
- ❖ Senior partner, Mwamu and Co. Advocates
- ❖ Secretary General – East Africa Law Society (2008-2010)
- ❖ Vice Chair – Law Society of Kenya (2007-2010)
- ❖ President – East Africa Law Society
- ❖ LLM (University of Liverpool), Post graduate Diploma in Law (Kenya School of Law), LLB (University of Nairobi)



Mrs. Emily Chweya
Member
Representing Office of the Attorney General and
Department of Justice
(Executive Board Member)

- ❖ DOB: 30th November, 1965
- ❖ Chief State Counsel, OAG & DOJ
- ❖ LLB (University of Nairobi)
- ❖ Post graduate Diploma in Law from Kenya School of Law.





Mr. Arthur Nduati
Member
Representing the National Treasury
(Executive Board Member)

- ❖ DOB: 12th May, 1976
- ❖ MBA, CPA(K), ICPAK Member
- ❖ Senior Assistant Director of Budget - The National Treasury

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

 <p style="text-align: center;">Prof. Leah Njambi Wanjama Member Representing Curriculum Experts (Independent Board Member)</p>	<ul style="list-style-type: none"> ❖ DOB: 18th March, 1953 ❖ PHD – Gender and Education Management ❖ MA – Planning ❖ B.ED Arts ❖ Director – Institute of Executive Education & Consultancy, Inoorero University
 <p style="text-align: center;">Ms. Catherine Ochanda Member Representing Office of the Attorney General and Department of Justice (Executive Board Member)</p>	<ul style="list-style-type: none"> ❖ DOB: 25th. October,1977 ❖ LLM in Advance Legislative Studies at the Institute of Advanced Legal Studies, University of London (2012-2013) ❖ LLB (Second Class Upper Second Class) (1997-2001) ❖ Post Graduate Diploma in Law Kenya School of Law (2001-2002) ❖ Senior Principal Parliamentary Counsel from 1st July, 2015 to date.
 <p style="text-align: center;">Prof. Michael Nyongesa Wabwile Ph.D. Representing University Law Lecturers in Kenya (Independent Board Member)</p>	<ul style="list-style-type: none"> ❖ DOB: 3rd April, 1970 ❖ Bachelor of Laws (LL. B) University of Nairobi, 1995. ❖ Post-Graduate Diploma in Law, Kenya School of Law 1996. ❖ Master of Law (LL.M.), University of Cambridge UK, 1998 ❖ PhD in Law, University of Leicester, UK, 2010. ❖ Date of appointment: 20th March 2017

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

 <p style="text-align: center;">CS. Jacqueline A.O. Manani, Member Representing Law Society of Kenya (Independent Board Member)</p>	<ul style="list-style-type: none"> ❖ DOB: 27th December 1976 ❖ LL. B (Moi), Post Graduate Dip. In Law, LL.M (University of London), ICPSK Member ❖ A lawyer by profession and an advocate of the High Court of Kenya ❖ Date of appointment: 22nd May 2017
 <p style="text-align: center;">Prof. PLO Lumumba, CPS(K), LLD, MKIM Director/Chief Executive Secretary Kenya School of Law Board</p>	<ul style="list-style-type: none"> ❖ DOB: 17th July, 1962 ❖ Director and Chief Executive Officer of the Kenya School of Law ❖ PHD – Public Law ❖ Advocate, High Courts of Kenya and Tanzania ❖ Founding Dean, Kabarak University School of Law ❖ CPS (K) and member of Kenya Institute of Management

The term of non-executive board members ended on 6th February 2017 i.e. members appointed under Section 6 (2) (f – g) of the Kenya School of Law Act 2012. These members are: Prof. Patricia Kameri – Mbote, Prof. Leah Njambi Wanjama and Mr. James Aggrey Mwamu.




**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Board Committees



Name of Committee	Members and their roles	
Finance and General Purpose Committee	1. Mr. James Aggrey Mwamu 2. Mr. Arthur Nduati 4. Mrs. Emily Chweya 5. Prof. P.L.O. Lumumba	Chairperson Member Member Secretary
Academic Affairs Committee	1. Mrs. Emily Chweya 2. Hon. Lady Justice Pauline Nyamweya 3. Prof. Leah Njambi Wanjama 4. Mr. James Aggrey Mwamu 5. Prof. P.L.O. Lumumba	Chairperson Member Member Member Secretary
Audit, Governance and Risk Management Committee	1. Prof. Leah Njambi Wanjama 2. Mr. Arthur Nduati 3. Hon. Lady Justice Pauline Nyamweya 4. Internal Audit Manager	Chairperson Member Member Member

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**





III. MANAGEMENT TEAM

Key manager's passport-size photograph, name and key professional/academic qualifications	Responsibility
<p>1. Prof. PLO Lumumba, CPS(K), LLD, MKIM</p>  <p>Doctor of Law LL. D, Master of Law, Postgraduate Diploma in Law, Bachelor of Laws, CPSK</p>	<p>Director/Chief Executive & Secretary, Kenya School of Law Board</p>
<p>2. Prof. Morris Kiwinda Mbondenyei</p>  <p>Doctor of Laws LL. D, Masters of Law, Postgraduate Diploma in Law, Bachelor of Laws</p>	<p>Deputy Director</p>
<p>3. Mr. Amos Kabue Mwangi</p>  <p>MBA Strategic Management, B.Com Accounting Option, CPA-K, CPS ICPAK Member No.2321</p>	<p>Ass. Director, Finance and Administration</p>



**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

<p>4. Hon. (rtd) Justice Richard Kuloba</p>  <p>Masters of Law, Postgraduate Diploma in Law Bachelor of Laws</p>	<p>Ag. Ass. Director, Advocate Training Programme/Paralegal Studies</p>
<p>5. Mr. Isaac Simiyu Kuloba</p>  <p>LLM, LLB (Hons) (NBI), PGD (Law) KSL, ADRG.</p>	<p>Ag. Ass. Director, Continuing Professional Development /Projects & Research</p>
<p>6. Ms Joyce Maingi</p>  <p>MSc (HRM), BCom HRM & Full Member IHRM</p>	<p>Human Resource & Administration Manager</p>
<p>7. CPA Anaclet B. Okumu</p>  <p>MBA (Finance), BSc (Business Admin), ICPAK Member No. 4857</p>	<p>Finance Manager</p>

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

<p>8. Mrs. Maria Aridi</p>  <p>MBA (Finance), Bsc. Member of IIA (Kenya).</p>	<p>Internal Audit Manager</p>
<p>9. Ms. Mariam A. Mahmud</p>  <p>Msc in Procurement and Logistic, B. Com Member of Chartered IPS -(UK) and (KISM)</p>	<p>Procurement Manager</p>
<p>10. Mr. Fredrick Muhia</p>  <p>MBA, Bachelors of Business Administration, Diploma in Technical Education, Diploma in Personnel Mgt & Industrial Relations</p>	<p>Academic Services Manager</p>
<p>11. Mr. Albert Simiyu</p>  <p>Masters of Law, Postgraduate Diploma in Law, Bachelor of Laws</p>	<p>Legal Clinics Manager</p>

KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

<p>12. Ms Anastasia Otieno</p>  <p>Masters of Law in Women Law, Postgraduate Diploma in Law, Bachelor of Laws,</p>	<p>Paralegal Studies Programme Coordinator</p>
<p>13. Ms Agnes Mwai</p>  <p>Masters in Library & Information Science, Bachelor of Education (Art)</p>	<p>Librarian</p>
<p>14. Ms Brenda Kiberenge</p>  <p>LLM (Human Rights), Post Graduate Diploma in Law, Bachelor of Laws</p>	<p>Personal Assistant to the CEO/ Senior Legal Officer</p>

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

IV. CHAIRMAN'S STATEMENT

I am delighted to present the Thirteenth Annual Report and Accounts of the Kenya School of Law (herein after referred to as the "School") for the period ending 30th June, 2017.

