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OF

THE AUDITOR-GENERAL

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CLERK-AT THE-TABLE:	Finlay Muriuki

KENYA SCHOOL OF LAW

**FOR THE YEAR ENDED
30 JUNE, 2020**



THE KENYA SCHOOL OF LAW

THE KENYA SCHOOL OF LAW

ANNUAL FINANCIAL STATEMENTS AS AT JUNE 30, 2020

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

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I. KEY KENYA SCHOOL OF LAW INFORMATION AND MANAGEMENT

a) Background information

The 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 target 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

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

Mission Statement

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

Core functions of the School

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

Values

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

c) Key Management

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

d) Fiduciary Management

The key management personnel who held office during the year ended 30th June 2020 and who had direct fiduciary responsibility were:

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No	Name of the staff	Responsibility
1	Dr. Henry K. Mutai	Director/Chief Executive Officer
2.	Mr. Isaac Simiyu	Assistant Director, CPD
3	Ms. Anna Konuche	Assistant Director, ATP
4	Mr. John Malombe	Asst. Director, HR & Admin
5	Ms. Lucia lulu	Principal Human Resource Officer
6	CPA Ruth G. Gichuki	Principal Accountant
7	Mr. Fredrick Abea	Principal Officer, Internal Audit
8	Ms. Mariam Ali Mahmud	Principal Supply Chain Officer
9	Mr. Fredrick Muhia	Principal Officer, Academic Services
10	Mr. Albert Simiyu	Principal Officer, Legal Clinics
11	Ms. Anastacia Otieno	Paralegal Studies Programme Coordinator
12	Ms. Agnes Mwai	Principal Librarian
13	Mr. Fredd Wakimani	Ag. Personal Assistant to the CEO/ Senior Legal Officer
14	Ms. Pauline Mbuthu	Principal Legal Officer

e) Fiduciary Oversight Arrangements

1. The fiduciary oversight arrangements of the School are held by the Board of Directors who carry out the oversight duties through the Board Committees. These committees are: Finance and General Purpose which is charged with the responsibilities of budgetary planning, budget approval and procurement plans. It also provides policy guidance on implementation of Finance, Human Resources and Information strategies; Audit, Governance and Risk Management Committee is a statutory committee whose responsibilities include evaluating the adequacy of the existing Governance and Risk management systems and processes to ensure sound financial procedures and accountability and the Academic Affairs Committee which develops legal training policies and

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programmes to meet domestic market requirements and also to comply with international best practices, develop policies and strategies for managing Kenya School of Law examinations, provide guidelines and advise the government on matters pertaining to legal training. The School has also set up a Corruption Prevention Committee whose membership comprises of key management staff.

f) The Kenya School of Law Headquarters

Langata South Road, Karen

P.O. Box 30369 - 00100

Nairobi, Kenya

g) The Kenya School of Law Contacts

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

Fax: +254-20-8891722

E-mail: lawschool@ksl.ac.ke

Website: www.ksl.ac.ke

DROPPING ZONE

141 Revlon Professional Plaza

Tubman Road, Nairobi

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

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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>Prof. Fatuma N. Chege Chairperson KSL Board of Directors Professor in Education & Deputy vice-chancellor (Administration), KU</p>	<ul style="list-style-type: none"> ❖ DOB: 4th June, 1955 ❖ Professor of Education, Department of Educational Foundations, Kenyatta University(KU) ❖ Deputy Vice Chancellor (Administration), (KU) ❖ Doctor of Philosophy (Ph. D) – University of Cambridge (United Kingdom) ❖ M.A. (Education) – KU ❖ B.Ed.- KUDip. Ed. – University of Nairobi Chairperson, Board of Directors (30th August 2018 to date)
 <p>Hon. Lady Justice Pauline Nyamweya Member Representing Chief Justice, Republic of Kenya</p>	<ul style="list-style-type: none"> ❖ DOB: 1966 ❖ Presiding Judge, Judicial Review Division, Milimani High Court, Nairobi ❖ 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 ❖ Founding Dean, School of Law, Egerton University ❖ Associate Professor, School of Law, Egerton University ❖ Practicing Advocate and Elected Member, Advocates' Disciplinary Tribunal ❖ Executive Director, Association of Child and Family Lawyers of Kenya ❖ Quality Auditor, Commission for University Education, Kenya ❖ Quality Auditor, Inter-University Council for East Africa ❖ Fellow, Cambridge Commonwealth Society
 <p 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.

