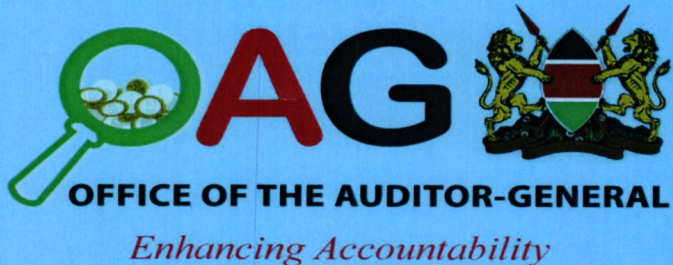


REPUBLIC OF KENYA



PARLIAMENT
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LIBRARY


REPORT

OF

THE AUDITOR-GENERAL

ON

KENYA SCHOOL OF LAW

 FOR THE YEAR ENDED	
THE NATIONAL ASSEMBLY	
PAPERS Laid 30 JUNE, 2019	
DATE: 11 NOV 2021 <input type="text" value="DAY"/>	
TABLED BY:	WALTER WANGWE
CLERK-AT THE TABLE:	J. AINDO



THE KENYA SCHOOL OF LAW

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2019

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

**KENYA SCHOOL OF LAW
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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 as a public institution – a Semi-Autonomous Government Agency (SAGA) - mandated under the Council of Legal Education Act, Cap. 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 to on 21st September, 2012 and commenced on 28th September, 2012 and 15th January, 2013 respectively.

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

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b) Principal Activities

Vision of Kenya School of Law

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

Mission Statement

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

Core functions of the School

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

Values

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

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c) Key Management

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

d) Fiduciary Management

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

No.	Designation	Name
1.	Director/Chief Executive Officer	- Dr. Henry K. Mutai, Appointed March 2018
2.	Deputy Director	- Prof. Morris Kiwinda Mbondenyei, Left in Sept 2018
3.	Asst. Director, Finance & Admin	- Mr. Amos K. Mwangi, Resigned July 2018
4.	Assistant Director, ATP	- Ms. Anna Konuche
5.	Assistant Director, CPD, P&R	- Mr. Isaac Simiyu
6.	Human Resource & Admin Manager	- Mrs. Joyce Maingi
7.	Ag. Human Resource & Admin Manager	- Ms. Lucia lulu
8.	Finance Manager	- CPA Patrick M. Gachuhi, Left November 2018
9.	Ag. Finance Manager	- CPA John Mithia
10.	Procurement Manager	- Ms Mariam Ali Mahmud
11.	Internal Audit Manager	- Mrs. Maria Aridi, Left February 2019
12.	Academic Services Manager	- Mr. Fredrick Muhia
13.	Legal Clinics Manager	- Mr. Albert Simiyu
14.	Paralegal Studies Programme Coordinator	- Ms. Anastacia Otieno
15.	Librarian	- Ms Agnes Mwai
16.	PA/Senior Legal Officer	- Ms Brenda Kiberenge
17.	Ag. PA/Senior Legal Officer	- Mr. Fredd Wakimani

e) Fiduciary Oversight Arrangements

18. 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

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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 comprises of key management staff.

f) The Kenya School of Law Headquarters

Langata South Road, Karen

P.O. Box 30369 - 00100

Nairobi, Kenya

g) The Kenya School of Law Contacts

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

Fax : +254-20-8891722

E-mail: lawschool@ksl.ac.ke

Website: www.ksl.ac.ke

DROPPING ZONE

141 Revlon Professional Plaza

Tubman Road, Nairobi

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h) The Kenya School of Law Bankers

1) Barclays Bank of Kenya

Corporate Branch
Barclays Plaza
P.O BOX 4661 – 0100
Nairobi, Kenya

2) Equity Bank of Kenya

Supreme Branch
Karen
Nairobi, Kenya

3) Co-operative Bank of Kenya

Karen Branch
P.O Box 24644-00502
Karen, Kenya

i) 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

j) The Kenya School of Law Principal Legal Advisor




The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

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II. THE KENYA SCHOOL OF LAW BOARD MEMBERS

Board Member's photo, name, and role	Date of birth, Key qualifications and work experience
 <p style="text-align: center;">Prof. Fatuma N. Chege Member Associate Professor in Education and Dean, School of Education, Kenyatta University</p>	<ul style="list-style-type: none"> ❖ DOB: 4th June, 1955 ❖ Associate Professor in Education and Dean, School of Education, Kenyatta University ❖ Doctor of Philosophy (Ph.D) – Education with specialization in Gender and Education ❖ Date of appointment as a member: 15th July 2017 ❖ Date of Appointment as Chair Person: 30th August 2018 ❖ DVC Administration & Finance Kenyatta University
 <p style="text-align: center;">Hon. Lady Justice Pauline Nyamweya Member Representing Chief Justice, Republic of Kenya</p>	<ul style="list-style-type: none"> ❖ DOB: 1966 ❖ Presiding Judge, Machakos High Court ❖ Lecturer - Faculty of Law, University of Nairobi ❖ Secretary – The Capital Markets Tribunal ❖ Bachelor of Laws (LL.B), ❖ Postgraduate Dip. In Law, ❖ Master of Laws (LLM) (University of Cambridge, UK) ❖ Member – Central Depository Settlement Corporation ❖ Advocate

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 <p style="text-align: center;">Prof. Michael Nyongesa Wabwile Ph.D. Member Representing University Law Lecturers in Kenya</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 Laws (LL.M.), University of Cambridge UK, 1998 ❖ Doctor of Philosophy (PhD) in Law, University of Leicester, UK, 2010. ❖ Dean, School of Law, Egerton University
 <p style="text-align: center;">Mrs. Emily Chweya Member Representing Office of the Attorney General and Department of Justice</p>	<ul style="list-style-type: none"> ❖ DOB: 30th November, 1965 ❖ Chief State Counsel, OAG & DOJ ❖ Bachelor of Laws (LLB) (University of Nairobi) ❖ Post graduate Diploma in Law, Kenya School of Law.
	<ul style="list-style-type: none"> ❖ DOB: 12th May, 1976 ❖ Deputy Director of Budget - The National Treasury ❖ Bachelor of Education (Arts) ❖ Master of Business Administration (MBA), ❖ CPA(K), ICPAK Member

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<p style="text-align: center;">CPA Arthur Nduati Member Representing the National Treasury</p>	
<div style="text-align: center;">  <p>CS. Jacqueline A.O. Manani, Member Representing the Law Society of Kenya</p> </div>	<ul style="list-style-type: none"> ❖ DOB: 27th December 1976 ❖ Director, Legal Services, Public Service Commission (PSC) ❖ Bachelor of Laws (LL. B) (Moi), ❖ Post Graduate Dip. In Law, ❖ Master of Laws (LL.M) (University of London), ❖ ICPSK Member
<div style="text-align: center;">  <p>Ms. Catherine Ochanda Member Representing Office of the Attorney General and Department of Justice</p> </div>	<ul style="list-style-type: none"> ❖ D.O.B 25th October, 1977 ❖ Deputy Chief State Counsel ❖ Bachelor of Laws (LLB) ❖ Post Graduate Diploma in Law Kenya School of Law (2001-2002) <p>Master of Laws (LLM) in Advance Legislative Studies at the Institute of Advanced Legal Studies, University of London (2012-2013)</p>