KEY ACTIVITIES

During the year under review the School continued to discharge her 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. The following were key activities during the year:

- i) The term of non-executive board members ended on 6th February 2017. In consequence, two new board members were appointed.
- ii) The student numbers remained stable at slightly above 2000 for both Advocates Training Programme and Diploma in Law (Paralegal studies) being a total of 2035 and 121 students respectively.
- iii) The School held its graduation ceremony with 358 graduates.
- iv) An Information Booklet on Pre-Bar Examinations was developed and a number of Universities were sensitized.
- v) Three international moot court competitions were undertaken.
- vi) The number of institutions who utilized the Schools conference facilities increased during the year.
- vii) CPD courses attracted more participants.
- viii) The School drilled a second borehole.
- ix) Price Waterhouse Coopers (PWC) carried out job evaluation exercise.
- x) The School commenced transition from ISO 9001-2008 to ISO 9001-2015.

CHALLENGES

Three challenges faced by the School were: reduction of exchequer funding especially development funds. During the year under review, the School was not allocated any development funds by the Government. Secondly, financial sustainability caused by over reliance on ATP programme, which accounts for over 60% of internally generated funds. Thirdly, increased number of indigent students that face financial constraints in raising fees.

THE WAY FORWARD

Due to the increased number of needy students the School has embarked on strengthening the Endowment Foundation which has benefited 30 students during the year. The School intends to recruit Communications and Marketing Manager to increase its visibility. The School's future outlook looks bright and the Schools Students have confidence in the programmes being offered.

Prof. Michael Nyongesa Wabwile, Ph.D.

CHAIRPERSON

FINANCE & GENERAL PURPOSE COMMITTEE

KENYA SCHOOL OF LAW BOARD

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

V. 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, 2017. This is the Thirteenth Annual Report and Accounts since its re-establishment as a Semi-Autonomous Government Agency (SAGA) in 2001. During the year, the School acting within its mandate, successfully executed its planned programmes, projects and new initiatives with a view of delivering quality legal services to its clients.

KEY ACTIVITIES

The key activities of the School during the year involved academic services entailing the Advocates Training Programme, Diploma in Law (Paralegal Studies) and Continuous Professional Development, Hospitality services and Finance, Human Resources and Administration activities.

a) Academic Services

The 2017/2018 ATP academic program attracted over 2,203 applications. Out of these the School managed to process 2,135 applicants. This indeed is a testament of the growing demand for legal education both in Kenya and beyond. To solidify students' successful completion of their legal training, the School carried out a 2nd graduation ceremony whose theme was "The Role of the Lawyer in Society". Senior Counsel Paul K. Muite graced the occasion as the Guest of Honor. A total of 358 students were awarded Post-graduate Diplomas in Law and Diplomas in Law (Paralegal Studies).



*Board of Directors, Management Team and other Guests during the Graduation Ceremony held at the School on
14th December 2016*

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

The Pre-Bar Information Booklet was developed since the School is moving to the admission criteria under the Second Schedule of the Kenya School of Law Act which requires all applicants to sit and pass Pre-Bar examinations. The School carried out a sensitization exercise in Strathmore, Jomo Kenyatta University of Agriculture and Technology, Kisii, and Riara Universities.

The School continued to offer legal aid to the prisons. The following legal aid prison visits were undertaken: Kiambu, Kitui, Shimo La Tewa Maximum Security, Bomet, and King'ong'o Maximum Security prison.

Three international moot court competitions were undertaken during the year. These were: Jessup in Washington DC, United States and World Trade Organization at Rhodes University, South Africa where our students emerged the 1st team in Africa and proceeded to Graduate Institute of the University of Geneva, Switzerland. One international sports activity was carried out at Law Development Centre in Uganda.



Director/ Chief Executive Officer addressing students of Post Graduate Diploma in Law on 3rd February 2017 during the induction session.

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

b) Continuous Professional Development

The School successfully mounted a number of Continuous Professional Development courses during the year. These included: Public Prosecution for NHIF staff, Recent Developments in Procurement Law and Practice, Negotiating and Drafting of Energy Contracts, Legislative Drafting, Procurement Law and Practice for Safaricom, Fundamentals of Public Prosecutions and ,Legal Audit and Compliance for Public Institutions. A part from these courses, the School also undertook Legal Audit consultancies for various organizations: Kenya National Bureau of Statistics, Kenyatta National Hospital, National Industrial Training Authority, Retirement Benefits Authority, Kenya Deposit Insurance Corporation, Kenya Bureau of Standards and Kenya National Bureau of Statistics and Industrial and Commercial Development Corporation.

c) Hospitality Activities

A number of institutions held workshops in the School. These included Jonathan Gloag, The Commission on Administrative Justice, Ministry of Transport, Justice Trial Advocacy Africa, Ministry of Agriculture, National Police Service Commission, Office of the Registrar of Political Parties, Christian Organizations Research and Advisory Trust for Africa (CORAT), National Social Security Fund and Kenya Plant Health Inspectorate Service (KEPHIS) ,Office of the Director of Public Prosecutions, Mediation Training Institute of East Africa, Attorney General's Office, CEMASTEIA (Centre for Mathematics Science and Technology Education in Africa) among others. The following institutions utilised the School's grounds for team building and open day activities: Nairobi Water and Sewerage Company, Capital Markets Authority, Davis and Shirliff and the Judiciary.

d) Finance, Human Resources and Administration

In an effort to ensure reliable, secure, economical and safe drinking water, the School drilled a second borehole during the year and is in the process of equipping it. Once this is completed during the first half of next financial year the School will save on cost of buying drinking water thereby releasing these funds to implement other operational initiatives. The tiles in academic complex – phase one and library buildings were replaced while the proposed registry in "Mutula Hall "was renovated.

PWC contracted by the Salaries and Remuneration Commission carried out a job evaluation exercise for the employees of the School. The approved new rates of house allowance for staff in grades KSL 4 to KSL 9 were implemented. SRC approved the implementation of comprehensive and enhanced GPA and medical cover for staff. The School procured CIC Insurance Group to provide comprehensive medical cover for staff. 21 interns were engaged during the year. A Risk Management Consultant was procured who took the staff through risk management training and developed both School wide and departmental risk registers.

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Kenya Revenue Authority carried out an audit of the Schools financials records from July 2012 to December 2016 and arrived at an assessment of Kshs 41,760,603. The School has requested for waiver of penalties amounting to Kshs 21,914,766 leaving a balance payable of Kshs 19,845,837. A workable payment plan of principal and interest in line with cash flow forecasts was provided to KRA. The School has commenced to implement the same. The National Treasury approved the School to open a bank account with Co-operative bank and close all existing bank accounts in National Bank. In order to standardize resource person's payments, benchmarking exercise was carried out in order to ascertain how similar training institutions pay their resource persons. Institutions visited were: Kenya School of Government, The Institute of Certified Public Accountants, Kenya School of Monetary Studies and Kenya Institute of Management

FINANCIAL PERFORMANCE

a) Revenue

During the year the School received **Kshs 290 Million** against **Kshs 100.8 Million** in 2015/2016 financial year as Government recurrent subvention. This amount was in line with approved budget allocation. The School managed to raise **Kshs 377.3 Million** from its internal operations against **Kshs 370.2 Million** in 2015/2016 financial year. This represented an increase of 2%. Student's fees income of **Kshs 300.3 Million** contributed the highest portion of this internally generated revenue representing 80%. Combined Hospitality and CPD activities generated **Kshs 68 Million** – 18% of total against **Kshs 57 Million** in 2015/2016 financial year representing an increase of 19%.

b) Expenditure

The School expended **Kshs 580 Million** in recurrent expenses against budget of **Kshs 606 Million** and **Kshs 487 Million** in 2015/2016 financial year. This represented a saving of 4.2% against budget. An amount of **Kshs 33.9 Million** was spent on capital nature items against a budget of **Kshs 55.5 Million** – a saving of 39%. It is worthwhile to note that the School operated within the allocated funds.

c) Results

The Schools net assets grew from **Kshs 1.89 billion** in 2015/2016 financial year to **Kshs 2.2 billion** in 2016/2017 financial year. During the year the School realised a surplus of **Kshs 86.7 Million**.

