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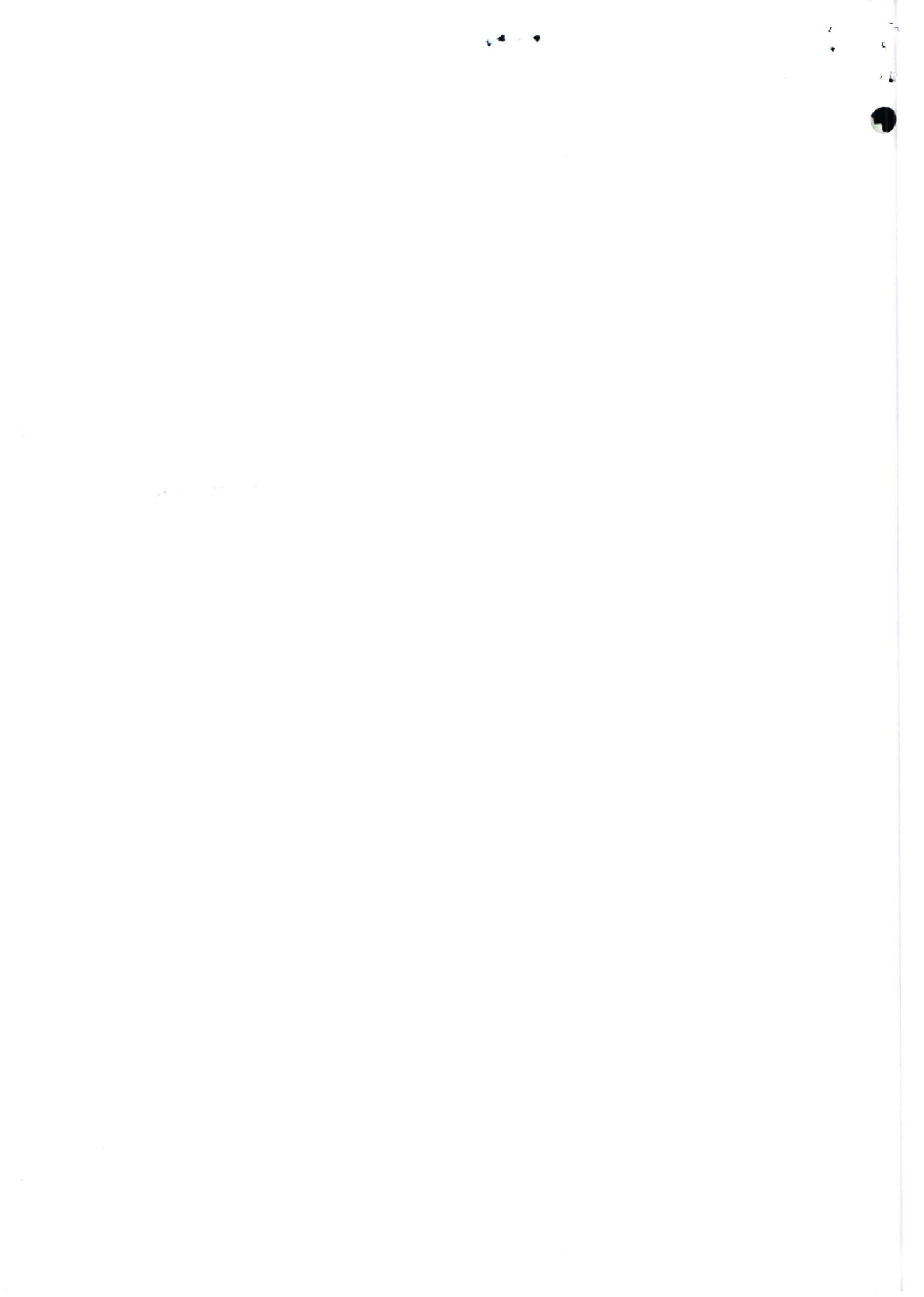
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THE AUDITOR-GENERAL