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Dr. Henry Kibet Mutai,
Director/Chief Executive Officer & Secretary
Kenya School of Law Board

- ❖ DOB: 17th November, 1971
- ❖ Director and CEO of the Kenya School of Law
- ❖ Bachelor of Laws (LLB)
- ❖ Doctor of Philosophy (PhD)
- ❖ LLM (Temple University US), LLM (University of Melbourne, Australia),
- ❖ Advocate, High Court of Kenya



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Board Committees




Name of Committee	Members and their roles										
Finance and General Purpose Committee	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1. Prof. Michael Nyongesa Wabwile</td> <td style="width: 20%;">Chairperson</td> </tr> <tr> <td>2. CPA Arthur C. Nduati</td> <td>Member</td> </tr> <tr> <td>3. Mrs. Emily Chweya</td> <td>Member</td> </tr> <tr> <td>4. Ms. Catherine Ochanda</td> <td>Member</td> </tr> <tr> <td>5. C.S Jacqueline A.O Manani</td> <td>Member</td> </tr> </table>	1. Prof. Michael Nyongesa Wabwile	Chairperson	2. CPA Arthur C. Nduati	Member	3. Mrs. Emily Chweya	Member	4. Ms. Catherine Ochanda	Member	5. C.S Jacqueline A.O Manani	Member
1. Prof. Michael Nyongesa Wabwile	Chairperson										
2. CPA Arthur C. Nduati	Member										
3. Mrs. Emily Chweya	Member										
4. Ms. Catherine Ochanda	Member										
5. C.S Jacqueline A.O Manani	Member										
Academic Affairs Committee	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1. Mrs. Emily Chweya</td> <td style="width: 20%;">Chairperson</td> </tr> <tr> <td>2. Hon. Lady Justice Pauline Nyamweya</td> <td>Member</td> </tr> <tr> <td>3. CS. Jacqueline A.O. Manani</td> <td>Member</td> </tr> <tr> <td>4. Prof. Michael Nyongesa Wabwile</td> <td>Member</td> </tr> </table>	1. Mrs. Emily Chweya	Chairperson	2. Hon. Lady Justice Pauline Nyamweya	Member	3. CS. Jacqueline A.O. Manani	Member	4. Prof. Michael Nyongesa Wabwile	Member		
1. Mrs. Emily Chweya	Chairperson										
2. Hon. Lady Justice Pauline Nyamweya	Member										
3. CS. Jacqueline A.O. Manani	Member										
4. Prof. Michael Nyongesa Wabwile	Member										
Audit and Risk Management Committee	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1. CS. Jacqueline A.O. Manani</td> <td style="width: 20%;">Chairperson</td> </tr> <tr> <td>2. Hon. Lady Justice Pauline Nyamweya</td> <td>Member</td> </tr> <tr> <td>3. CPA Arthur C. Nduati</td> <td>Member</td> </tr> <tr> <td>4. Ms. Catherine Ochanda</td> <td>Member</td> </tr> <tr> <td>5. Prof. Michael Nyongesa Wabwile</td> <td>Member</td> </tr> </table>	1. CS. Jacqueline A.O. Manani	Chairperson	2. Hon. Lady Justice Pauline Nyamweya	Member	3. CPA Arthur C. Nduati	Member	4. Ms. Catherine Ochanda	Member	5. Prof. Michael Nyongesa Wabwile	Member
1. CS. Jacqueline A.O. Manani	Chairperson										
2. Hon. Lady Justice Pauline Nyamweya	Member										
3. CPA Arthur C. Nduati	Member										
4. Ms. Catherine Ochanda	Member										
5. Prof. Michael Nyongesa Wabwile	Member										

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III. MANAGEMENT TEAM

Key manager's photograph, name and key professional/academic qualifications	Responsibility
<p>1. Dr. Henry Kibet Mutai</p>  <p>Doctor of Laws LL. D, Master of Laws, Postgraduate Diploma in Law, Bachelor of Laws</p>	<p>Director/ Chief Executive Officer & Secretary, Kenya School of Law Board</p>
<p>2. Mr. Isaac Simiyu Kuloba</p>  <p>Master of Laws (LLM), LLB (Hons) (NBI), PGD (Law) KSL, ADRg.</p>	<p>Ass. Director, Continuing Professional Development /Projects & Research</p>




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<p>3. Ms. Anna Konuche</p>  <p>Masters of Law, Postgraduate Diploma in Law Bachelor of Laws</p>	<p>Assistant Director, Advocate Training Programme/Paralegal Studies</p>
<p>4. Ms Joyce Maingi</p>  <p>MSc (HRM), BCom HRM & Full Member IHRM</p>	<p>Human Resource & Administration Manager</p>
<p>5. Ms Lucia Lulu</p> 	<p>Ag. Human Resource & Administration Manager</p>
<p>6. CPA Patrick Maina Gachuhi</p>	<p>Finance Manager</p>




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 <p>MSC (Finance), BSc (Business Admin), Member ICPAK</p>	
<p>7. CPA John Mithia</p> 	<p>Ag. Finance Manager</p>
<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>

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10.	<p>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>
11.	<p>Mr. Albert Simiyu</p>  <p>Masters of Law, Postgraduate Diploma in Law, Bachelor of Laws</p>	<p>Legal Clinics Manager</p>
12.	<p>Ms Anastasia Otieno</p>  <p>Master of Laws (LLM) in Women Law, Postgraduate Diploma in Law, Bachelor of Laws,</p>	<p>Paralegal Studies Programme Coordinator</p>

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<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 & Certified Secretary.</p>	<p>Personal Assistant to the CEO/ Senior Legal Officer</p>
<p>15. Mr. Fredd Wakimani</p>  <p>Post Graduate Diploma in Law, Bachelor of Laws.</p>	<p>Ag. Personal Assistant to the CEO/ Senior Legal Officer</p>

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IV. CHAIRMAN'S STATEMENT

I am delighted to present the Fifteenth Annual Report and Accounts of the Kenya School of Law (herein after referred to as the "School") for the period ending 30th June, 2019.

KEY ACHIEVEMENTS

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, and to undertake research, consultancies and projects. The following were key activities during the year:

- i) The Board of Directors exercised general control and management of the School by;
 - a) Providing strategic advice and direction to the school
 - b) Approving study programmes
 - c) Approving schedules for examinations
 - d) Monitoring performance of the School and making policy decisions that enhance the performance of the School
 - e) Monitoring and evaluating the impact of the School's programmes on the legal sector
 - f) Administering the property and funds of the School in a transparent and accountable manner
 - g) Approving financial statements through Cabinet Secretary for consideration by Treasury
- ii) The student numbers remained stable at 1907 for both Advocates Training Programme and Diploma in Law (Paralegal studies) being a total of 1635 and 272 students respectively.
- iii) Four international moot court competitions were undertaken.
- iv) The number of institutions who utilized the School's conference facilities increased during the year.
- v) CPD courses attracted more participants. During the year, short courses were offered. In addition, legal audit consultancies were conducted.
- vi) During the year, the policies below were developed and approved by the board for implementation.
 - a) HR Policy and Procedure Manual.
 - b) Staff Establishment
- vii) The School launched the 2018/2022 strategic plan.