CHALLENGES

Three challenges experienced by the School during the year under review were: First reduction in exchequer funding especially the development grants as there was no allocation during the year. This slowed the pace of implementation of development budget especially completion of Ultra-Modern Library. Secondly, operationally the School has monopoly of offering the Advocates Training Program and this is the main source of revenue contributing 80% of total internally generated income. This might not be

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

sustained in the foreseeable future if other institutions of higher learning are allowed to offer this programme. To mitigate this risk, the School is in the process of developing a Capital Development Plan so as to diversify the revenue base and hence stabilise the finance base. Thirdly, despite a steady enrolment of students, quite a number are financially challenged making the School not to collect all 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 self-financial sustainability. Also the School will 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. To assist the needy students the School will take deliberate actions to enhance the Endowment Foundation kitty. With the clear strategic objectives and initiatives being undertaken, the future of the School looks bright.

VOTE OF THANKS

First, I 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, I owe the success of this School 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 enrol their staff for our courses. This also include all other clients that have chosen our facilities. Lastly, I thank the entire Kenya School of Law staff for their dedication and professionalism in upholding the School's values



Prof. PLO Lumumba, LL.D, D.Litt (hc), FCPS (K), MKIM

Director/Chief Executive Officer & Secretary

KENYA SCHOOL OF LAW BOARD

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

VI. 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 Office of the Attorney-General. 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 at least four times a year 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:

- | | |
|---------------------------|-----------|
| i) Mr. James Aggrey Mwamu | Chairman |
| ii) Mrs. Emily Chweya | Member |
| iii) Mr. Arthur Nduati | Member |
| iv) Prof. P.L.O Lumumba | Secretary |

Academic Affairs Committee

The committee's responsibilities are to develop legal training policies and programme to meet domestic market requirements and also to comply with international best practices, develop policies and strategies

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

for managing Kenya School of Law examinations, provide guidelines and advice the government on matters pertaining to legal training. The Academic Affairs Committee comprises of:

- | | |
|--|--------------|
| i) Mrs. Emily Chweya | Chair Person |
| ii) Hon. Lady Justice Pauline Nyamweya | Member |
| iii) Prof. Leah Njambi Wanjama | Member |
| iv) Mr. James Aggrey Mwamu | Member |
| v) Prof. P.L.O. Lumumba | Secretary |

Audit and Risk Management Committee

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

- | | |
|---|-------------|
| i) Prof. Leah Njambi Wanjama | Chairperson |
| ii) Mr. Arthur Nduati | Member |
| iii) Hon. Lady Justice Pauline Nyamweya | Member |
| iv) Internal Audit Manager | Secretary |

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. 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.

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 Disposal Act, 2015 and Regulations 2016
- vi) The Public Financial Management Act, 2012

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

The composition of committee is as follows:

- i) The Director/C.E.O – Chairman
- ii) Deputy Director
- iii) Assistant Director, ATP/PS
- iv) Assistant Director, Finance & Administration – Secretary
- v) Assistant Director, CPD Projects and Research
- vi) Finance Manager
- vii) Procurement Manager
- viii) Librarian
- ix) ICT Manager
- x) Human Resources Manager
- xi) Internal Auditor

In compliance with the requirements of the Public Procurement and Disposals Act 2015, the School appoints Ad hoc evaluation committees for independent tender evaluations.

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 27 of 2012 of the Laws of Kenya.

Induction and Training of Board Members

The Board Members were trained on Mwongozo code and properly inducted. To improve the performance of the School and compare with international standards, Board Members undertook a benchmarking study tour in New Zealand. This tour was to address quality assurance challenges facing legal education service and regulatory sectors, transfer of Bar Examinations to the Council of Legal Education and embracing of technology in legal education system while addressing emerging areas and methodologies of legal education. The Board Members visited three Institutions: Institute of Professional Legal Studies, Council of Legal Education, New Zealand and College of Law. The findings of this study tour are being discussed by management for implementation.

Board Meetings

During the year there were five full board meetings two of which were special board meetings. The Board Committee meetings were as follows:

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Name of Committee	Members	Number of meetings held										
Finance and General Purpose Committee	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">1. Mr. James Aggrey Mwamu</td> <td style="width: 50%;">Chairperson</td> </tr> <tr> <td>2. Mr. Arthur Nduati</td> <td>Member</td> </tr> <tr> <td>3. Mrs. Emily Chweya</td> <td>Member</td> </tr> <tr> <td>4. Prof. P.L.O. Lumumba</td> <td>Secretary</td> </tr> </table>	1. Mr. James Aggrey Mwamu	Chairperson	2. Mr. Arthur Nduati	Member	3. Mrs. Emily Chweya	Member	4. Prof. P.L.O. Lumumba	Secretary	3		
1. Mr. James Aggrey Mwamu	Chairperson											
2. Mr. Arthur Nduati	Member											
3. Mrs. Emily Chweya	Member											
4. Prof. P.L.O. Lumumba	Secretary											
Academic Affairs Committee	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">6. Mrs. Emily Chweya</td> <td style="width: 50%;">Chairperson</td> </tr> <tr> <td>7. Hon. Lady Justice Pauline Nyamweya</td> <td>Member</td> </tr> <tr> <td>8. Prof. Leah Njambi Wanjama</td> <td>Member</td> </tr> <tr> <td>9. Mr. James Aggrey Mwamu</td> <td>Member</td> </tr> <tr> <td>10. Prof. P.L.O. Lumumba</td> <td>Secretary</td> </tr> </table>	6. Mrs. Emily Chweya	Chairperson	7. Hon. Lady Justice Pauline Nyamweya	Member	8. Prof. Leah Njambi Wanjama	Member	9. Mr. James Aggrey Mwamu	Member	10. Prof. P.L.O. Lumumba	Secretary	3
6. Mrs. Emily Chweya	Chairperson											
7. Hon. Lady Justice Pauline Nyamweya	Member											
8. Prof. Leah Njambi Wanjama	Member											
9. Mr. James Aggrey Mwamu	Member											
10. Prof. P.L.O. Lumumba	Secretary											
Audit and Risk Management Committee	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">1. Prof. Leah Njambi Wanjama</td> <td style="width: 50%;">Chairperson</td> </tr> <tr> <td>2. Mr. Arthur Nduati</td> <td>Member</td> </tr> <tr> <td>3. Hon. Lady Justice Pauline Nyamweya</td> <td>Member</td> </tr> <tr> <td>4. Internal Audit Manager</td> <td>Member</td> </tr> </table>	1. Prof. Leah Njambi Wanjama	Chairperson	2. Mr. Arthur Nduati	Member	3. Hon. Lady Justice Pauline Nyamweya	Member	4. Internal Audit Manager	Member	3		
1. Prof. Leah Njambi Wanjama	Chairperson											
2. Mr. Arthur Nduati	Member											
3. Hon. Lady Justice Pauline Nyamweya	Member											
4. Internal Audit Manager	Member											

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

VII. 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 33 to page 38.

b) School's compliance with statutory requirements:

During the 2016/17 financial year, the School met all its statutory obligations (PAYE, NSSF, NHIF, VAT).

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 25% complete and is financed through grants from the Government. The construction of the Library was severely affected by the budget cuts from Government, and in the 2016/17 budget the Government did not allocated any funds for the same. In addition, the School is exploring viable investments to supplement the reducing Government Support. The other project being undertaken by the School is Tuition Block Phase II which is 99% complete.