ON

**COUNCIL OF LEGAL EDUCATION STAFF
CAR LOAN AND MORTGAGE SCHEME**

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





COUNCIL OF LEGAL EDUCATION

STAFF CAR LOAN AND MORTGAGE SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING

JUNE 30, 2021

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



COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

TABLE OF CONTENT

KEY COUNCIL OF LEGAL EDUCATION INFORMATION AND MANAGEMENT.....	ii
MANAGEMENT TEAM	v
REPORT OF CHAIRMAN'S STATEMENT	ix
REPORT OF THE SECRETARY/CHIEF EXECUTIVE OFFICER.....	xi
CORPORATE GOVERNANCE STATEMENT.....	xii
MANAGEMENT DISCUSSION AND ANALYSIS.....	xiii
REPORT OF THE SCHEME'S ADVISORY COMMITTEE.....	xiv
STATEMENT OF COUNCIL'S RESPONSIBILITIES	xv
REPORT OF THE INDEPENDENT AUDITORS FOR THE FINANCIAL STATEMENTS OF THE COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME FINANCIAL STATEMENTS	xvii
STATEMENT OF FINANCIAL PERFORMANCE	1
STATEMENT OF FINANCIAL POSITION.....	2
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED 30 TH JUNE 2021	5
NOTES TO THE FINANCIAL STATEMENTS.....	6
APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS.....	10



COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

KEY COUNCIL OF LEGAL EDUCATION INFORMATION AND MANAGEMENT

(a) Background information

Council of Legal Education car loan and mortgage scheme is established pursuant to the Salaries and Remuneration Commission Circular No. SRC/ADM/CIR/1/13 Vol. III (128) of 17th December, 2014 on Car Loan and Mortgage Schemes for State Officers and Other Public Officers of Government of Kenya, National Treasury Circular ZZ/MOF/26/03/86 of 16th September 2015 and ZZ/MOF/26/03/86/A (134) of 16th March 2016 to all public bodies.

(b) Principal Activities

The principal activities of the CLE car loan and mortgage scheme:

- a) To enable CLE staff to access mortgage facilities;
- b) To enable CLE staff to purchase cars

Vision of CLE

To motivate CLE staff and immensely contribute towards attraction and retention of requisite skills in the Council of Legal Education.

CLE Mission

To assure quality legal education and training through licensing and supervision of legal education providers; Administration of the Advocates Training Programme examination and advising the Government on legal education.

(c) Key Management

The CLE car loan and mortgage scheme is under the Secretary / Chief Executive Officer Council of Legal Education and the day-to-day management by the car loan and mortgage advisory committee



COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

(d) Fiduciary Management

No	Designation	Name
1.	Secretary/ Chief Executive Officer	Dr. Wambua Kituku Employed 1 st December 2021
2.	Secretary/Chief Executive Officer	Dr. J. K. Gakeri - Resigned 4 th June 2021
3.	Ag. Secretary/Chief Executive Officer	Ms. Mutugi Mary Mugure
4.	Director Directorate of Quality Assurance Compliance & Accreditation	Ms. Mutugi Mary Mugure
5.	Director Directorate of Examination	Mr. George W. Wafula
6.	Manager Internal Audit	Ms. Ignazia K. Kaimba
7.	Manager Finance and Accounts	CPA Ednah Kerubo Oyori- Employed 22 nd November 2022
8.	Principal Accountant	CPA Purity Kimathi Ag. MFA 1 st April 2020- 21 st November 2022
9.	Principal Supply Chain Management Officer	Mr. Jairus O. Kirande

(e) Fiduciary Oversight Arrangements

There were no operations during the year.