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CPA Rael J. Rottich
Member
Representing the National Treasury

- ❖ DOB: 23rd December 1966
- ❖ Assistant Accountant General, The National Treasury.
- ❖ Bachelor of Commerce(Bcom) Accounting
- ❖ Masters of Business Administration(MBA) Finance (University of Nairobi)
- ❖ Executive Post Graduate Diploma in Financial Management (Maastricht School of Management, The Netherlands)
- ❖ Post graduate Diploma in Planning and management of Development Projects(CUEA)
- ❖ CPA(K), ICPAK Member



CS. Jacqueline A.O. Manani,
Member
Representing the Law Society of Kenya

- ❖ 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

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Ms. Catherine Ochanda

Member

**Representing Office of the Attorney
General and Department of Justice**

- ❖ 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)
- ❖ Master of Laws (LLM) in Advance Legislative Studies at the Institute of Advanced Legal Studies, University of London (2012-2013)



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: none;"> <tr> <td style="width: 80%;">1. Prof. Michael Nyongesa Wabwile</td> <td style="width: 20%;">Chairperson</td> </tr> <tr> <td>2. CPA Rael J. Rottich</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 Rael J. Rottich	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 Rael J. Rottich	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: none;"> <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> <tr> <td>5. Ms. Catherine Ochanda</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	5. Ms. Catherine Ochanda	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										
5. Ms. Catherine Ochanda	Member										
Audit and Risk Management Committee	<table style="width: 100%; border: none;"> <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 Rael J. Rottich</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 Rael J. Rottich	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 Rael J. Rottich	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 philosophy (Ph.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>Master of Laws, Postgraduate Diploma in Law, Bachelor of Laws</p>	<p>Assistant Director, Advocate Training Programme.</p>
<p>4. Mr. John Malombe</p>  <p>EMBA, PGD (HRM), PGD (ED.), BA (Sociology) MIHRM</p>	<p>Asst. Director, Human Resource & Administration</p>
<p>5. Ms. Lucia Lulu</p>  <p>MBA (HR), B.Sc. International Business Administration (Management)</p>	<p>Principal Human Resource Officer.</p>




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<p>6. CPA RuthG. Gichuki</p>  <p>MBA(Finance),BCOM,CPA(K),Member ICPAK</p>	<p>Principal Accountant.</p>
<p>7. CPA Fredrick Ambea</p>  <p>MBA(Finance), BBM, Dip. Accounts, CPA(K), Full Member ICPAK & IIA(K)</p>	<p>Principal Internal Auditor.</p>
<p>8. Ms. Mariam A. Mahmud</p>  <p>MSc in Procurement and Logistic, B. Com Member of Chartered IPS -(UK) and (KISM)</p>	<p>Principal Supply Chain Officer.</p>

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<p>9. Mr. Fredrick Muhia</p>  <p>MBA, Bachelors of Business Administration, Diploma in Technical Education, Diploma in Personnel Mgt & Industrial Relations</p>	<p>Principal Officer Academic Services</p>
<p>10. Mr. Albert Simiyu</p>  <p>Master of Laws, Postgraduate Diploma in Law, Bachelor of Laws</p>	<p>Principal Lecturer -Legal Clinics Manager</p>
<p>11. Ms. Anastasia Otieno</p>  <p>Master of Laws (LLM) in Women Law, Postgraduate Diploma in Law, Bachelor of Laws,</p>	<p>Principal Lecturer Paralegal Studies Programme Coordinator</p>