The School does not have any other investments except for short term placements with commercial banks arising from school fees income paid in January and is required to run the School for the entire calendar period. The total short term deposits as at 30th June 2017 was Kshs 87.8 Million.

d) Major risks facing the entity:

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 developing a Capital Development 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.

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.

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

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 intends to enhance the Endowment Foundation kitty as a way of mitigating this risk.



Students who benefited from the Endowment Foundation during 2017/2018 intake

e) Material arrears in statutory/financial obligations:

The School is up to date with remittance of current year's statutory obligations. However when Kenya Revenue Authority carried out an audit of the Schools financials records from July 2012 to December 2016 it arrived at an assessment of Kshs 41,760,603. The School has requested for waiver of penalties amounting to Kshs 21,914,766 leaving a balance payable of Kshs 19,845,837. A workable payment plan of principal and interest in line with cash flow forecasts was provided to KRA. Hence as at 30th June 2017, the arrears payable to KRA was Kshs 19,845,837.

f) The School's financial probity and serious governance issues

During the 2016/17 financial year the School did not experience any issues relating to fraud or non-compliance with governance requirements.

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

VIII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The School recognises its obligations to act responsibly, ethically and with integrity in its interactions with all stakeholders be they, staff, and customers, suppliers, Government and public as a whole. To this end:

During the year, the School set aside sufficient funds for students' welfare whereby they were engaged in various sporting activities and competitions. Notably, the Students were sponsored to participate in sports activities in Kampala Uganda with Law Development Centre.

To ensure safe, clean, reliable, sustainable and reliable water supply, the School drilled a second water borehole. The first borehole could not produce enough volumes of water and hence was not being used. Prior to this drilling, the School has been buying water from vendors whose sustainability and safety could not be relied upon. This was also quite costly.

SRC approved the implementation of comprehensive and enhanced GPA and medical cover for staff. To this end, the School managed to negotiate with CIC health care provider during the year so as to provide comprehensive non-contributory medical insurance cover to staff and their families. This scheme will cover both outpatient and inpatient and shall be fully funded by the School.

The School engaged PWC who are contracted by the Salaries and Remuneration Commission to carry out job evaluation for public servants. Staff were trained on job evaluation and their jobs were re-evaluated. The approved new rates of house allowance for staff in grades KSL 4 to KSL 9 were implemented. Twenty one interns were engaged during the year.

The School is committed to providing a safe, fare and stimulating work environment that empowers employees to make a meaningful contribution to the organisations performance development, and offers challenging and rewarding opportunities for personal and professional growth. The School recognises the importance of attracting and retaining the best staff. To achieve this, the School trained a number of staff and sponsored others for long term developmental training programmes. A number of employees were sponsored to attend workshops and conferences so as to earn their CPD points/ hours. Professional membership subscriptions were also paid by the School.

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

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

IX. REPORT OF THE BOARD OF DIRECTORS

The Board submits this report together with the financial statements for the year ended June 30, 2017 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, 2017 are set out on page 33 to page 38.

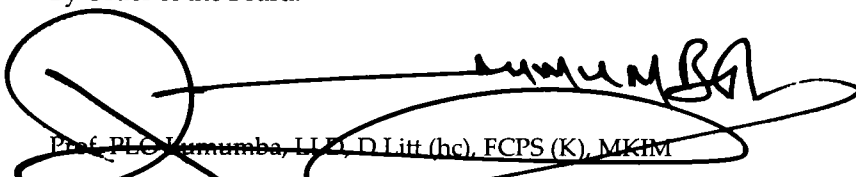
Directors

The Members of the Board of Directors who served during the year are shown on page 7 to page 10 in accordance with Section 6(2) of the Kenya School of Law Act, No. 26 of 2012. During the year The term of non-executive board members ended on 6th February 2017 i.e members appointed under Section 6 (2) (f – g) of the Kenya School of Law Act 2012. Two new board members were appointed.

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.


Prof. PLC Mumbumba, LL.B, D.Litt (hc), FCPS (K), MKHM
Director/Chief Executive Officer & Secretary
KENYA SCHOOL OF LAW BOARD

Date.....

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

X. 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, 2017. 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, 2017, 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 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.

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

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

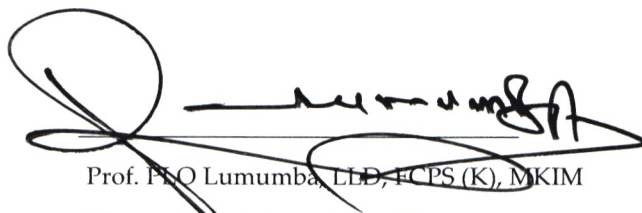
The Kenya School of Law's financial statements were approved by the Board on _____ 2017 and signed on its behalf by:



Prof. Michael Nyongesa Wabwile, Ph.D

Chairperson, F&GP Committee

KENYA SCHOOL OF LAW BOARD



Prof. P.O. Lumumba, LL.D, FCPS (K), MKIM

Director/Chief Executive Officer & Secretary

KENYA SCHOOL OF LAW BOARD

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON KENYA SCHOOL OF LAW FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya school of law set out on pages 33 to 57 which comprise the statement of financial position as at 30 June 2017, and the statement of financial performance, statement of changes in equity, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Kenya school of law as at 30 June 2017, 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 Kenya school of law Act No.26, 2012.

Further, as required by Article 229(6) of the constitution, based on the procedures performed, except for the matters described in the Basis for Qualified Opinion section of my audit report, I confirm that nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Qualified Opinion

1. Stalled construction project of an Ultra-modern Library and Moot Courts

A contract for construction of an ultra-modern library and moot courts was awarded to M/S Resjos Contractors at a cost of Kshs.488,704,449 and commenced on 24 June 2013. The construction period was three years and was expected to be completed by September 2016. At the time of audit, Kshs.68,092,974 had been paid to the contractor and the project had stalled at 20% stage of completion.

Consequently, it has not been possible to confirm that the School has obtained value for money from the expenditure of Kshs.68,092,974 incurred on the project as at 30 June 2017.

Report of the Auditor-General on the Financial Statements of Kenya School of Law for the year ended 30 June 2017

2. Loss of Kenya School of Law Property on Plot no. LR 2009/6238-HG613-official residence of the School Principal in Kilimani area

As reported previously, evidence available indicates that Plot No. LR 209/6238 measuring 0.3890 hectares along Bishops Road-Kilimani area has an institutional house (No.HG/613) which was reserved by the Government as the official residence of the School Principal. However, on 3 November 1997, a grant of lease was purportedly issued to M/s Rockville Limited, whose directors include a former Principal of the School, by the Commissioner of Lands, vide allotment Ref. No. 34250. Thereafter, a title deed was issued and registered as Grant No. LR.74856. The property was later sold to M/s Standard Assurance (K) Ltd on 12 June 2002 at a consideration of Kshs.50,000,000 who then charged it to Diamond Trust Kenya Limited.

The matter was reported to the then Kenya Anti-Corruption Commission who on 26 January 2007 made an application to the High Court Order 56 of the Anti-Corruption and Economic Crimes, 2003.

The Court ordered the preservation of the property and restrained the respondents from selling, disposing off, wasting or in any other way dealing with the property for six months. This matter has been pending before High Court in Nairobi under Miscellaneous Application No.42 of 2007 awaiting determination. No effort appears to have been made by the School to have the case expeditiously dispensed with and the property reverted to the School.

In view of the foregoing, the School risks losing the property to third parties.

3. Plot In Embakasi Area

The statement of financial position reflects non-current assets of Kshs. 1,890,995,007 as at 30 June 2017. However, as previously reported, in a letter dated 9 April 1991, the Commissioner of Lands forwarded an approved plan No. 268 for a plot in Embakasi near the School of Aviation measuring 6.18 hectares under departmental reference No. 42/14/90/1 of 3 January 1990 which was reserved for future development of the Kenya School of Law. Although all the fees and charges amounting to Kshs. 6,122 were paid vide cheque No. 019198 dated 8 September 1999, no title deed was issued despite numerous reminders which were not responded to.