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CHALLENGES

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 program and Diploma in Law (Paralegal studies programme). To mitigate this, the School has planned to market the facilities and programmes/ courses offered so as to sensitize the public and other stakeholders. The School should also look for ways of reducing the budgets since the student numbers have been declining and there are few grandaunts who graduate per year.

THE WAY FORWARD

Due to the increased number of needy students the School has embarked on strengthening the Endowment Foundation which has benefited several 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 School's students have confidence in the programmes being offered.



Prof. Fatuma N. Chege

Chairperson

KENYA SCHOOL OF LAW BOARD

**KENYA SCHOOL OF LAW
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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, 2019. This is the Fifteenth 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

During the Financial Year 2018/2019, ATP academic program admitted 1635 students compared to 2048 students admitted in the Financial Year 2017/2018. This indicates a 25% decline in the number of students who enrolled for the ATP programme in the 2018/2019 financial year. The decline in enrolment is attributable to the low numbers of students completing the Bachelor of Laws (LLB) programme from local Universities.

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*New students in the Advocates Training Program following proceedings during the ATP 2019 Student orientation
4th February, 2019 in Mutula Hall*

The School continued to offer legal aid to inmates at various prisons around the country. The following legal aid prison visits were undertaken: Kilgoris, Naivasha, Mombasa Island, Kondiaga, Kapsabet, Kabaranet and Kapenguria. The School also carried out Pupillage supervision in the month of July 2018 and from March to June 2019.

The School conducted a legal awareness week from 24th to 28th September 2018 aided by the Law Society of Kenya.



A student speaking to remandees at Kilgoris Prison. The Legal Aid Clinic offers students the opportunity to develop client care and interview skills in live-client settings.

Students participated in Four international moot court competitions over the course of the year. These were held in; Kenya School of Law, France, Washington DC and Hague, Netherlands. Our students performed well and won awards.

b) Continuous Professional Development

The School successfully mounted a number of Continuous Professional Development courses during the year. These included: Andragogical approach to legal Education and training, Legal Audit & Compliance for Public Institutions, Corporate Communications for State Agencies, Public Policy and Legislative Process Training, Policy making and legislative Processes, Catalysing Investments in Public projects and Services through Public Private Partnership and Private Finance Initiatives(PPP/PFI).

c) Hospitality and Conferencing Activities

The School offers conferencing facilities, including accommodation, for guests. A number of institutions held workshops in the School.

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These included Kenya Revenue Authority, Nairobi City Water & Sewerage Co. Ltd, Co-operative University, Ministry of Labour, IDLO, National Social Security Fund (NSSF), CEMASTEVA, Anti Counterfeit Authority, Jamal (Mandera County), Kenyatta National Hospital, among others

d) Finance, Human Resources and Administration

During the year ended 30th June 2019, the School had engaged a total of 16 interns and offered 11 attachments. The School 2018-2022 Strategic Plan was launched by the School Board for implementation.

The School developed various policies including; HR Policy and Procedure, Staff Establishment, Organisation and Grading Structure and Career Guidelines.

FINANCIAL PERFORMANCE

a) Revenue

During the year the School received **Kshs 229.8 Million** as Government recurrent subvention against **Kshs 290.7 Million** received in the 2017/2018 financial year. This amount was in line with approved budget allocation. The School managed to raise **Kshs 355.3 Million** from its internal operations against **Kshs 332.1 Million** in 2017/2018 financial year. This represented an increase of 6% and resulted mainly from increased activity in hospitality. Student's fees income of **Kshs 288 Million** contributed the highest portion of this internally generated revenue representing 81%. Combined Hospitality and CPD activities generated **Kshs 61.2 Million** – 13% of total against **Kshs 43.4 Million** in 2017/2018 financial year representing an increase of 41%.

b) Expenditure

The School expended **Kshs 512 Million** in recurrent expenses against budget of **Kshs 530 Million**. An amount of **Kshs 102 Million** was spent on items of a capital nature against a budget of **Kshs 134 Million**. The variance resulting from budgeted amounts for the construction of the Ultra-modern library which were not realized from the Government.

c) Results

The School's net assets grew from **Kshs 2.239 billion** in the 2017/2018 financial year to **Kshs 2.384 billion** in 2018/2019 financial year. During the year the School realized a surplus of **Kshs 73.5 Million**.

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CHALLENGES

The School faced a number of challenges during the year under review. These included: Firstly, a reduction in exchequer funding especially with regard to the development grant. This slowed the pace of implementation of development projects especially completion of Ultra-Modern Library. Secondly, operationally the School currently has a monopoly in offering the Advocates Training Program which is the main source of revenue contributing 80% of total internally generated income. This might not be sustained in the foreseeable future if other institutions of higher learning are accredited 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 stabilize the finance base. Thirdly, despite a steady enrolment of students, quite a number are financially challenged which poses a challenge to the School in terms of collection of the fees.

WAY FORWARD

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

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VOTE OF THANKS

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


Dr. Henry K. Mutai

Director/Chief Executive Officer & Secretary

KENYA SCHOOL OF LAW BOARD

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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 as need be under the terms of reference set by the Board Charter.

Finance and General Purposes Committee

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

- | | |
|-----------------------------------|-------------|
| 1. Prof. Michael Nyongesa Wabwile | Chairperson |
| 2. Mr. Arthur Nduati | Member |
| 3. Mrs. Emily Chweya | Member |
| 4. Ms. Catherine Ochanda | Member |
| 5. C.S Jacqueline A.O. Manani | Member |

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Academic Affairs Committee

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

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

Audit and Risk Management Committee

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

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

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

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OTHER STATUTORY COMMITTEES

Corruption Prevention Committee

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

The composition of the 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.

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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, 2012 of the Laws of Kenya.

Board Meetings

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

Name of Committee	Members	Number of meetings held
Finance and General Purpose Committee	1. Prof. Michael Nyongesa Wabwile Chairperson 2. Mr. Arthur Nduati Member 3. Mrs. Emily Chweya Member 4. Ms. Catherine Ochanda Member 5. CS. Jacqueline A.O. Manani Member	6
Academic Affairs Committee	1. Mrs. Emily Chweya Chairperson 2. Hon. Lady Justice Pauline Nyamweya Member 3. CS. Jacqueline A.O. Manani Member 4. Prof. Michael Nyongesa Wabwile Member	4
Audit and Risk Management Committee	1. CS. Jacqueline A.O. Manani Chairperson 2. Hon. Lady Justice Pauline Nyamweya Member 3. Mr. Arthur Nduati Member 4. Prof. Michael Nyongesa Wabwile Member 5. Ms. Catherine Ochanda Member	9

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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 19 to page 22.

b) School's compliance with statutory requirements:

During the 2018/19 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 35% 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 2018/19 budget the Government did not allocate any funds for the same. In addition, the School is exploring revenue generating activities to supplement the reducing Government Support.

d) Major risks facing the entity:

i) Competition

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

ii) Reputation

The School recorded a below 50% pass rate in the bar exam for the last three years under ATP programme. The pass rate in the ATP programme is likely to dis-advantage the School in the event of competition. To mitigate this risk, the School is making effort to improve performance and hence maintain a good reputation.

iii) Financial Risk

Continual reduction and occasional delay in submission of Government subvention especially for development projects poses a liquidity risk to the School. This risk is being mitigated by preparing adequate operations and projects justifications.