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<p>12. Ms. Agnes Mwai</p>  <p>Masters in Library & Information Science, Bachelor of Education (Arts)</p>	<p>Principal Librarian</p>
<p>13. Mr. Fredd Wakimani</p>  <p>Masters in International Studies, Post Graduate Diploma in Law, Bachelor of Laws.</p>	<p>Ag. Personal Assistant to the CEO/ Senior Legal Officer (July –March, 2020)</p>
<p>14. Ms Pauline Mbuthu</p>  <p>LLM, LLB, BA (Psych) Dip. In Law Member LSK</p>	<p>Principal Legal officer (From March, 2020)</p>

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IV. CHAIRMAN'S STATEMENT

I am delighted to present the Sixteenth Annual Report and Accounts of the Kenya School of Law (herein after referred to as the "School") for the period ending 30th June, 2020.

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 2052 for both Advocates Training Programme and Diploma in Law (Paralegal studies) being a total of 1732 and 320 students respectively.
- iii. During the year, the policies below were developed and approved by the board for implementation.
 - a) Transport Policy.
 - b) Staff coaching and mentorship policy.
- iv. The school released research findings done by The Kenya institute for Public Policy Research and Analysis (KIPPRA) on Factors Influencing Students' Performance in the Kenyan Bar Examination and Proposed Interventions.

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

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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 granduands who graduate per year.

THE WAY FORWARD

The school is in the process of recruiting Communications and Marketing officers to increase its visibility and competitiveness in non-academic revenue streams. 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

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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, 2020. This is the Sixteenth 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 Continuing Professional Development, Hospitality services and Finance, Human Resources and Administration activities.

a) Academic Services

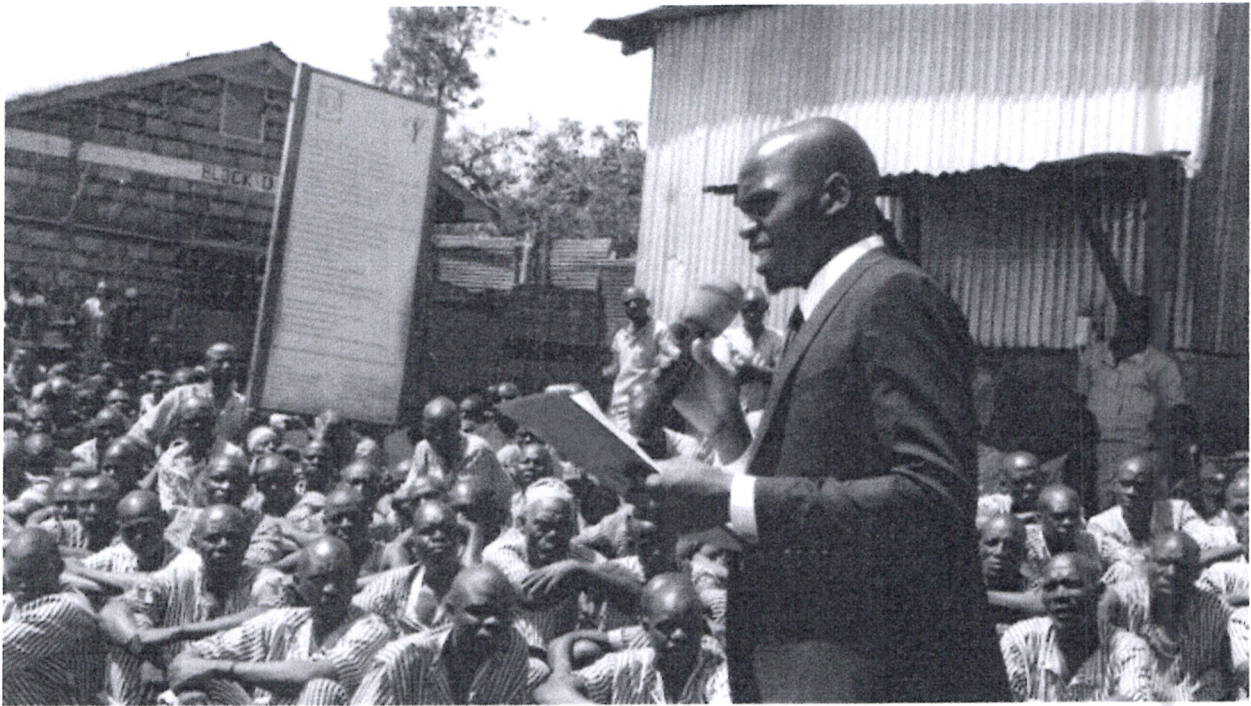
During the Financial Year 2019/2020, ATP academic program admitted 1732 students compared to 1635 students admitted in the Financial Year 2018/2019. This indicates a 5.9% increase in the number of students who enrolled for the ATP Programme in the 2019/2020 financial year. 320 students were undertaking the Diploma in law (paralegal) Programme. Final examinations for the ATP students were administered in November 2019. A total of 1600 students were examined. Following the Covid-19 pandemic and the presidential directive to close educational institutions, classes were suspended on March 16, 2020. The institution, however, remained open to support essential services.