In a turn of events, there was communication between the Director/Chief Executive and Secretary, Council for Legal Education and the former Permanent Secretary Ministry of Lands, that the Council for Legal Education had resolved to relinquish its interest in the property and the plot should revert to the Commissioner of Lands for reallocation. The Council further sought a refund of fees and charges paid in the process of acquiring the title to the property.

An audit inspection carried out on 12 April 2002 revealed that a small portion of the plot had been alienated and fenced off by third parties. Despite informing the Commissioner of Lands that the plot was in the process of being grabbed through Management Letter Ref.

CLE/201/1999/2000 (5) dated 12 April 2002, no action was taken. The School is said to have been subsequently allocated another plot in Karen where it now sits.

Despite the resolution to relinquish its interest on the property which is referred to as LR.No.29/5651 in the correspondences, the School again changed the decision to relinquish interest and wrote to the National Land Commission requesting a review of the matter. In a letter referenced KSL/PR/CONF/IC/VOI.III (257), the School requested the National Land Commission to cancel the title deeds of plot No. LR.209/5659-Embakasi. There is no evidence of any action that has been taken by the National Land Commission on the School's request.

It is not clear why the Council for Legal Education resolved to relinquish its rights to the plot instead of pursuing and safeguarding public property.

Further, the identity of the third parties now occupying the land measuring 6.18 hectares has not been disclosed nor has the School disclosed the size and value of the land in its books of accounts.

In consequence, no progress had been made and the School risks losing the property.

Key Audit Matters

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

Responsibilities of Management and Those Charged With Governance for the Financial Statements

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 such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Schools ability to continue as a going concern/ sustain services, disclosing, as applicable, matters related to going concern/ sustainability of services and using the going concern basis of accounting unless the management either intends to liquidate the School or to cease operations, or have no realistic alternative but to do so.

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.

Those charged with governance are responsible for overseeing the Schools Financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

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 of Kenya. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

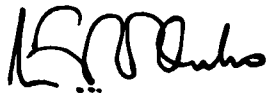
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for giving an assurance on the effectiveness of the School's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. 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 as a going concern.
- 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 of the entities or business activities to express an opinion on the financial statements.
- Perform such other Procedures as I consider necessary in the circumstances.

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

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



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

22 February 2017

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

XII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2017

	Note	2017	2016
		Kshs	Kshs
Revenue from non-exchange transactions			
National Treasury	3	290,000,000	100,825,000
		<u>290,000,000</u>	<u>100,825,000</u>
Revenue from exchange transactions			
School Fees Income	4	300,233,189	294,932,559
Hospitality income	5	44,262,923	39,274,318
Finance Income	6	4,251,130	11,726,109
Continuous Professional Development Income	7	23,856,093	-
Other income	8	4,649,232	24,220,866
		<u>377,252,566</u>	<u>370,153,852</u>
Total revenue		<u>667,252,566</u>	<u>470,978,852</u>
Expenses			
Employee costs	9	227,847,103	190,059,617
Board of Directors expenses	10	8,019,747	3,335,897
Administrative Costs	11	241,560,793	190,444,759
Operational costs	12	61,519,785	74,449,383
Continuing Legal Edu Expenses	13	13,105,819	-
Hospitality Costs	14	28,457,642	27,382,876
Finance costs	15	-	1,555,151
Total expenses		<u>580,510,888</u>	<u>487,227,683</u>
Surplus/ (Deficit) for the period		<u>86,741,677</u>	<u>(16,248,831)</u>

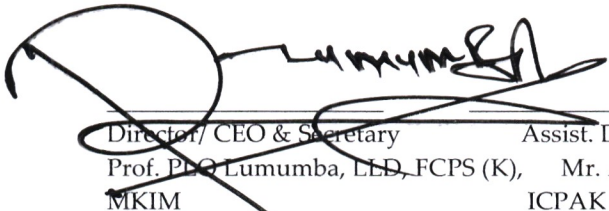


The notes set out on pages 39 to 57 form an integral part of these Financial Statements.

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

XIII. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2017

	Note	2017 Kshs	2016 Kshs
Assets			
Current assets			
Consumable stocks	16	7,053,746	7,414,913
Accounts Receivables and Prepayments	17	95,775,615	114,778,238
Other Current Assets	18	240,000	156,838
Cash and Bank Balances	19	147,814,192	35,683,040
Total Current Assets		250,883,553	158,033,028
Non-current assets			
Property ,plant and equipment	20	2,221,092,781	1,890,995,007
Total no - current assets		2,221,092,781	1,890,995,007
Total assets		2,471,976,333	2,049,028,035
Liabilities			
Current liabilities			
Payables & Accruals	21	28,661,907	46,552,671
Other Current Liabilities	22	174,750,836	110,835,367
Total current liabilities		203,412,742	157,388,037
Total liabilities		203,412,742	157,388,037
Capital Fund	-	2,268,563,591	1,891,639,997
Total net assets and liabilities		2,471,976,333	2,049,028,035

The financial statements set out on pages 33 to 38 were signed on behalf of Kenya School of Law by:

 Director/ CEO & Secretary Prof. P.O. Lumumba, LL.D, FCPS (K), MKIM	 Assist. Director Fin & Admin Mr. Amos K. Mwangi ICPAK Member No. 2321	 Chairperson of F&GP Committee Prof. Michael N. Wabwile, Ph.D.
---	--	---

Date _____

Date _____

Date _____

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017
XIV. STATEMENT OF CHANGES IN NET ASSETS**

	No te	Accumulated Deficit Kshs	Revaluation Reserve Kshs	Capital Fund Kshs	Total Kshs
At 1st July 2015		(146,139,002)	15,720,875	1,230,145,691	1,099,727,564
CLE Examination Fees				(70,548,500)	(70,548,500)
Prior year adjustment of VAT			-	(32,328,608)	(32,328,608)
Bad debts adjustment				3,481,072	3,481,072
Freehold Land and Buildings			827,557,300		827,557,300
GoK Development Grant			-	80,000,000	80,000,000
Surplus/(Deficit) for the year		(16,248,831)		-	(16,248,831)
As at 30th June, 2016		(162,387,833)	843,278,175	1,210,749,655	1,891,639,997
At 1st July 2016		(162,387,833)	843,278,175	1,210,749,655	1,891,639,997
Prior year adjustment				(75,296,468)	(75,296,468)
Revaluation of Assets	20		155,877,724	-	155,877,724
Eliminated Depreciation of Revaluation			209,600,661		209,600,661
Surplus / (Deficit) for the year		86,741,677			86,741,677
As at 30th June 2017		(75,646,156)	1,208,756,560	1,135,453,187	2,268,563,591

The prior year adjustment of Kshs 75,296,468 is made up of the following:

1. Kshs 2,655,000 being balance of examination fees after the transfer of examinations to Council of Legal Education which had been recognized as part of School fees income.
2. Kshs 2,641,468 being Endowment Foundation funds that had been included in School's income.
3. Kshs 46,666,667 being undeferred School fees income for 2014/2015 academic year.
4. Kshs 23,333,333 being undeferred School fees income for 2015/2016 academic year.