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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.

v) Risk of Interest and fines from stalled projects

The school is currently undertaking construction of the Ultra-Modern Library. The project has taken long to be completed. The school risk to incur fines and penalties as a result of delayed payments to the contractor.

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.

The School is committed to providing a safe, fair and stimulating work environment that empowers employees to make a meaningful contribution to the organisation's performance development, and offers challenging and rewarding opportunities for personal and professional growth. The School recognizes the importance of attracting and retaining the best staff. To achieve this, the School 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 out sensitization sessions with these groups of potential suppliers. They were enlightened on how to take advantage of this provision in law and benefit from Government procurement.

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IX. REPORT OF THE BOARD OF DIRECTORS

The Board submits this report together with the financial statements for the year ended June 30, 2019 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, 2019 are set out on page 35 to page 41.

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 Chief Executive Officer contract ended in March 2018 and was replaced by the current Chief Executive Officer.

Auditors

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

By Order of the Board.


Dr. Henry K. Mutai

Director/Chief Executive Officer & Secretary

KENYA SCHOOL OF LAW BOARD

Date.....12/3/2020.....

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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, 2019. This responsibility includes:

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

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ended June 30, 2019, 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.

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

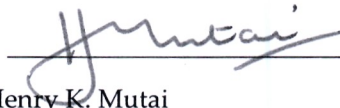
The Kenya School of Law's financial statements were approved by the Board on _____ 2019 and signed on its behalf by:



Prof. Fatuma N. Chege

Chairperson

KENYA SCHOOL OF LAW BOARD



Dr. Henry K. Mutai

Director/Chief Executive Officer & Secretary

KENYA SCHOOL OF LAW BOARD

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

REPORT OF THE AUDITOR GENERAL ON KENYA SCHOOL OF LAW FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Disclaimer of Opinion

I have audited the accompanying financial statements of Kenya School of Law set out on pages 35 to 64 which comprise the statement of financial position as at 30 June, 2019, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015.

I do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1.0 Inaccuracies in the Financial Statements

The statement of comparison of budget and actual amounts reflects actual total income of Kshs.584,092,040 whereas the statement of financial performance reflects a total of Kshs.585,181,678 resulting in an unexplained difference of Kshs.1,089,638. Further, the statement of cashflows reflects a decrease in payables of Kshs.23,086,618 which differs with the movement in the statement of financial position of Kshs.26,973,907 by Kshs.3,887,289.

In addition, the statement of financial performance reflects a comparative prior year deficit amount of Kshs.29,986,843 while the statement of changes in net assets reflects a deficit of Kshs.31,899,107 resulting in an unexplained difference of Kshs.1,912,264.

In the circumstances, the accuracy of the financial statements for the year ended 30 June, 2019 could not be confirmed.

2.0 Prior Year Adjustment

The statement of changes in net assets reflects a prior year adjustment of Kshs.14,411,824 for which no additional disclosure has been provided. This is contrary

to Paragraph 54(a) and (b) of International Public Sector Accounting Standard (IPSAS) No.3 - Accounting Policies, Changes in Accounting Estimates and Errors which requires an entity to disclose the nature of prior period errors and the amount of correction for each financial statements line item affected. No explanation has been provided for the omission.

3.0 Opening Balances

The statement of financial performance and statement of financial position reflects comparative amounts for thirteen (13) items whose balances differ with the audited financial statements for the year ended 30 June, 2018 as detailed below;

Item Description	2018/2019 Comparative Balance (Kshs.)	2017/2018 Audited Balance (Kshs.)	Difference (Kshs.)
School Fees Income	281,085,887	281,101,887	(16,000)
Employees Costs	223,862,164	228,874,879	(5,012,715)
Administrative Costs	326,480,525	224,842,822	101,637,703
Operational Costs	57,240,099	50,616,428	6,623,671
Continuing Legal Education Expenses	7,866,412	7,080,801	785,611
Hospitality Costs	32,367,612	27,987,377	4,380,235
Consumable Stocks	5,392,981	5,310,595	82,386
Accounts Receivables and Prepayments	110,795,167	111,429,925	(634,758)
Cash and Bank Balances	105,832,396	103,853,377	1,979,019
Property, Plant and Equipment	2,245,773,927	2,256,272,884	(10,498,957)
Payables and Accruals	85,242,233	95,488,324	(10,246,091)
Other Current Liabilities	145,025,574	146,970,822	(1,945,248)
Deficit for the Period	(29,986,843)	(33,105,866)	3,119,023

No supporting journal entries and explanations have been provided for these adjustments.

In the circumstances, the accuracy of the opening balances could not be confirmed for the year ended 30 June, 2019.

4.0 Cash and Bank Balance

The statement of financial position reflects a cash and cash equivalents balance of Kshs.270,778,022. However, the following anomalies were noted:

4.1 Uncleared Reconciling Cheques

The bank statements reflected deposits of Kshs.6,873,202 which had not been captured in the cashbook. Further, outstanding cheques amounting to Kshs.433,316 had gone stale and had not been replaced or written back to the cashbook. In addition, cheque receipts of Kshs.228,200 had not been cleared as at February, 2020.

4.2 Variances Between Balances in the Financial Statements and the Cashbooks

Variances were noted between the balances reflected in the financial statements and those in the cashbooks for three (3) bank accounts as indicated below;

Bank Account	Financial Statements Balance (Kshs.)	Cashbook Balance (Kshs.)	Variance (Kshs.)
2022099224 - Barclays Bank of Kenya	12,070,831	14,784,611	(2,713,780)
2022029110 - Barclays Bank of Kenya	56,697,826	57,778,206	(1,080,380)
01129706350500 - Cooperative Bank of Kenya	192,850,684	193,058,884	(208,200)

No explanation or reconciliation was provided for the variances.

In the circumstances, the validity and accuracy of cash and cash equivalents balance of Kshs.270,778,022 as at 30 June, 2019 could not be confirmed.

5.0 Accounts Receivables and Prepayments

The statement of financial position reflects a balance of Kshs.120,331,597 for accounts receivables and prepayments. As disclosed in Note 16 to the financial statements, the balance was net of a provision for doubtful debts of Kshs.4,703,715. However, the provision was not supported and the policy on provision for bad and doubtful debts was not provided.

In the circumstances, it has not been possible to confirm the accuracy and completeness of the accounts receivables and prepayments balance of Kshs.120,331,597.