(f) Council of Legal Education Headquarters

P.O. Box 829-00502
Karen Office Park Acacia Block 2nd Floor
Langata Road
NAIROBI, KENYA

Telephone: (254) 20 6980100, 20 2011290
E: mail: info@cle.or.ke
Website: www.cle.or.ke

(g) Council of Legal Education Bankers

National Bank of Kenya
Hill Branch
P.O. Box 45219 - 00100
NAIROBI, KENYA



COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

(h) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084 - 00100
NAIROBI, KENYA

(i) Principal Legal Adviser

The Attorney General
State Law Office, Harambee Avenue
P.O. Box 40112- 00200
NAIROBI, KENYA



COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

MANAGEMENT TEAM



**Dr. Wambua Kituku; PhD
Secretary/Chief Executive Officer
Council of Legal Education**

Dr. Wambua Kituku holds a PhD in Environmental Law from the University of Nairobi, with a focus on regulatory aspects of solid waste management.

He also holds Bachelor's Degree in Law (LL.B) and Master of Laws (LL.M) from the University of Nairobi. Dr. Kituku also holds a Bachelor of Science Degree from Jomo Kenyatta University of Agriculture and Technology.

Dr Kituku is an advocate of the High Court of Kenya and registered EIA/EA Lead Expert with NEMA and holds an EIA and EA certificate from The African Nazarene University.

Before joining the Council of Legal Education, Dr Kituku worked with the United Nations Development Programme (UNDP) Kenya Country Office for the last ten years, managing civil society strengthening as well as elections programmes.

He has previously practiced law in Nairobi and Machakos and worked for National and well as International NGOs. Dr. Kituku has a long consulting experience with the Public Sector, UN bodies, NGOs, Public and Private Sector spanning for over 20 years in such areas as strategy formulation, research, training, and advisory services.

Dr Kituku has taught law at the School of Law of Kenyatta University, where he served as the examination's coordinator as well.

He is currently teaching and supervising post-graduate students at the Faculty of Law, University of Nairobi.


He has written and published peer-reviewed articles on environmental law and democratic governance issues.

Date of Appointment: 1st December 2021



COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	<p>Dr. J. K. Gakeri Secretary/Chief Executive Officer Council of Legal Education</p> <p>Dr. Gakeri is an Advocate of the High Court and a Certified Public Secretary. He holds the LL.B and LL.M degrees from the University of Nairobi. LLM from the University of Houston, Texas and the SJD from Indiana University, Bloomington, U.S.A. Dr. Gakeri previously worked as the Ag. Director Examinations CLE. Before that he served as a Senior Lecturer at the Department of Private Law, University of Nairobi, School of Law, Parklands Campus. He has previously served as a Part-time lecturer in Law at the Strathmore University School of Accountancy and has served as an Examiner for KASNEB.</p> <p>Date of resignation: 4th June, 2021</p>
	<p>Ms. Mutugi Mary Mugure Director Directorate of Quality Assurance, Compliance and Accreditation</p> <p>Ms. Mutugi holds an LL.B (Hons) degree from Moi University, and a Master degree in International Conflict Management. Ms. Mutugi is an Advocate of the High Court of Kenya and a Commissioner of Oath. She has 10 years' experience in Legal Education and Training, four (4) of which are in Legal Education and Regulation.</p> <p>Ag. Secretary/Chief Executive Officer Council of Legal Education 4th June to 30th November 2021</p>
	<p>Ms. Ignazia K. Kaimba Manager, Internal Audit</p> <p>Ms Kaimba holds a Master of Business Administration (Finance) and a Bachelor's Degree in Commerce from the University of Nairobi. She is a Certified Internal Auditor (CIA) and member of Global Institute of Internal Auditors (IIA). She is also a Certified Information System's Auditor and member of Information Systems Audit and Control Association (ISACA). She has over 15 years' experience in the area of risk management and corporate governance. She previously worked for Ministry of Finance, Ethics and Anti-Corruption</p>



COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	<p>Commission (EACC) and Chuka University.</p> <p>Mr George W. Wafula Director Directorate of Examinations</p> <p>Has a Master of Education Degree (Curriculum Development) from Kenyatta University, Bachelor of Education (B.Ed Arts) of Kenyatta University, worked as a professional teacher for thirteen (13) years and in charge of school examination at the District level for three years. Served at the Public Service Commission (PSC) Examination Department starting as a Senior Examination officer to Principal Examination Officer for ten (10) years, joined the Council of Legal Education as Manager Examination in November 2015 and from April,2019, appointed as Director of Examinations. He was appointed to the position in September 2020.</p>
	<p>CPA Ednah Kerubo Oyori Manager Finance & Accounts</p> <p>Ms. Ednah Kerubo Oyori holds a Master of Science Degree in Finance & Investments from the University of Nairobi, a Bachelor of Arts in Economics Degree from Makerere University and is a Certified Public Accountant.</p> <p>Ms. Kerubo is a member of the Institute of Certified Public Accountants of Kenya (ICPAK).</p> <p>Ms. Kerubo has served as Manager, Finance and Accounts at the Kenya Film Commission, she has worked as a Senior Accountant with the Kenya Universities and Colleges Central Placement Service and as Accountant at The University of Nairobi and comes with a vast experience in Finance & Accounts having worked in Positions of Senior Management in the Public Sector.</p> <p>Date of Appointment: 22nd November 2021</p>



COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021



CPA Purity Kimathi
Principal Accountant

CPA Kimathi is a Certified Public Accountant and a Certified Secretary. She holds an MBA (Finance & Strategic Management) and a Bachelor of Commerce (Finance) from the University of Nairobi. She is a member of the Institute of Certified Public Accountants Kenya (ICPAK) and the Institute of Internal Auditors (IIA). She has over 16 years' experience in Finance & Administration, with keen interest in corporate governance. She previously worked at the Teachers Service Commission.

Ag. Manager Finance & Accounts: 1st April 2020- 21st November 2021



COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

REPORT OF CHAIRMAN'S STATEMENT



Council is pleased to present the Staff Car Loan and Mortgage scheme Annual Report and Financial Statements for the Council of Legal Education for the year ended June 30, 2021.

The staff car loan and mortgage Scheme will provide staff with the opportunity to buy or build a house using a mortgage loan that is repayable within a term of up to 20 years. The staff car loan and mortgage Scheme will also facilitate staff to acquire motor vehicles through the provision of loans to purchase vehicles repayable within a term of up to five years.

Rationale of the Staff Mortgage and Car Loan Scheme

To effectively execute its mandate towards the realisation of its Vision, the Council endeavours to attract, motivate and retain top talent. The Scheme was established as a means to achieving this goal. Through the Scheme, employees access housing and car loans at competitive concessionary interest rates. As they repay the loans, the funds are channelled back into the Scheme and loaned out to other employees.

In addition, by administering the Scheme and providing affordable housing loans to employees, the Council supports the Government's objective of providing 500,000 new affordable housing units to the public by 2022 under the "Big 4 Agenda".

Further, the Scheme emanates from the Car Loan and Mortgage Schemes for State and Other Public Officers of Government of Kenya that was established in December 2014 by the Salaries and Remuneration Commission's (SRC) in collaboration with the National Treasury. The Council is grateful to the National Treasury and the Salaries and Remuneration Commission for their respective roles in enabling the Scheme to achieve its objectives of facilitating staff access the facility.

Governance and Management of the Scheme

The Council has set up a revolving fund to facilitate the operation of the Scheme, while its funding is by the National Treasury. The Council also provides the governance and management capabilities to run the funds. The loan entitlement and conditions are stipulated in detailed staff Car Loan and Staff Mortgage Scheme policies and regulations. The Staff Car Loan Mortgage and Scheme Advisory Committee has been set up to oversee the administration and implementation of the Scheme. The committee is in the process of settling for a service provider to facilitate the administration of the Scheme.



COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Sustainability of the Scheme

Through prudent management of resources, the Council of Legal Education has set aside initial capital of Kshs 45 million and a further 12 million totalling to 57 million for the Staff car loan and Mortgage Scheme. To ensure sustainability, the Scheme operates as a revolving fund, whereby the repayments by the past beneficiaries are utilised to provide loans to new applicants.