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New students in the Advocates Training Program following proceedings during the ATP 2020 Student orientation 3rd February, 2020 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: Kwale and Kangeta with other prisons visits curtailed due to Covid-19 restrictions. The School also carried out pupillage supervision from July 2019 to October 2019. During the year Inter Moot competitions were done within the school. Lecturers were taken through Andragogy training. Graduation was held in the month of November 2019.



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

b) Continuing Professional Development

The School successfully mounted a number of Continuing Professional Development courses during the year. These included: Introduction to new Land Regulations, Legal Audit and Compliance training for Young Lawyers, Training of the Committee on *Compliance Monitoring and Communication*, Public procurement Regulatory Authority and Andragogy for Law Lecturers. In addition, consultancy services were offered to various organizations including: United States International University-Africa, Industrial & Commercial Development Corporation, Kenya Power Pension Scheme, National Council for Law Reporting, National Aids Control Council, Kenya Trade Network (KENTRADE).

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, State Law Office, Nairobi City Water & Sewerage Co. Ltd, Co-operative University, Kajiado County Government, Anti Counterfeit Authority, Kenyatta National Hospital, among others.

d) Human Resources and Administration

During the year ended 30th June 2020, the School had engaged a total of 21 intern and offered 6 attachments. The School developed various policies including; Transport policy, and Staff coaching and Mentorship policy. Other policies drafted include; Bonus Policy, Overtime Policy, Conference and retreat center Policy, Fees Policy and Credit Policy.

Car loan and Mortgage regulations were drafted and stakeholder's participation called. The school continued to implement new staff establishment by filling 7 positions during the year. A successful staff retreat was held in Mombasa.



Kenya School of Law staff participating in a staff retreat event held in Mombasa.

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FINANCIAL PERFORMANCE

a) Revenue

During the year the School received **Kshs 213.8 Million** as Government recurrent subvention against **Kshs 229.8 Million received** in the 2018/2019 financial year. This amount was in line with approved budget allocation. The School managed to raise **Kshs 336 Million** from its internal operations against **Kshs 355 Million** in 2018/2019 financial year. This represented a decrease of 6% and resulted mainly from reduced activity in hospitality and CPD due to the Covid 19 Pandemic. Student's fees income of **Kshs 285 Million** contributed the highest portion of this internally generated revenue representing 85%. Combined Hospitality and CPD activities generated **Kshs 45 Million** against **Kshs 61 Million** in 2018/2019 financial year representing a decrease of 27%.

b) Expenditure

The School expended **Kshs 540.5 Million** in recurrent expenses substantially driven by the high depreciation after asset revaluation. An amount of **Kshs 119 Million** was spent on items of a capital nature against a budget of **Kshs 134 Million**.

c) Results

The School's net assets grew from **Kshs 2.383 billion** in the 2018/2019 financial year to **Kshs 2.570 billion** in 2019/2020 financial year. During the year the School realized a surplus of **Kshs 10.1 Million**.