6.0 Unremitted Statutory Deductions and Taxes

The statement of financial position reflects other current liabilities balance of Kshs.173,871,606 which, as disclosed in Note 21 to the financial statements included Kshs.2,297,342, Kshs.2,830,361 and Kshs.13,901,413 relating to Pay As You Earn (PAYE) deductions, withholding tax and Value Added Tax (VAT) respectively, which had not been remitted to the Kenya Revenue Authority as at 30 June, 2019. This is in contravention of Sections 37 and 130 of the Income Tax Act which require PAYE deducted from employees' earnings to be remitted by the tenth day of the month following the deduction and withholding tax and VAT to be remitted by the twentieth day of the month following the charge. In addition, failure to remit statutory deductions on a timely basis may attract interest and penalties.

Consequently, it has not been possible to confirm that the other current liabilities balance of Kshs.173,871,606 is fairly stated.

7.0 Property, Plant and Equipment

The statement of financial position reflects a balance of Kshs.2,187,463,156 for property, plant and equipment. However, the following matters were observed:

7.1 Lack of Ownership Documents

As previously reported, the leasehold land within which the Institution is located valued at Kshs.710,000,000 was not registered under the Kenya School of Law. The ownership documents were in the name of Agricultural Finance Corporation (AFC). In the circumstances, the interests of the School have not been properly safeguarded.

7.2 Property Allocated to Third Parties – Matter in Court

As previously reported, 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 a firm, 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 another firm on 12 June, 2002 at a consideration of Kshs.50,000,000 who then charged it to a bank.

The matter was reported to the then Kenya Anti-Corruption Commission which on 26 January, 2007 made an application for a High Court Order pursuant to Section 56 of the Anti-Corruption and Economic Crimes Act, 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 (6) months. This matter has been pending before the High Court in Nairobi under Miscellaneous Application No.42 of 2007 awaiting determination.

In the circumstances, the accuracy, completeness and ownership of the reported balance for property, plant and equipment could not be confirmed.

8.0 Irregular Payment of Meal Allowances

The statement of financial performance reflects administrative costs of Kshs.198,691,675 which, as disclosed in Note 11 to the financial statements, included an amount of Kshs.4,886,917 for training and development. However, the expenditure included an amount of Kshs.356,825 being meal allowances paid to staff for attending an ERP training at the Centre for Mathematics, Science and Technology Education in Africa (CEMASTE) and the Cooperative University despite the fact that lunch was already paid for. This contravened Section H.18(1) of the Human Resource Policies and Procedures Manual for the Public Service, 2016, which provides that where training award for a course organized under bilateral or multilateral arrangements caters for only tuition and accommodation but does not include meals, out of pocket and stipend, the officer will be eligible for 25% of the living allowance applicable to the designated country.

Management was, therefore, in breach of the Human Resource Policies and Procedures Manual for the Public Service.

9.0 Non-Compliance with the Public Procurement and Asset Disposal Act, 2015

During the year under review, the School of Law procured cleaning services at a monthly rate of Kshs.340,570 translating to Kshs.4,086,840 for the year and conference facilities

for Kshs.2,199,084 through requests for quotations method of procurement although the value of both procurements exceeded the threshold of Kshs.1,000,000 for use of the method. This is contrary to Section 45(3)(b) of the Public Procurement and Asset Disposal Act, 2015 which provides that all procurement processes should be undertaken by a procuring entity as per the threshold matrix prescribed.

Management was therefore in breach of the law.

10.0 Employee Costs

Section C.14(1) of the Human Resource Policies and Procedures Manual for the Public Service, 2016 provides that acting allowance will not be payable to an officer for more than six (6) months. However, the reported employee costs of Kshs.209,460,918 included an expenditure of Kshs.1,197,575 being acting allowance paid to five (5) employees who had served on acting appointments for more than six (6) months.

Management was, therefore, in breach of the Human Resource Policies and Procedures Manual for the Public Service.

11.0 Delayed Construction Project of an Ultra-Modern Library and Moot Courts

As previously reported, the contract for the construction of an Ultra-Modern Library and Moot Courts was awarded to a contractor at a cost of Kshs.488,704,449 and commenced on 24 June, 2013. The construction period was three years and the Project was expected to be completed by September 2016. As at 30 June, 2019, Kshs.141,252,215 had been paid to the contractor. However, although construction was still in progress as at the time of the audit in December, 2019, Management did not provide a report on the progress of the works and the expected completion date.

Consequently, it was not possible to confirm that the School obtained value for money from the expenditure of Kshs.141,252,215 incurred on the Project as at 30 June, 2019.

12.0 Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2019. Management has not provided reasons for the delay in resolving the prior year audit issues. Further, the unresolved prior year issues are not disclosed under the progress on follow up of auditor's recommendations section of the financial statements as required by the Public Sector Accounting Standards Board.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

I do not express a conclusion on the lawfulness and effectiveness in the use of public resources as required by Article 229(6) of the Constitution. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have

not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

I do not express a conclusion on the effectiveness of internal controls, risk management and governance as required by Section 7(1)(a) of the Public Audit Act, 2015. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit 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 Financial Reporting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the ability of the Kenya School of Law to continue as a going concern disclosing, as applicable, matters related to going concern and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease its 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 financial reporting process, reviewing the effectiveness of how the Kenya School of Law monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with International Standards of Supreme Audit Institutions (ISSAIs) 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. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

In addition, my responsibility is 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. I also consider internal control, risk management and governance processes and systems in order to give an assurance on the effectiveness of internal controls, risk management and governance 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. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit conclusion on lawfulness and effectiveness in use of public resources, and on effectiveness of internal controls, risk management and governance.

I am independent of the Kenya School of Law Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya.



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

24 August, 2021

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XII. STATEMENT OF FINANCIAL PERFORMANCE

	Note	2019	2018	
		Kshs	Kshs	
Revenue from non-exchange transactions				
National Treasury	3	229,898,200	290,700,000	
		<u>229,898,200</u>	<u>290,700,000</u>	
Revenue from exchange transactions				
School Fees Income	4	288,220,725	281,085,887	Restated
Hospitality income	5	42,601,099	25,687,506	
Finance Income	6	0	2,422,312	
Continuous Professional Development Income	7	18,636,533	17,768,106.57	
Other income	8	5,825,121	5,156,319	
		<u>355,283,478</u>	<u>332,120,132</u>	
Total revenue		<u>585,181,678</u>	<u>622,820,132</u>	
Expenses				
Employee costs	9	209,460,918	223,862,164	
Board of Directors expenses	10	11,337,456	4,990,163	
Administrative Costs	11	198,691,675	326,480,525	Restated
Operational costs	12	51,527,372	57,240,099	Restated
Continuing Professional Dev. Expenses	13	15,024,632	7,866,411.60	
Hospitality Costs	14	25,583,911	32,367,612	Restated
Total expenses		<u>511,625,965</u>	<u>652,806,974</u>	
Surplus/ (Deficit) for the period		<u>73,555,713</u>	<u>(29,986,843)</u>	

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XIII. STATEMENT OF FINANCIAL POSITION