Finally, the Council is grateful to the Government, which through National Treasury and the Office of the Attorney General and State law office, has continued to guide and support the Council to improve the welfare of the staff through the Scheme. It is anticipated that the provision of this facility shall encourage the staff to continue undertaking their duties and responsibilities with zeal and patriotism.

Prof. Githu Muigai, SC, EGH
CHAIRMAN
COUNCIL OF LEGAL EDUCATION



COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021
REPORT OF THE SECRETARY/CHIEF EXECUTIVE OFFICER**



The Council has the pleasure of presenting the Council of Legal Education Staff Car Loan and Mortgage Scheme's financial statements for the financial year 2020/2021. The financial statements comprise of the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Net Assets and Statement of Cash Flows. The Commission employed prudent financial management in line with Government Financial Regulations and International Public Sector Accounting Standards resulting in facilitation of efficient and effective administration of the Scheme.

The Scheme's operations and activities for the Financial Year 2020/2021 included appointing the Advisory Committee, setting up of the rules and regulations for the scheme and settling down on the service provider for the scheme. It is expected that the Fund will be active once an MOU has been signed with service provider in the year 2021/2022.

In the financial year, the Scheme capital was built up to Kshs 57 million. The Council will continue to mobilise budgetary allocations in subsequent financial years to enable all staff to access the facility.

I'm grateful to all stakeholders for the successful establishment, funding and administration of the Scheme. I encourage all staff members to utilise the facility for improvement of their welfare and to remain resilient and focused in the performance of their duties.

**Dr. Wambua Kituku, PhD
SECRETARY/CHIEF EXECUTIVE OFFICER
COUNCIL OF LEGAL EDUCATION**



COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021
CORPORATE GOVERNANCE STATEMENT**

Corporate governance is the manner in which corporations are directed and controlled with the objective of increasing and sustaining shareholders value while satisfying the needs of stakeholders. This is achieved by establishing a system of clearly defined authorities and responsibilities.

The Chief executive officer has appointed an advisory committee for the staff car loan and mortgage scheme to oversee the implementation and administration of the scheme.



COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

Financial performance

The Scheme's operations and activities for the Financial Year 2020/2021 included appointing the Advisory Committee, setting up of the rules and regulations for the scheme and settling down on the service provider for the scheme. It is expected that the Fund will be active once an MOU has been signed with service provider in the year 2021/2022. In the financial year, the Scheme capital was Kshs 57 million.



COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021
REPORT OF THE SCHEME'S ADVISORY COMMITTEE

The Council submits this report together with the financial statements is for the year ended June 30, 2021 which show the state of the CLE staff car loan and mortgage scheme affairs.

Principal activities

The principal activities of the CLE car loan and mortgage scheme:

- a) To enable CLE staff to access mortgage facilities;
- b) To enable CLE staff, purchase cars

Results

The Financial statements of the CLE staff car loan and mortgage scheme for the year ended June 30, 2021 are set out on page 1 to 10.

Auditors

The Auditor General is responsible for the statutory audit of the Council of Legal Education in accordance with Article 229 of the Constitution of Kenya, Public Audit Act 2015.

By Order of the Council

CORPORATE SECRETARY/SECRETARY TO THE BOARD
COUNCIL OF LEGAL EDUCATION
NAIROBI

Date.....18/07/2022.....



COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021 STATEMENT OF COUNCIL'S RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 requires Council to prepare financial statements in respect of the CLE staff car loan and mortgage scheme, which give a true and fair view of the state of affairs of the scheme at the end of the financial year and the operating results of the scheme for that year. The Council is also required to ensure that the CLE staff car loan and mortgage scheme keeps proper accounting records which disclose with reasonable accuracy of the financial position of the Council of Legal Education. The Council is also responsible for safeguarding the assets of the CLE staff car loan and mortgage scheme.