This surplus was occasioned by the reduced activity within the School during the fourth quarter due to the Covid-19 pandemic.

CHALLENGES

The School faced a number of challenges during the year under review. These included: Firstly, a reduction in exchequer funding especially with regard to the recurrent and development grant. This slowed the pace of 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

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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.

The school operations were adversely affected by Covid-19 pandemic especially presidential directive leading to the closure of educational institutions.

WAY FORWARD

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

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 who have chosen to utilize our facilities. Lastly, I thank the entire Kenya School of Law staff for their dedication and professionalism in upholding the School's values.

Dr. Henry K. Mutai

Director/Chief Executive Officer & Secretary

KENYA SCHOOL OF LAW BOARD

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VI. 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. CPA Rael J. Rottich | 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 |
| 5. Ms. Catherine Ochanda | Member |

Audit and Risk Management Committee

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

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

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

OTHER STATUTORY COMMITTEES

Corruption Prevention Committee

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

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- 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:

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

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

Board Expenses

The remuneration and expenses of the Chairperson and Members of the Board are guided by the State Corporations Act, Cap. 446 and the provisions of the Kenya School of Law Act, 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:

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Name of Committee	Members	Number of meetings held
Finance and General Purpose Committee	1. Prof. Michael Nyongesa Wabwile Chairperson 2. CPA Rael J. Rottich Member 3. Mrs. Emily Chweya Member 4. Ms. Catherine Ochanda Member 5. CS. Jacqueline A.O. Manani Member	11
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	6
Audit and Risk Management Committee	1. CS. Jacqueline A.O. Manani Chairperson 2. Hon. Lady Justice Pauline Nyamweya Member 3. CPA Rael J. Rottich Member 4. Prof. Michael Nyongesa Wabwile Member 5. Ms. Catherine Ochanda Member	8

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 28 to page 31.

b) School's compliance with statutory requirements:

During the 2019/2020 financial year, the School met all its statutory obligations (PAYE, NSSF, NHIF, VAT).

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

The School is currently undertaking construction of an Ultra-Modern Library which is about 45% complete and is financed through grants from the Government. The construction of the Library has been severely affected by the budget cuts from Government, but in the 2019/20 budget the Government allocated 70.5 million 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 reviewing its Strategic Plan so as to diversify the revenue base. The School is currently experiencing competition in both Continuing Professional Development courses and Paralegal Studies Programme. To mitigate this, the School has planned to market its facilities and legal trainings offered so as to sensitize the public and other stakeholders.

ii) Reputation

The Bar examinations results for the 2019 group were released on the 7th February, 2020 and the performance was generally good and better than in the past. The performance was ranked per subject. 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.

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.

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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 recognizes 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 including Driftwood Rugby Tournament in Mombasa, Uwazi soccer Tournament Nairobi and Marist University Basket Ball Tournament among others.

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

IX. REPORT OF THE BOARD OF DIRECTORS

The Board submits this report together with the financial statements for the year ended June 30, 2020 which show the state of the School's affairs.

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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, 2020 are set out on page 35 to page 40.

Directors

The Members of the Board of Directors who served during the year are shown on page 6 to page 9 in accordance with Section 6(2) of the Kenya School of Law Act, No. 26 of 2012.

Auditors

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

By Order of the Board.