Assets	Note	2019	2018	
		Kshs	Kshs	
Current assets				
Consumable stocks	15	6,259,209	5,392,981	Restated
Accounts Receivables and Prepayments	16	120,331,597	110,795,167	Restated
Other Current Assets	17	2,357,076	1,049,089	
Cash and Bank Balances	18	270,778,022	105,832,396	Restated
Total Current Assets		<u>399,725,903</u>	<u>223,069,633</u>	
Non-current assets				
Property ,plant and equipment	19	2,187,463,156	2,245,773,927	Restated
Total non - current assets		<u>2,187,463,156</u>	<u>2,245,773,927</u>	
Total assets		<u>2,587,189,059</u>	<u>2,468,843,555</u>	
Liabilities				
Current liabilities				
Payables & Accruals	20	29,422,294	85,242,233	Restated
Other Current Liabilities	21	173,871,606	145,025,574	Restated
Total current liabilities		<u>203,293,900</u>	<u>230,267,807</u>	
Total liabilities		<u>203,293,900</u>	<u>230,267,807</u>	
Capital Fund	-	2,383,895,157	2,238,575,749	
Total Capital and liabilities		<u>2,587,189,058</u>	<u>2,468,843,555</u>	

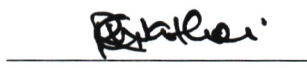
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The financial statements set out on pages 35 to 41 were signed on behalf of Kenya School of Law by:




Director/ CEO & Secretary

Dr. Henry Mutai



Principal Accountant

Ms. Ruth Gathoni



Chairperson of the Board

Prof. Fatuma Chege

Date 12/3/2020

Date 12/3/2020

Date 12/03/2020

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XIV. STATEMENT OF CHANGES IN NET ASSETS

	Note	Accumulated Deficit Kshs	Revaluation Reserve Kshs	Capital Fund Kshs	Total Kshs
At 1st July 2017		(75,647,156)	1,208,756,560	1,135,453,187	2,268,562,591
Surplus / (Deficit) for the year		(31,899,107)	-		(31,899,107)
As at 30th June 2018		(107,546,263)	1,208,756,560	1,135,453,187	2,236,663,485
At 1st July 2018		(254,151,027)	1,208,756,563	1,310,145,732	2,264,751,268
Prior year adjustment		(14,411,824)			(14,411,824)
Development Grant				60,000,000	60,000,000
Surplus / (Deficit) for the year		73,555,713	-		73,555,713
As at 30th June 2019		(195,007,138)	1,208,756,563	1,370,145,732	2,383,895,157

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XV. STATEMENT OF CASH FLOWS

		2019	2018
	Notes	Kshs	Kshs
CASHFLOWS FROM OPERATING ACTIVITIES			
Net Surplus/ (Deficit) for the year		73,555,713	(29,986,843)
Adjustments for:-			
Depreciation	23	95,322,096	87,104,780
Surplus / (Deficit) before working capital changes		168,877,809	57,117,938
(Increase)/ Decrease in Receivables		(10,844,416)	(12,774,561)
(Increase)/ Decrease in Consumable Stocks		(866,228)	1,660,765
Increase/(Decrease) in Payables		(23,086,618)	32,678,479
Net cash flows from operating activities		134,080,547	78,682,620
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	23	(29,134,921)	(120,664,415)
Net cash flows from investing activities		(29,134,921)	(120,664,415)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital fund		60,000,000	-
Net Cash flow from Financing Activities		60,000,000	-
Net Increase in Cash and Cash Equivalents		164,945,626	(41,981,795)
Cash and Cash Equivalents as at 1st July 2018		105,832,396	
Cash and Cash Equivalents as at 30th June 2019	20	270,778,022	105,832,396

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**XVI. STATEMENT OF BUDGET AND
ACTUAL COMPARISON**

a) Recurrent budget

	Original Budget 2018/2019 Kshs	Adjustments Kshs	Final Budget 2018/2019 Kshs	Actual on comparable basis 2018/2019 Kshs	Performance Difference Kshs	% Change %	Not vari: a
Revenue							
GoK Grants - Recurrent	234,590,000	(4,691,800)	229,898,200	229,898,200	-	0%	
School Fees Income	281,700,000	9,208,600	290,908,600	288,164,250	(2,744,350)	-1%	
Hospitality Income Continuous	47,340,000	0	47,340,000	42,572,066	(4,767,934)	-10%	
Professional Development	31,500,000	0	31,500,000	18,250,403	(13,249,597)	-42%	
Other Incomes	5,988,000	0	5,988,000	5,207,121	(780,879)	-13%	
Total Income	601,118,000	4,516,800	605,634,800	584,092,040	(21,542,760)	-4%	
Expense							
Administrative Costs	203,053,548	(28,078,500)	174,975,048	198,691,675	(23,716,627)	-14%	
Employee Costs	259,214,452	(23,270,828)	235,943,624	209,460,918	26,482,706	11%	
Hospitality	23,600,000	0	23,600,000	25,583,911	(1,983,911)	-8%	
Operational Cost Board of Directors expenses	64,250,000	9,938,775	74,188,775	51,527,372	22,661,403	31%	
Continuous Professional Development	10,000,000	1,200,000	11,200,000	11,337,456	(137,456)	-1%	
Total Expense	571,118,000	(40,210,553)	530,907,447	511,625,965	19,281,482	4%	

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b) Capital/ Development budget

Asset class	Original Budget 2018/2019 Kshs	Adjustments Kshs	Final Budget 2018/2019 Kshs	Actual on comparable basis 2018/2019 Kshs	Performance Difference Kshs	Percentage Change %	Not for vari es abo 10%
Capital works in progress	60,000,000	44,727,353	104,727,353	73,159,241	31,568,112	30%	[g]
Plant and Equipment / Office Equipment	5,000,000	-	5,000,000	4,920,239	79,761	2%	
Computer Equipment	16,000,000	-	16,000,000	16,410,460	(410,460)	-3%	
Library books	5,000,000	-	5,000,000	3,940,833	1,059,167	21%	[h]
Furniture and fittings	4,000,000	-	4,000,000	3,863,389	136,611	3%	
Total	90,000,000	44,727,353	134,727,353	102,294,202	32,433,231		

Explanation of material variance

- a) A number of consultancies budgeted and started in the financial year 2018-2019 are yet to be invoiced and will be invoiced in the subsequent year 2019-2020.
- b) An amount of Ksh. 350,000 included in "other Income" budget was for photocopying service. No income was generated from the service as it was discontinued.
- c) This has resulted from an under budgeting. The original allocation of Ksh. 203M was reviewed downwards by Ksh. 28.9M
- d) The decreased level of actual performance is as a result of the fewer number of staff in the year, a number of them having exited service.
- e) The budget on a number of items under operational costs was either not utilized or partially utilized. (KOHA is to be accessed through the new ERP system, development of training modules and legal & audit , compliance manual not carried out among others).
- f) A higher than budgeted number of trainings away from the KSL grounds were conducted.
- g) An allocation from AIA of Ksh. 44.7M was assigned. This has not fully been utilized as a certificate of works has not been received from the contractor.

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XVII. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

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

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

The school's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the School. The accounting policies have been consistently applied to all the years presented except when reporting Continuing Professional Development income and expenses where the School has adopted to report them separately from other incomes and operational expenses respectively. This is contrary to the previous years. This approach enables the School to clearly evaluate the performance of this department.

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

3. Summary of significant accounting policies

a) Revenue recognition

i) Revenue from exchange transactions – IPSAS 9

The School recognizes revenue from School fees, hospitality activities, 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.