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

XV. STATEMENT OF CASH FLOWS AS AT 30TH JUNE 2017

	Notes	2017 Kshs	2016 Kshs
CASHFLOWS FROM OPERATING ACTIVITIES			
Net Surplus/ (Deficit) for the year		86,741,677	(16,248,831)
Adjustments for:-			
Depreciation	20	69,322,697	41,033,815
		-	
Surplus / (Deficit) before working capital changes		156,064,374	24,784,984
(Increase)/ Decrease in Receivables		18,919,461	5,218,153
(Increase)/ Decrease in Consumable Stocks		361,167	(1,190,914)
Increase/(Decrease) in Payables		46,024,704	(51,257,293)
Net cash flows from operating activities		221,369,707	(22,445,070)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	20	(33,942,086)	(94,986,570)
Net cash flows from investing activities		(33,942,086)	(94,986,570)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital fund		0	80,000,000
Bad debts		0	3,481,072
CLE Examinations fees		0	(70,548,500)
Prior year adjustment on Retained Earnings		(75,296,468)	(32,328,608)
		-	
Net Cash flow from Financing Activities		75,296,468	(19,396,036)
Net Increase in Cash and Cash Equivalents		112,131,153	(136,827,676)
Cash and Cash Equivalents as at 1st July 2016		35,683,040	172,510,715
Cash and Cash Equivalents as at 30th June 2017	19	147,814,192	35,683,040

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

**XVI. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE
PERIOD ENDED 30TH JUNE 2017**

**a) Recurrent
budget**

	Original Budget 2016/2017 Kshs	Adj ust me nts Ksh s	Final Budget 2016/2017 Kshs	Actual on comparable basis 2016/2017 Kshs	Performance Difference Kshs	Percent age Change %	Explanat on of material variance above 10%
Revenue							
GoK Grants - Recurrent	290,000,000	-	290,000,000	290,000,000	-	0%	
School Fees Income	306,600,000	-	306,600,000	300,233,189	(6,366,811)	-2%	
Hospitality Income	34,800,000	-	34,800,000	44,262,923	9,462,923	27%	[a]
Finance Income	-	-	-	4,251,130	4,251,130	0%	
Continuous Professional Development	26,200,000	-	26,200,000	23,856,093	(2,343,907)	-9%	
Other Incomes	3,900,000	-	3,900,000	4,649,232	749,232	19%	[b]
Total Income	661,500,000	-	661,500,000	667,252,566	5,752,566	1%	
Expense							
Administrative Costs	175,344,000	-	175,344,000	241,560,793	(66,216,793)	-38%	
Employee Costs	213,106,000	-	213,106,000	227,847,103	(14,741,103)	-7%	
Hospitality	18,850,000	-	18,850,000	28,457,642	(9,607,642)	-51%	[c]
Operational Cost Board of Directors expenses	180,500,000 11,000,000	- -	180,500,000 11,000,000	61,519,785 8,019,747	118,980,215 2,980,253	66% 27%	[d] [e]
Continuous Professional Development	7,200,000	-	7,200,000	13,105,819	(5,905,819)	-82%	[f]
Total Expense	606,000,000	-	606,000,000	580,510,888	25,489,112	4%	
Surplus/(Deficit) for the Year	55,500,000	-	55,500,000	86,741,677			

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

b) Capital/ Development budget

Asset class	Original Budget 2016/2017 Kshs	Adjust ments Kshs	Final Budget 2016/2017 Kshs	Actual on comparable basis 2016/2017 Kshs	Performan ce Difference Kshs	Percenta ge Change %	Explanat ion of material variances above 10%
Capital works in progress	13,000,000	-	13,000,000	9,092,490	3,907,510	30%	[g]
Plant and Equipment / Office Equipment	4,500,000	-	4,500,000	2,376,682	2,123,318	47%	[h]
Computer Equipment	8,500,000	-	8,500,000	2,461,188	6,038,812	71%	[i]
Buildings	5,000,000	-	5,000,000	2,534,648	2,465,352	49%	[j]
Motor vehicle	10,000,000	-	10,000,000	9,985,501	14,499	0%	
Library books	10,000,000	-	10,000,000	4,027,224	5,972,776	60%	[k]
Furniture and fittings	4,500,000	-	4,500,000	3,464,353	1,035,647	23%	[l]
Total	55,500,000	-	55,500,000	33,942,126	21,557,954		
Surplus/(Deficit) for the Year	-	-	-	89,275,137			

EXPLANATION OF VARIANCES ABOVE 10%

[a] The increase in Hospitality income was caused by increased use of conference facilities during the year. These are reflected in the corresponding Hospitality expenses under item [c].

[b] The increase in other incomes was caused by higher number of graduates who applied for certificates.

[d] Delay in implementation of activities due to cash flow constraints during the first two quarters.

[e] Savings from the study tour undertaken by the Board to New Zealand in January 2017

[f] CPD expenses are proportional to the incomes generated. The savings are in line with the activities undertaken.

[g – l] Please refer to item [d] above for the savings in capital expenditure.

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017
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, short term investments, Continuous Professional Development and other revenue from various services including rental income, photocopying, 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.

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.

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

b) Budget information – IPSAS 24

The original budget for the financial year 2016/2017 was approved by Board of the Directors on 22nd January 2016. This was later reviewed and the School received actual allocation from the Government in May 2016 through printed estimates. This actual allocation is what the School implemented during the financial year 2016/2017 with no budget revisions. The School did not receive any supplementary estimates during the year. 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 of the year of acquisition.

The depreciation applied on straight line are as follows:

The annual depreciation rates in use are:

Computer Equipment and Software	33.3%
Office Equipment	30.0%
Motor Vehicles	25.0%
Library books	20.0%
Furniture and Fittings	12.5%
Buildings	2.5%

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

During the year the movable assets were revalued.

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 2016/2017 financial year the School had consumable stock valued at Kshs 7,053,746.

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. During the financial year, the School made a general debtor provision of 5% amounting to Kshs 4,265,893.

g) Contingent assets

As at the time of preparing the 2016/2017 Annual Report and Financial Statements, the status of the Two parcels of land at Embakasi and the plot along the Bishops Road on which the principal house Stands were as follows:

- (i) Embakasi Plot: The matter is at the desk of the Commissioner of Lands.
- (ii) Land on the Bishops' Road: There is "a stay of Execution" in the Court.

The value of the two has not been included in the financial statements pending final determination.

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 Alexander Forbes Financial Services and operates according to provisions of the Retirement Benefits Act

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

(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 12 to 15 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.

l) Receivables

Receivables are recognised and carried at original invoice amounts less an allowance for the uncollectable amounts. A provision of 5% Non- Fees accounts receivable is made.

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, 2017.

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.

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

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.

During the year a risk management consultant was engaged whereby staff were sensitized on risk. School wide and departmental risk registers were developed.

p) 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
- (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 30th June 2017	As at 30th June 2016
Accounts Receivables	Kshs 98,829,695	Kshs 104,778,238

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

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.

Accounts payables from exchange transactions are as follows:

	As at 30 th June 2017	As at 30 th June 2016
Accounts payables	Kshs. 21,914,194	Kshs. 46,552,671

The reduction in accounts payable is partly attributed to timely release of recurrent Government subvention hence enabling the School to pay bills in a timely manner.