The Council is responsible for the preparation and presentation of the CLE staff car loan and mortgage scheme's financial statements, which give a true and fair view of the state of affairs of the CLE staff car loan and mortgage scheme for year ended on June 30, 2021. This responsibility includes:

- i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the CLE staff car loan and mortgage scheme;
- 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 CLE staff car loan and mortgage scheme;
- v) Selecting and applying appropriate accounting policies; and
- vi) Making accounting estimates that are reasonable in the circumstances.

The Council accepts responsibility for the CLE staff car loan and mortgage scheme 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, the State Corporations Act and Legal Education Act, 2012. The Council is of the opinion that the CLE staff car loan and mortgage scheme's financial statements give a true and fair view of the state of scheme's transactions during the financial year ended June 30, 2021, and of the CLE staff car loan and mortgage scheme's financial position as at that date.

The Council further confirm the completeness of the accounting records maintained for the CLE staff car loan and mortgage scheme, which have been relied upon in the preparation of the CLE staff car loan and mortgage scheme's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board to indicate that the Council of Legal Education staff car loan and mortgage scheme will not remain a going concern for at least the next twelve months from the date of this statement.



COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Approval of the financial statements

The Council of Legal Education staff car loan and mortgage scheme Financial Statements were approved by Council on 7th September, 2021 and signed on its behalf by:

Prof. Githu Muigai, SC, EGH

**Chairman
COUNCIL OF LEGAL EDUCATION
EDUCATION**

Dr. Wambua Kituku; PhD

**Secretary/CEO
COUNCIL OF LEGAL**

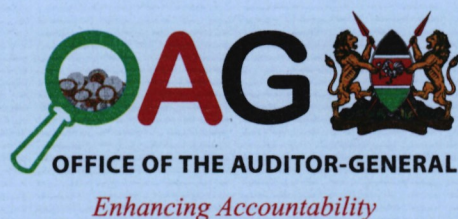


COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021
REPORT OF THE INDEPENDENT AUDITORS FOR THE FINANCIAL STATEMENTS OF THE
COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME FINANCIAL
STATEMENTS

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

Opinion

I have audited the accompanying financial statements of the Council of Legal Education Staff Car Loan and Mortgage Scheme set out on pages 1 to 10, which comprise the statement of financial position as at 30 June, 2021 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of

Report of the Auditor-General on Council of Legal Education Staff Car Loan and Mortgage Scheme for the year ended 30 June, 2021

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council of Legal Education Staff Car Loan and Mortgage Scheme as at 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Late Submission of Financial Statements

The financial statements of the Council of Legal Education Staff Car Loan and Mortgage Scheme for year ended 30 June, 2021 were submitted on 11 January, 2022 which was three (3) months after the statutory deadline. This is contrary to Section 47(1) of the Public Audit Act, 2015 which states that the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate.

Management was in breach of the law.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution 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.

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

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

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Scheme to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Scheme's to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA ~~Nancy Gathungu~~, CBS
AUDITOR-GENERAL

Nairobi

20 July, 2022



COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020/2021	2019/2020
		Kshs.	Kshs.
Revenue from exchange transactions			
Interest on Mortgage		-	-
Interest on Car loan		-	-
Total revenue		-	-
Expenses			
Administration Costs		-	-
Total expenses		-	-
Surplus before tax		-	-
Surplus/(Deficit) for the period		-	-
Attributable to:		-	-
Surplus/(deficit)		-	-

The notes set out on pages 6 to 10 form an integral part of the Financial Statements

Dr. Wambua Kituku

Secretary/Chief Executive Officer

Council of Legal Education

CPA Ednah K. Oyori

Manager Finance
& Accounts

ICPAK M/No. 11607
Council of Legal Education

Prof. Githu Muigai,
SC

Chairman

Council of Legal
Education

Date: 18th July, 2022

Date: 18th July, 2022

Date: 18th July, 2022



COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2021

	Notes	2020/2021	2019/2020
Assets		Kshs.	Kshs.
Current assets			
Cash and cash equivalents		-	-
Total Current Assets		-	-
Non-current assets			
Long term receivables from CLE	6	57,093,800	-
Total Non-Current Assets		57,093,800	-
Total assets			
Liabilities			
Current liabilities		-	-
Total Current Liabilities		-	-
Non-current liabilities			
Total liabilities		-	-
Net assets			
Car Loan & Mortgage fund	7	57,093,800	-
Total Net Assets		57,093,800	-
Total Net Assets and Liabilities		57,093,800	-