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ii) Revenue from non-exchange transactions – IPSAS 23

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

b) Budget information – IPSAS 24

The original budget for the financial year 2018/2019 was approved by Board of the Directors on 19th January 2018. This was later reviewed and the School received actual allocation from the Government in May 2018 through printed estimates. This actual allocation is what the School implemented during the financial year 2018/2019. 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

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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%

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 2018/2019 financial year the School had consumable stock valued at Kshs 6,259,209.

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.

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g) Contingent assets

As at the time of preparing the 2018/2019 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 (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 16 of these financial statements. The School is also related to National Government, Office of the Attorney-General and Board of Directors.

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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.

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, 2019.

o) Financial Risk Management Objectives and Policies

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

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

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

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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.

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Accounts receivable from exchange transactions are as follows:

	As at 30th June 2019	As at 30th June 2018
Accounts Receivables	Kshs 120,650,308	Kshs 110,795,167

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 30th June 2019	As at 30th June 2017
Accounts payables	Kshs. 29,422,294	Kshs. 85,242,233

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3 Revenue from non- exchange transactions

	2019	2018
	Kshs	Kshs
National Treasury	229,898,200	290,700,000
Total	229,898,200	290,700,000

4. School fees

	2019	2018	
	Kshs	Kshs	
Application/Registration Fee	4,125,310	3,698,000	Restated
Examination Fees	19,583,690	12,086,054	Restated
Library Fees	9,014,250	8,786,583	Restated
Pupilage Supervision	8,123,000	9,181,000	Restated
Tuition Fees	247,374,475	247,334,250	Restated
Total	288,220,725	281,085,887	

5. Hospitality Income

	2019	2018
	Kshs	Kshs
Staff Catering	539,400	574,920
Seminars/Conferences/Accommodation	30,190,419	15,313,953
Hire of Grounds	1,926,759	1,109,719
Sports Facilities	1,354,976	1,302,669
Students Cafeteria Income	5,217,145	4,785,570

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Laundry Income	2,400	55,675
Hostel Fees - Students	3,370,000	2,545,000
Total	42,601,099	25,687,506

6. Finance income

	2019	2018
	Kshs	Kshs
Interest Income	-	2,422,312
Total	-	2,422,312

7. Continuous Professional Development Income

	2019	2018
	Kshs	Kshs
CPD Workshops	18,636,533	17,768,107
	18,636,533	17,768,107

8. Other income

	2019	2018
	Kshs	Kshs
Rent Income	4,149,030	3,716,065
Miscellaneous Income	1,112,600	769,500
Photocopy Services	34,250	136,313
Tender Documents	17,000	4,000

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Graduation Income	465,000	-
Other Income	47,241	530,441
Total	5,825,121	5,156,319

9. Employee costs

	2019	2018
	Kshs	Kshs
Basic Salaries	107,039,146	117,058,289
Casual wages - Other	1,850,884	3,687,376
House Allowance	35,049,852	35,589,340
Leave Allowance	2,888,457	3,785,353
Overtime Allowance	5,658,940	6,608,730
Medical Employer Contributions	23,637,362	20,755,242
NSSF Employer Contributions	326,600	323,600
Pension Employer Contributions	19,860,168	20,653,496
Responsibility Allowance	482,392	604,374
Special duty	715,183	927,209
Gratuity Contribution	2,340,819	3,363,972
Commuter Allowance	9,611,116	10,505,184
Total	209,460,918	223,862,164

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10. Remuneration of directors

	2019	2018
	Kshs	Kshs
Chairman's Honoraria	640,000	-
Directors emoluments	10,697,456	4,990,163
Total director emoluments	11,337,456	4,990,163

11. Administrative Costs

	2019	2018	
	Kshs	Kshs	
Advertising & Publicity	3,663,138	5,225,535	Restated
Official Entertainment	50,000	926,277	
Newspapers & Journals	881,920	2,231,453	Restated
Printing & Stationery	4,826,663	14,000,633	Restated
Cleaning services & Materials	7,077,586	12,707,251	Restated
Security Services	7,506,240	8,293,738	
Travel & accommodation Expenses	12,238,268	11,713,670	Restated
Fuel	4,053,993	6,377,146	Restated
Bank Service Charges	1,092,250	1,172,642	Restated
Insurance Expenses	1,848,093	2,313,240	Restated
Postage and Delivery	63,675	203,243	
Telephone & Faxes	2,870,993	3,546,400	Restated
Electricity	7,491,303	9,940,998	Restated
Water & Sewerage	4,037,264	9,287,827	Restated

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Other Taxes, Levies & Penalties.	-	18,922,268	
Depreciation expense	95,322,096	87,104,780	Restated
Bad Debts	745,004	-	
Internet & E-mail	4,299,499	5,888,215	Restated
Web Hosting	-	34,614	
Vehicle Repairs & Maintenance	3,880,163	5,486,987	Restated
Building Repairs & Maintenance	3,844,764	15,230,228	Restated
Computer Repairs	2,267,249	5,027,193	
Equipment Repairs	2,419,191	2,889,171	
Audit Fees	696,000	580,000	
Professional Fees	1,964,730	6,610,745	Restated
Conferences & Workshops	4,720,962	9,393,101	Restated
Litigation	599,885	1,829,783	Restated
Staff Uniforms	1,434,128	2,556,085	Restated
Staff Welfare ¹	5,699,163	5,081,585	Restated
Training & Development	4,886,917	10,088,720	Restated
Subscriptions	126,980	1,443,660	Restated
Review of Policies	1,374,419	3,224,800	
ISO transition costs	1,336,600	4,675,874	Restated
Software Licenses	441,160	145,580	
CSR	688,075	726,875	
Land rent	511,339	244,227	
Energy Saving Project	1,509,830		

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Strategic Planning & Review	2,222,137	51,355,983	
Total	198,691,675	326,480,525	Restated

12. Operational Cost

	2019	2018	
	Kshs	Kshs	
Hire of Facilities & Equipment	6,517,512	6,493,501	
Examination Expenses	8,443,673	4,901,183	
Library Expenses	263,600	21,750	Restated
Library Online Subscriptions	1,463,477	2,811,036	Restated
Part Time, Guest Lecturers Cost	14,624,950	19,137,188	
Pupilage Supervision	2,755,100	5,819,574	
Students Welfare	3,406,769	3,894,340	Restated
Accreditation Expense	150,000	-	
Graduation expense	1,373,582	-	
Legal Clinic Visits	4,356,540	6,918,739	Restated
Moot Court Competition	4,776,469	7,242,789	Restated
Curriculum Development	3,395,700	-	
Total	51,527,372	57,240,099	

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13. Continuing Professional Dev. Expenses

	2019	2018
	Kshs	Kshs
Continuing Legal Edu Expenses	15,024,632	7,866,412
Total	<u>15,024,632</u>	<u>7,866,412</u>

14. Hospitality Costs

	2019	2018
	Kshs	Kshs
Gas	775,550	910,670
Foodstuffs & Drinks	17,615,349	21,814,136 Restated
Kitchen & Hostel Expenses	3,397,152	6,059,041 Restated
Laundry Expenses	761,109	336,105
Swimming Pool/Sports Expenses	1,325,349	2,301,464
Club House Expenses	1,709,402	946,196
Total	<u>25,583,911</u>	<u>32,367,612</u>