4. Revenue from non- exchange transactions

	2017	2016
	Kshs	Kshs
National Treasury	290,000,000	100,825,000
Total	290,000,000	100,825,000

5. School fees

	2017	2016
	Kshs	Kshs
Application/Registration Fee	4,849,600	4,694,400
Examination Fees	10,297,981	36,921,618
Library Fees	10,691,808	8,590,585

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Pupilage Supervision	7,653,300	9,069,500
Tuition Fees	<u>266,740,500</u>	<u>235,656,457</u>
Total	<u>300,233,189</u>	<u>294,932,559</u>

6. Hospitality Income

	2017	2016
	Kshs	Kshs
Staff Catering	436,220	301,950
Seminars/Conferences/Accomod	33,849,587	29,205,971
Hire of Grounds	917,466	913,883
Sports Facilities	1,612,795	2,271,200
Students Cafeteria Income	3,118,160	3,458,815
Laundry Income	158,695	-
Hostel Fees - Students	<u>4,170,000</u>	<u>3,122,500</u>
Total	<u>44,262,923</u>	<u>39,274,318</u>

7. Finance income

	2017	2016
	Kshs	Kshs
Interest Income	<u>4,251,130</u>	<u>11,726,109</u>
Total	<u>4,251,130</u>	<u>11,726,109</u>

8. Continuous Professional Development Income

	2017	2016
	Kshs	Kshs
CPD Workshops	<u>23,856,093</u>	<u>17,371,130</u>
	<u>23,856,093</u>	<u>17,371,130</u>

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

9. Other income

	2017	2016
	Kshs	Kshs
Rent Income	2,559,032	2,417,000
Miscellaneous Income	850,056	682,465
Photocopy Services	125,723	52,371
Tender Documents	14,000	13,400
Graduation Income	973,800	1,116,200
Other Income	126,621	443,300
Endowment Fund	-	2,125,000
Total	4,649,232	6,849,736

10. Employee costs

	2017	2016
	Kshs	Kshs
Basic Salaries	119,736,317	101,810,992
Casual wages - Other	4,548,412	2,028,304
House Allowance	36,359,931	24,453,292
Leave Allowance	3,308,215	3,129,527
Overtime Allowance	5,199,483	7,736,086
Medical Employer Contributions	17,091,105	16,279,139
NSSF Employer Contributions	1,468,997	343,880
Pension Employer Contributions	23,440,476	17,673,230
Responsibility Allowance	559,389	297,403
Special duty	763,855	827,011
Gratuity Contribution	4,689,052	5,342,901
Commuter Allowance	10,681,871	10,137,853

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Total	227,847,103	190,059,617
11. Remuneration of directors		
	2017	2016
	Kshs	Kshs
Chairman's Honoraria	574,286	960,000
Directors emoluments	7,445,461	2,375,897
Total director emoluments	8,019,747	3,335,897
12. Administrative Costs		
	2017	2016
	Kshs	Kshs
Advertising & Publicity	4,505,301	6,019,151
Official Entertainment	490,170	1,189,143
Newspapers & Journals	2,870,450	861,030
Printing & Stationery	16,578,829	19,530,697
Cleaning services & Materials	14,846,140	13,564,309
Security Services	8,589,195	8,109,875
Travel & accommodation Expenses	14,333,263	11,591,977
Fuel	7,486,611	5,295,729
Bank Service Charges	1,205,220	790,662
Insurance Expenses	2,950,207	2,291,195
Postage and Delivery	69,960	55,704
9010022 · Telephone & Faxes	4,309,308	3,501,582
9010024 · Electricity	10,269,562	9,251,085
9010026 · Water & Sewerage	12,796,675	6,521,509
Other Taxes, Levies & Penalties.	3,266,043	83,750
Depreciation expense	69,322,697	41,033,815
Bad Debts	(307,183)	2,490,255

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Internet & E-mail	4,963,322	4,107,775
Web Hosting	1,045,220	1,561,940
Vehicle Repairs & Maintenance	5,462,754	3,167,395
Building Repairs	19,586,602	26,143,451
Computer Repairs	3,657,453	2,104,145
Equipment Repairs	3,648,869	2,422,131
Audit Fees	580,000	580,000
Professional Fees	3,409,968	2,802,761
Conferences & Workshops	9,542,712	6,276,222
Recruitment Costs	-	244,550
Staff Uniforms	1,694,694	1,314,927
Staff Welfare	7,923,700	7,596,656
Training & Development	5,364,800	4,921,848
Subscriptions	1,098,251	-
Total	<u>241,560,793</u>	<u>190,444,759</u>

13. Operational Cost

	2017	2016
	Kshs	Kshs
Hire of Facilities & Equipment	6,612,015	5,231,880
Examination Expenses	4,587,042	5,397,534
Library Expenses	-	22,500
Library Online Subscriptions	2,243,050	2,452,606
Part Time, Guest Lecturers Cost	24,217,480	20,059,450
Pupilage Super & Legal Clinics	4,253,058	10,536,802
Students Welfare	6,202,761	3,951,414
Accreditation Expense	-	450,000

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Graduation expense	3,653,636	8,439,716
Legal Clinic Visits	6,005,630	-
Moot Court Competition	3,745,112	-
Total	<u>61,519,785</u>	<u>56,541,902</u>

14. Continuing Legal Edu Expenses

	2017 Kshs	2016 Kshs
Continuing Legal Edu Expenses	<u>13,105,819</u>	<u>17,907,481</u>
Total	<u>13,105,819</u>	<u>17,907,481</u>

15. Hospitality Costs

	2017 Kshs	2016 Kshs
Gas	927,230	1,014,406
Foodstuffs & Drinks	19,981,510	16,761,691
Kitchen & Hostel Expenses	3,895,467	6,759,860
Laundry Expenses	2,850	-
Swimming Pool/Sports Expenses	2,109,467	1,674,120
Club House Expenses	1,541,119	1,172,800
Total	<u>28,457,642</u>	<u>27,382,876</u>

16. Finance costs

	2017 Kshs	2016 Kshs
Interest Expense	-	1,555,151
Total finance costs	<u>-</u>	<u>1,555,151</u>

17. Consumable stocks

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	Kshs	Kshs
Stationery	3,375,604	3,381,786
Cleaning materials	2,084,747	2,103,257
Electrical materials	1,593,395	1,929,870
Total	<u>7,053,746</u>	<u>7,414,913</u>

18. Accounts Receivables & prepayments

	2017	2016
	Kshs	Kshs
School Fees Receivable	17,846,330	19,780,099
CPD Receivable	3,084,917	11,440,755
Hospitality Receivable	17,695,811	7,867,970
Non-School Fees Receivables - Other	58,933,472	66,009,143
Staff Receivables	2,173,796	1,064,722
Development Grants Receivable	-	10,000,000
Provision for Doubtful Debts	(3,958,711)	(4,265,893)
VAT Control		2,881,442
Total	<u>95,775,615</u>	<u>114,778,238</u>

19. Other Current Assets

	2017	2016
	Kshs	Kshs
Staff advances	0	83,162
Deposits	240,000	240,000
Total Other Current Assets	<u>240,000</u>	<u>156,838</u>

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

20. Cash at bank and in hand

	2017	2016
	Kshs	Kshs
Undeposited Funds	1	157
National Bank A/C 0100131599700	387,090	659,358
National Bank A/C 0100131599701	5,512,198	20,656,147
National Bank A/C 0100131599702	3,970,655	3,266,103
National Bank A/C 0100132090200	251,909	570,649
Barclays Bank 2022099224- Collection a/c	16,141,823	81,457
Barclays Bank 2022029110 - Payments a/c	307,027	292,533
Barclays Bank 2022099240	4,112,270	3,985,622
Equity Bank 1630263144477	2,091,548	286,248
Cooperative Bank 01129706350500	27,239,672	-
Short term deposits	<u>87,800,000</u>	<u>5,884,767</u>
Total Cash at bank and in hand	<u>147,814,192</u>	<u>35,683,040</u>

Short term deposits comprise of

	2017	2016
	Kshs	Kshs
Cooperative Bank of Kenya	80,000,000	-
Barclays Bank of Kenya - Gratuity account	7,800,000	3,300,000
Equity Bank of Kenya - Endowment fund	-	<u>2,500,000</u>
	<u>87,800,000</u>	<u>5,800,000</u>