Dr. Henry K. Mutai

Director/Chief Executive Officer & Secretary

KENYA SCHOOL OF LAW BOARD

Date... 15/04/2021

**KENYA SCHOOL OF LAW
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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, 2020. This responsibility includes:

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

The Board accepts responsibility for the School's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS) and in the manner required by the PFM Act 2012 and the State Corporations Act Cap 446. The Board is of the opinion that the Kenya School of Law's financial statements give a true and fair view of the state of School's transactions during the financial year ended June 30, 2020, and of the Kenya School of Law's financial position as at that date. The Board


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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 _____ 2020 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

MEMO

**TO : DIRECTOR-AUDIT, APPROPRIATION AND OTHER
SELECT COMMITTEES SERVICES (NA)**

FROM : HEAD OF THE TABLE OFFICE DEPARTMENT

DATE : FEBRUARY 03, 2022

SUBJECT : PAPERS LAID

The following Papers were laid on the Table of the House on Thursday, February 03, 2022: -

1. Legal Notice No. 263 relating to the Data Protection (General) Regulations, 2021 and the Explanatory Memorandum from the Ministry of ICT, Innovation and Youth Affairs.
2. Legal Notice No. 264 relating to the Data Protection (Complaints Handling and Enforcement Procedures) Regulations, 2021 and the Explanatory Memorandum Ministry of ICT, Innovation and Youth Affairs.
3. Legal Notice No. 265 relating to the Data Protection (Registration of Data Controllers and Data Processors) Regulations, 2021 and the Explanatory Memorandum from the Ministry of ICT, Innovation and Youth Affairs.
4. Reports of the Auditor-General and Financial Statements in respect of the following Institutions for the year ended 30th June, 2021 and the certificates therein: -
 - a) Mombasa-Nairobi-Addis Ababa Road Corridor Project Phase II - Kenya National Highways Authority;
 - b) Global Fund HIV/AIDS Project Grant – National Aids Control Council;
 - c) Health Sector Support Project – Kenya Medical Suppliers Authority (KEMSA);
 - d) Global Fund Tuberculosis Grant Programme - Ministry of Health;
 - e) Kenya Youth Employment and Opportunities Project – State Department for Youth Affairs;
 - f) Thwake Multi-Purpose Development Program Phase I;
 - g) Ewaso Ng'iro South Development Authority;
 - h) Emergency Locusts Response Project – State Department for Crop Development and Agricultural Research;
 - i) Regional Pastoral Livelihood Resilience Project – Ministry of Agriculture, Livestock, Fisheries and Cooperatives;

- j) Enable Youth Kenya Program – State Department for Crop Development and Agricultura; Research;
 - k) Kenya Youth Employment and Opportunities Project - Micro and Small Finance Enterprise Authority;
 - l) Timboroa-Eldoret Road Rehabilitation Project - Kenya National Highways Authority;
 - m) Port-Reitz/Moi International Airport Access Road - Kenya National Highways Authority;
 - n) Nairobi Southern Bypass Project - Kenya National Highways Authority;
 - o) Northern Corridor Rehabilitation Programme Phase III - Kenya National Highways Authority;
 - p) Kenya Transport Sector Support Project - Kenya Civil Aviation Authority;
 - q) Nuno-Modogashe Road Project - Kenya National Highways Authority;
and
 - r) Transforming Health Systems Universal Care Project Grant - Ministry of Health.
5. Reports of the Auditor-General and Financial Statements in respect of the following Institutions for the year ended 30th June, 2020 and the certificates therein:-
- a) Kenya Institute of Mass Communication;
 - b) Numerical Machining Complex Limited;
 - c) LAPSSET Corridor Development Authority;
 - d) Kirinyaga University;
 - e) Kenya Roads Board – Operations;
 - f) Kenya Road Boards Fund – State Department of Infrastructure;
 - g) Kenya Marine and Fisheries Research;
 - h) Kenya National Shipping Line Limited;
 - i) Kenya Citizens and Foreign Nationals Management Service;
 - j) President’s Awards Scheme;
 - k) National Research Fund;
 - l) Universities Fund;
 - m) Karen Technical Training Institute for the Deaf; and
 - n) Kenya Law Reform Commission.

Please find the Papers attached for your necessary action.