15. Consumable stocks

	2019	2018
	Kshs	Kshs
Stationery	2,640,507	2,395,128
Cleaning materials	2,102,002	1,328,048
Electrical materials	1,516,700	1,669,805
Total	<u>6,259,209</u>	<u>5,392,981</u>

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16. Accounts Receivables & prepayments

	2019	2018	
	Kshs	Kshs	
School Fees Receivable	29,526,256	23,989,630	Restated
CPD Receivable	12,596,963	12,954,258	Restated
Hospitality Receivable	25,166,517	17,507,066	Restated
Non-School Fees Receivables - Other	56,643,278	58,393,741	
Staff Receivables	1,102,297	1,909,184	
Provision for Doubtful Debts	(4,703,715)	(3,958,711)	
Total	120,331,597	110,795,167	

17. Other Current Assets

	2019	2018	
	Kshs	Kshs	
Staff advances	254,186	224,630	
Deposits	240,000	240,000	
Unreconciled receipts	1,862,890	584,459	
Total Other Current Assets	2,357,076	1,049,089	

18. Cash at bank and in hand

	2019	2018	
	Kshs	Kshs	
Barclays Bank 2022099224	12,070,831	3,965,558	Restated
Barclays Bank 2022029110	56,697,826	9,167,568	Restated
Barclays Bank 2022099240	5,316,949	3,122,953	Restated
Equity Bank 1630263144477	3,841,731	3,349,533	Restated

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19. PROPERTY & EQUIPMENT SCHEDULE										
	Leasehold Land	Buildings	Capital Work in Progress	Office Equipment	Computer Equipment	Softwares	Library Books	Motor Vehicles	Furniture & Fittings	Total
Depreciation Rate	0%	2.5%	0%	30.0%	33.3%	0.0%	20.0%	25.0%	12.5%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at 1st July 2017	710,000,000	855,654,696	545,675,952	32,181,316	49,290,303	-	25,255,666	34,594,524	65,176,556	2,317,829,013
Additions		7,033,111	77,658,794	1,629,495	10,559,553	7,876,404	1,112,733	8,399,500	6,394,825	120,664,415
Disposals								(1,995,000)	(817,088)	(2,812,088)
Transfers		443,066,702	(443,066,702)							-
As at 30th June 2018	710,000,000	1,305,754,509	180,268,044	33,810,811	59,849,856	7,876,404	26,368,399	40,999,024	70,754,293	2,435,681,340
DEPRECIATION										
As at 1st July 2017	-	36,766,367	-	9,654,395	16,430,101	-	17,089,666	8,648,631	8,147,069	96,736,229
Charge for the year	-	32,643,863	-	10,143,243	19,949,952	-	5,273,680	10,249,756	8,844,287	87,104,780
Accumulated Depreciation on disposed asset	-	-	-	-	-	-	-	(1,810,000)	-	(1,810,000)
As at 30th June 2018	-	69,410,230	-	19,797,638	36,380,053	-	22,363,346	17,088,387	16,991,356	182,031,009
COST/VALUATION										
As at 1st July 2018	710,000,000	1,305,754,509	180,268,044	33,810,811	59,849,856	7,876,404	26,368,399	40,999,024	70,754,293	2,435,681,340
Additions	-	-	-	4,920,239	16,410,460	-	3,940,833	-	3,863,389	29,134,921

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As at 30th June 2019	710,000,000	1,305,754,509	180,268,044	38,731,049	76,260,316	7,876,404	30,309,232	40,999,024	74,617,682	2,464,816,261
DEPRECIATION										
As at 1st July 2018	-	69,410,230	-	19,797,638	36,380,053	-	22,363,346	17,088,387	16,991,356	182,031,009
Charge for the year	-	32,643,863	-	11,619,315	25,420,105	-	6,061,846	10,249,756	9,327,210	95,322,096
As at 30th June 2019	-	102,054,093	-	31,416,953	61,800,158	-	28,425,192	27,338,143	26,318,566	277,353,105
NET BOOK VALUE										
As at 1st July 2018	710,000,000	1,236,344,279	180,268,044	14,013,173	23,469,803	7,876,404	4,005,053	23,910,637	53,762,937	2,253,650,331
As at 30th June 2019	710,000,000	1,203,700,417	180,268,044	7,314,096	14,460,158	7,876,404	1,884,040	13,660,881	48,299,116	2,187,463,156

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20. Payables and Accruals

	2019	2018
	Kshs	Kshs
Accounts Payable	29,372,194	85,242,233
Sundry Creditors	50,100	-
	29,422,294	85,242,233

21. Other Current Liabilities

	2019	2018
	Kshs	Kshs
HELB Payable	15,963	(8,681)
Cafeteria Recoveries	-	10,130
Insurance Recoveries	387,040	11,637
Net Pay Payable	-	(1,487,767)
NHIF Payable	165,350	(9,950)
NSSF Payable	-	(34,200)
PAYE Payable	2,297,342	(85,482)
Pension Payable	1,275,383	914,956
Saccos Payable	-	(192,271)
Salaries control	-	2,580
Sheria Sacco Payable	1,390,930	(465)
Withholding Tax Payable	2,830,361	294,467
Gratuity Payable	6,188,814	3,923,190
Endowment Fund Payable	259,586	(442,864) Restated

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Contract Retentions	21,067,198	15,897,756
VAT Control	13,901,413	2,804,873
Provisions for audit fees	580,000	580,000
Fees Paid in Advance	122,122,290	122,625,000
Staff Benefits -CIC Insurance	100,000	100,000
Bank Loans -Staff	981,959	25,050
Salary Recoveries	500	97,614
Staff Welfare Sacco	307,478	-
Total Other Current Liabilities	<u>173,871,606</u>	<u>145,025,574</u>

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Additional Disclosures

22. Related Party Transactions

The following transactions were carried out with related parties

	2018/19	2017/18
	Kshs	Kshs
Transfers from related parties (Office of Attorney General)	229,898,200	290,700,000
Key management remuneration	6,451,200	6,873,324
Board of Directors expenses	11,337,456	4,990,163

23. 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	2017/2018
	Kshs	Kshs	Kshs	Kshs	Kshs
Office of the Attorney General and Department of Justice	229,898,200	-	-	229,898,200	290,700,000
Total	229,898,200	-	-	229,898,200	290,700,000.00

24. Events after the reporting period

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

25. 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.

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26. Currency

The financial statements are presented in Kenya Shillings.

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

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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
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XIX. APPENDIX 1: INTER-ENTITY TRANSFERS

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

		Bank Statement Date	Amount (Kshs)	Financial Year
a	Recurrent Grants	14-Aug 2018	58,647,500	2018/2019
		1-Nov. 2018	58,647,500	
		19-Feb 2019	53,955,700	
		29-Apr. 2019	58,647,500	
		Total	229,898,200	
b	Development Grants	31-Oct 2018	30,000,000	2018/2019
		28-Jan 2019	30,000,000	
		Grand Total	289,898,200.00	