**KENYA SCHOOL OF LAW
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTES TO THE FINANCIAL STATEMENTS

21. PROPERTY & EQUIPMENT SCHEDULE

	Leasehold Land	Buildings	Capital Work in Progress	Office Equipment	Computer Equipment	Library Books	Motor Vehicles	Furniture & Fittings	Total
Depreciation Rate		2.50%	0.00%	30.00%	33.33%	20.00%	25.00%	0	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
COST/VALUATION									
As at 1st July 2014	84,000,000	413,442,700	555,547,788	17,238,039	21,067,988	11,362,372	14,878,448	41,687,587	1,159,224,922
Additions	-	-	40,698,114	2,883,555	-	321,900	150,575	2,186,307	46,240,451
As at 30th June 2015	84,000,000	413,442,700	596,245,902	20,121,594	21,067,988	11,684,272	15,029,023	43,873,894	1,205,465,373
Depreciation									
As at 1st July 2014	-	100,849,671	-	11,973,106	19,562,893	5,455,990	14,690,948	17,523,897	170,056,505
Charge for the year	-	10,336,067	-	6,036,478	1,505,095	2,336,854	225,144	5,484,238	25,923,876
As at 30th June 2015	-	111,185,738	-	18,009,584	21,067,988	7,792,844	14,916,092	23,008,135	195,980,381
NET BOOK VALUE									
As at 1st July 2014	84,000,000	312,593,029	555,547,788	5,264,933	1,505,095	5,906,382	187,500	24,163,690	989,168,417
As at 30th June 2015	84,000,000	302,256,962	596,245,902	2,112,010	-	3,891,428	112,931	20,865,759	1,009,484,992
COST/VALUATION									
As at 1st July 2015	84,000,000	413,442,700	596,245,902	20,121,594	21,067,988	11,684,272	15,029,023	43,873,894	1,205,465,373

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Additions	-	67,271,870	2,526,640	10,555,992	9,544,170	-	5,087,858	94,986,570
Revaluation Adjustment	626,000,000	201,557,300	-	-	-	-	-	827,557,300
As at 30th June 2016 DEPRECIATION	710,000,000	615,000,000	663,517,772	22,648,234	31,623,980	21,228,442	15,029,023	48,961,752
As at 1st July 2015	-	111,185,738	-	18,009,584	21,067,988	7,792,844	14,916,092	23,008,135
Charge for the year	-	15,375,000	-	4,638,650	10,541,327	4,245,688	112,931	6,120,219
As at 30th June 2016 NET BOOK VALUE	-	126,560,738	-	22,648,234	31,609,315	12,038,532	15,029,023	29,128,354
As at 1st July 2015	84,000,000	302,256,962	596,245,902	2,112,010	-	3,891,428	112,931	20,865,759
As at 30th June 2016	710,000,000	488,439,262	663,517,772	(0)	14,665	9,189,910	0	19,833,398
COST/VALUATION								
As at 1st July 2016	710,000,000	615,000,000	663,517,772	22,648,234	31,623,980	21,228,442	15,029,023	48,961,752
Additions	-	-	11,627,138	2,376,682	2,461,188	4,027,224	9,985,501	3,464,353
Transfers	-	129,468,958	(129,468,958)	-	-	-	-	-
Revaluation Adjustment	-	111,185,738	-	7,156,400	15,205,135	-	9,580,000	12,750,451
As at 30th June 2017 DEPRECIATION	710,000,000	855,654,696	545,675,952	32,181,316	49,290,303	25,255,666	34,594,524	65,176,556
As at 1st July 2016	-	126,560,738	-	22,648,234	31,609,315	12,038,532	15,029,023	29,128,354
Elimination on Valuation	-	(111,185,738)	-	(22,648,234)	(31,609,315)	-	(15,029,023)	(29,128,351)
Charge for the year	-	21,391,367	-	9,654,395	16,430,101	5,051,133	8,648,631	8,147,069
								69,322,697

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

As at 30th June 2017	-	36,766,367	-	9,654,395	16,430,101	17,089,666	8,648,631	8,147,072	96,736,232
NET BOOK VALUE	710,000,000	818,888,329	545,675,952	22,526,921	32,860,202	8,166,001	25,945,893	57,029,483	2,221,092,781
As at 1st July 2016	710,000,000	488,439,262	663,517,772	0	14,665	9,189,910	0	19,833,398	1,890,995,007
As at 30th June 2017	710,000,000	818,888,329	545,675,952	22,526,921	32,860,202	8,166,001	25,945,893	57,029,483	2,221,092,781

**KENYA SCHOOL OF LAW
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTES TO THE FINANCIAL STATEMENT

21. Payables and Accruals

	2017	2016
	Kshs	Kshs
7001001 · Accounts Payable	28,661,907	46,552,671

22. Other Current Liabilities

	2017	2016
	Kshs	Kshs
Prepayment School Fees Receivable	-	2,525,917
Prepayment by CPD	-	2,921,925
Prepayment by Hospitality	-	1,084,953
Prepayment by Non-School Fees - Other	-	4,664,242
Prepayment by Staff	-	1,670
Provision for Expenses/Stock	3,708,631	
HELB Payable	0	(1)
Cafeteria Recoveries	1,390	
Insurance Recoveries	-	
Net Pay Payable		46,322
NHIF Payable	10,900	
NSSF Payable	3,600	
PAYE Payable	370,720	21,009
Pension Payable	34,883	0
Sacco's Control	159,606	0
Salaries control	138	
Sheria Sacco Payable	2,200	
Withholding Tax Payable	131,361	2,175,593
Gratuity Payable	10,881,549	6,538,141
Endowment Fund Payable	325,018	

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Contract Retentions	28,917,068	28,917,068
VAT Control	1,181,127	-
Provisions for audit fees	580,000	580,000
Fees Paid in Advance	<u>128,883,333</u>	<u>61,358,528</u>
Total Other Current Liabilities	<u>174,750,836</u>	<u>110,835,367</u>

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

5. Related Party Transactions

The following transactions were carried out with related parties

	2016/17	2015/16
	Kshs	Kshs
Transfers from related parties (Office of Attorney General)	290,000,000	180,825,000
Key management remuneration	7,708,048	7,534,240
Board of Directors expenses	8,019,747	3,335,897

6. 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	2015-2016
	Kshs	Kshs	Kshs	Kshs	Kshs
Office of the Attorney General and Department of Justice	290,000,000	-	-	290,000,000	180,825,000
Total	290,000,000	-	-	290,000,000	180,825,000

The School has forwarded a request on 31st July 2017 to the Solicitor General to confirm the above amounts whose response has not been received.

7. Events after the reporting period

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

8. 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.

9. Currency

The financial statements are presented in Kenya Shillings.

**KENYA SCHOOL OF LAW
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

XVIII. PROGRESS ON FOLLOW – UP OF AUDITORS RECOMMENDATIONS

The following is the summary of outstanding paragraphs raised by the external auditor and their resolution status.

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)
Loss of Kenya School of Law Property on plot number LR 2009/6238-HG613 – Official residence of the School Principal in Kilimani Area (2014/2015 Financial Year audit)	Loss of property	The matter was filed in court by Ethics and Anti-corruption Commission in January 2007 and is still in pending. Management have escalated the issue to the Attorney General’s Office to liaise with the National Lands Commission to get the title that was fraudulently allocated to third parties cancelled.	D/CEO	Not Resolved	Indeterminate
6.18 Hectares plot in Embakasi Area (2014/2015 Financial Year audit)	Loss of property	The issue was escalated to the National Lands Commission and the Attorney General’s Office is representing the School towards recovery, and issuance of the title deed.	D/CEO	Not Resolved	Indeterminate

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Internal control weaknesses – Risk management and ICT policies and disaster recovery plan	Policies had not been formally approved and implemented. Data not backed offline.	Both risk management and ICT policies were approved by the Board. The risk registers are in place and ICT policy is being implemented. The disaster recovery plan is in place and offsite backing up of data is taking place.		Resolved	
---	---	---	--	----------	--

**KENYA SCHOOL OF LAW
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

XIX. APPENDIX 1: INTER-ENTITY TRANSFERS

KENYA SCHOOL OF LAW

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	25th August 2016	72,500,000	2016/2017
		17th October 2016	72,500,000	
		7th February 2017	72,500,000	
		3rd May 2017	72,500,000	
		Total	290,000,000	
b	Development Grants		-	
		Grand Total	290,000,000	