R. K. TIAMPATI

Copy: Clerk of the National Assembly

Deputy Clerks

Director, Legislative & Procedural Services

Chief Librarian/Deputy Director, DDIRS ✓

M E M O

TO : DIRECTOR, LEGISLATIVE & PROCEDURAL
SERVICES (NA)

FROM : HEAD OF THE TABLE OFFICE DEPARTMENT

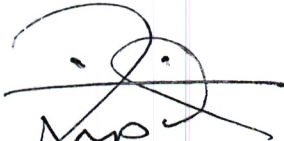
DATE : FEBRUARY 03, 2022

SUBJECT : BILL READ A FIRST TIME

The following **Bill** were Read a First Time on Thursday, February 03, 2021: -

- **The Forest Conservation and Management (Amendment) (National Assembly Bill No. 53 of 2021)** (*referred to the Committee on Procedure and House Rules*).

Please find the said Bill for your necessary action.



R. K. TIAMPATI

Copy: Clerk of the National Assembly
Deputy Clerks
Chief Librarian/Deputy Director, DDIRS ✓

MEMO

TO : DIRECTOR, AUDIT, APPROPRIATION AND OTHER
SELECT COMMITTEES SERVICES (NA)

FROM : HEAD OF THE TABLE OFFICE DEPARTMENT

DATE : JANUARY 25, 2022

SUBJECT : PAPERS LAID

The following Papers were laid on the Table of the House on Tuesday, January 25, 2022: -

1. Legal Notice No. 260 of 2021 relating to the Political Parties (Membership) Regulations, 2021 and the Explanatory Memorandum from the Office of the Attorney General.
2. Legal Notice No. 266 relating to Gazzettment of Veterinary Certification Fees and Payments and the Explanatory Memorandum from the Ministry of Agriculture, Livestock, Fisheries and Cooperatives.
3. County Governments Budget Implementation Review Report for the FY 2020/2021 from the Office of the Controller of Budget.
4. County Governments Budget Implementation Review Report for the First Quarter for the FY 2021/2022 from the Office of the Controller of Budget.
5. Treasury Memorandum on Public Accounts Committee Report for the FY 2017/2018 from the National Treasury.
6. National Government Budget Implementation Review Report for the First Quarter for the FY 2021/2022 from the office of the Controller of Budget.
7. National Government Budget Implementation Review Report for the FY 2020/2021 from the Office of the Controller of Budget.
8. Special Audit Report of the Auditor-General on Procurement of Foodstuffs by the Ministry of Defence for the Financial Years 2014/2015 to FY 2017/2018.
9. Performance Audit Report on provision of Services to Persons with Disabilities by the National Council for Persons with Disabilities for the period December, 2021 from the Office of the Auditor General.
10. Performance Audit Report on Enforcement of Environmental Regulations on Effluent Management in Slaughterhouses by the National Environment

Management Authority for the period November, 2021, from the Office of the Auditor General.

11. Performance Audit Report on Preparedness of the State Department for Petroleum to Monitor Costs in the Petroleum Sector for the period October, 2021 from the Office of the Auditor-General.
12. Performance Audit Report on Implementation of the Dispensation of Justice Program by the Judiciary for the period November, 2021 from the Office of the Auditor-General.
13. Performance Audit Report on Expansion, Improvement and Maintenance of Infrastructure in Public Primary Schools by the Ministry of Education for the period November, 2021 from the Office of the Auditor-General.
14. Performance Audit Report on Management of Local Employment and Training Provisions in the Production Sharing Contracts by the State Department for Petroleum for the period October, 2021 from the Office of the Auditor General.

Please find the Papers attached for your necessary action.