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Council by:

Dr. Wambua Kituku

Secretary/Chief Executive Officer

Council of Legal Education

CPA Ednah K. Oyori

Manager Finance
& Accounts

ICPAK M/No. 11607

Council of Legal Education

Prof. Githu Muigai,
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COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021
STATEMENT OF CHANGES IN NET ASSETS FOR
THE YEAR ENDED 30 JUNE 2021

	Notes	Car & Mortgage fund	Total
		Kshs	Kshs
Balance as at 1 st July 2020		-	-
Car & Mortgage fund	7	57,093,800	57,093,800
Surplus/(deficit) for the period		-	-
Balance as at 30 June 2021		57,093,800	57,093,800




COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME


ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021
STATEMENT OF CASHFLOW FOR THE PERIOD ENDED JUNE 30, 2021

	Note	2019/2020	2018/2019
Cash and cash equivalent at the beginning of the year			
Cash flows from operating activities			
Receipts			
Interest on Mortgage		-	-
Interest On car Loan		-	-
Payments			
Administrative costs		-	-
Net cash flows from operating activities		-	-
Cash flow from investing activities			
Disbursement to Staff		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Staff Mortgage Fund		-	-
Staff Car Loan Fund		-	-
Net cash flows used in financing activities			
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at 1 July 2020		-	-
Cash and cash equivalents at 30 JUNE 2021		-	-

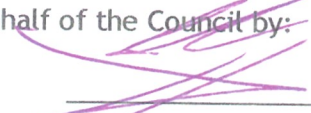
The Financial Statements set out on pages 1 to 5 were signed on behalf of the Council by:



Dr. Wambua Kituku
Secretary/Chief Executive Officer
Council of Legal Education



CPA Ednah K. Oyori
Manager Finance and
Accounts
ICPAK M/No. 11607



Prof. Githu Muigai,
SC
Chairman
Council of Legal
Education

Date: 18th July, 2022

Date: 18th July, 2022

Date: 18th July, 2022



COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED 30TH JUNE 2021

REVENUE	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization	Explanation of difference
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021		
	Kshs '000	Kshs '000	Kshs '000	Kshs '000	Kshs '000		
Interest earned	-	-	-	-	-		
Total Income	-	-	-	-	-		
EXPENSES							
Administration costs	-	-	-	-	-		
Finance Costs	-	-	-	-	-		
Total Recurrent Budget	-	-	-	-	-		
Surplus/(Deficit)	-	-	-	-	-		



COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Council of Legal Education staff car loan and mortgage scheme is established pursuant to the Salaries and Remuneration Commission Circular No. SRC/ADM/CIR/1/13 Vol. III (128) of 17th December, 2014 on staff Car Loan and Mortgage Schemes for State Officers and Other Public Officers of Government of Kenya, National Treasury Circular ZZ/MOF/26/03/86 of 16th September 2015 and ZZ/MOF/26/03/86/A (134) of 16th March 2016 to all public bodies and the CLE staff car loan and mortgage scheme 2020.

Principal Activity of the Council of Legal Education

The principal activities of the CLE staff car loan and mortgage scheme:

- a) To enable CLE staff to access mortgage facilities;
- b) To enable CLE staff to purchase cars.

2. Statement of Compliance and Basis of Preparation - IPSAS 1

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Council of Legal Education staff car loan and mortgage scheme.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the Legal Education Act No. 27 of 2012 Section 28 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. Early adoption of standards

Council of Legal Education Staff car loan and mortgage scheme did not adopt any new or amended standards in year 2021.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

i) Revenue from Non-Exchange Transactions - IPSAS 23

Fees, taxes and fines

The Council of Legal Education staff car loan and mortgage scheme recognizes revenue from fees when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of asset can be measured reliably.



COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Transfers from Other Government Entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the scheme and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realized in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

ii) Revenue from Exchange Transactions - IPSAS 9

Rendering of Services

The CLE staff car loan and mortgage scheme recognizes revenue from interest earned from the scheme.

Interest Income

The CLE staff car loan and mortgage scheme will have a Current bank account for the staff car loan account and mortgage account. The Council does not expect to receive any future cash receipts from the current accounts.

b) Budget Information - IPSAS 24

The original budget for FY 2020-2021 was approved by the National Assembly. Subsequent revision and additional appropriations were made to the approved budget in accordance with specific approvals from the Council and The National Treasury and Planning. The additional appropriations are added to the original budget by CLE staff car loan and mortgage scheme upon receiving the respective approvals from the Council and The National Treasury and Planning to conclude the final budget. Accordingly, Council of Legal Education recorded no appropriation on the 2020-2021 budget following the governing body's approval.

CLE staff car loan and mortgage scheme budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement on financial performance, whereas the budget is prepared on a cash basis.

c) Property, plant and Equipment - IPSAS 17

The CLE staff car loan and mortgage scheme had no assets during the year.

d) Inventories - IPSAS 12

The CLE staff car loan and mortgage scheme had no inventory during the year.

e) Provisions

The CLE staff car loan and mortgage scheme had no provisions during the year.

f) Contingent Liabilities

The CLE staff car loan and mortgage scheme had no contingent liability during the year.



COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

g) Nature and Purpose of Reserves

CLE staff car loan and mortgage scheme creates and maintains reserves in terms of specific requirements. Reserves are listed as below

- i) Retained Earnings - this is the sum of all accumulated surplus and deficits as at the reporting date.
- ii) CLE staff car Loan and Mortgage Scheme - this represents funds set aside as seed money to operationalize the Scheme once opening of the Bank Account is approved by the National Treasury and Planning.

h) Changes in Accounting Policies and Estimates - IPSAS 3

The CLE staff car loan and mortgage scheme recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

i) Related Parties- IPSAS 20

The CLE staff car loan and mortgage scheme regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Council. Council considers the Government, Council members, and Senior Management as related parties.

j) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and 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.

k) Comparative Figures

There were no comparative figures for 2020/2021 financial year.

l) Subsequent events

There have been no events subsequent to the CLE staff car loan and mortgage scheme in financial year end with a significant impact on the financial statements for the year ended June 30, 2021.

5. Significant Judgments and Sources of Estimation Uncertainty - IPSAS 1

The preparation of the CLE staff car loan and mortgage 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.

i) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Council based its assumptions and estimates on parameters available when the financial statements were prepared.



COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Council. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

ii) Useful Lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Council
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

iii) Provisions

Provisions are raised and management determines an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

The staff car loan and mortgage scheme had no provisions during the year.

6. Receivables

Description	2020-2021 (KShs)	2019-2020 (KShs)
Receivables from CLE	57,093,800	-
Total amount to be received from CLE	57,093,800	-

The Kshs 57 million is being held by the Council of Legal Education account which will be transferred to the staff car loan and mortgage account once the account is opened.

7. Car Loan and Mortgage fund

Description	2020-2021 (KShs)	2019-2020 (KShs)
CLE Car loan and Mortgage fund	57,093,800	-
Total amount to be received from CLE	57,093,800	-

The Council of legal Education has set aside an initial capital of Kshs 57 million for the Staff Car Loan and Mortgage Scheme. During the Financial year no activities took place in the fund as the Council is in the process of sourcing an administrator for the fund which is already under way.

8. Events after the Reporting Period

There were no events after reporting period

9. Ultimate and Holding Entity

Council of Legal Education is a Semi-Autonomous Government Agency under the State Law and Department of Justice. Its ultimate parent is the Government of Kenya.

10. Currency

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



COUNCIL OF LEGAL EDUCATION STAFF CAR LOAN AND MORTGAGE SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)