R. K. TIAMPATI

Copy: Clerk of the National Assembly
Deputy Clerks
Director, Legislative & Procedural Services
Chief Librarian/Deputy Director, DDIRS ✓

MEMO

TO : DIRECTOR, LEGISLATIVE & PROCEDURAL
SERVICES (NA)

FROM : HEAD OF THE TABLE OFFICE DEPARTMENT

DATE : FEBRUARY 03, 2022

SUBJECT : BILL READ A FIRST TIME

The following Bill were Read a First Time on Thursday, February 03, 2021: -

- The Forest Conservation and Management (Amendment) (National Assembly Bill No. 53 of 2021).

Please find the said Bill for your necessary action.

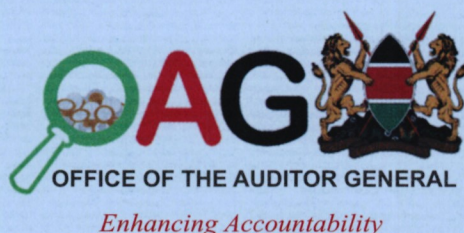


R. K. TIAMPATI

Copy: Clerk of the National Assembly
Deputy Clerks
Chief Librarian/Deputy Director, DDIRS ✓

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya School of Law set out on Pages 34 to 63, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of knowledge and belief were necessary for the purpose of the audit.

In my opinion, except for effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, the financial position of the Kenya School of Law as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Kenya School of Law Act No.26 of 2012 of the laws of Kenya.

Basis for Qualified Opinion

1. Prior Year Adjustment

The statement of changes in net assets reflects a prior year adjustment of Kshs.7,090,776 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.

2. Accounts Receivables and Prepayments

The statement of financial position reflects a balance of Kshs.172,972,661 under accounts receivables and prepayments. As disclosed in Note 15 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.

Under the circumstances, the accuracy and completeness of accounts receivables and prepayments balance of Kshs.172,972,661 as at 30 June, 2020 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual revenue on comparable basis of Kshs.591,371,600 and Kshs.550,612,647 respectively resulting in an under-collection of Kshs.40,758,953. Similarly, the School spent Kshs.540,543,932 against an approved budget of Kshs.473,780,000 resulting to an over-expenditure of Kshs.66,763,932 or 14% of the budget. Management attributed the shortfall in revenue collection to challenging business environment brought about by the Covid-19 pandemic. The underfunding affected the planned activities and may have impacted negatively on service delivery to the public.

2. Property Without Title Deed

As previously reported, records indicate that a parcel of land measuring 0.3890 hectares along Bishops Road-Kilimani area had an institutional house (No.HG/613) 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 included 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. The matter under

Miscellaneous Application No.42 of 2007 in the High Court in Nairobi was determined and judgement entered on 8 December, 2020 cancelling the fraudulent title and orders were issued to revert the land to The National Treasury. However, no title deed was provided for audit verification as at the time of audit in March, 2021.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Unremitted Tax Deductions

The statement of financial position reflects a balance of Kshs.99,688,539 under payables and accruals which, as disclosed in Note 18 to the financial statements included Kshs.842,079, Kshs.3,414,670 and Kshs.12,858,188 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, 2020. 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, the Management was in breach of the law.

2. 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, 2020, a total of Kshs.175,321,415 had been paid to the contractor. Physical verification in March, 2021 revealed that, although the contractor was still on site, the works had not been completed four years after the expected completion period.

Consequently, it was not possible to confirm that the School obtained value for money from the expenditure of Kshs.175,321,415 incurred on the Project as at 30 June, 2020.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that

govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and the Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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 School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

26 November, 2021

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XII. STATEMENT OF FINANCIAL PERFORMANCE

	Note	2020	2019
		Kshs	Kshs
Revenue from non-exchange transactions			
National Treasury	3	213,890,000	229,898,200
		<u>213,890,000</u>	<u>229,898,200</u>
Revenue from exchange transactions			
School Fees Income	4	285,658,077	288,220,724
Hospitality income	5	19,191,933	42,601,099
Continuous Professional Development Income	6	26,458,643	18,636,533
Other income	7	5,413,994	5,825,121
		<u>336,722,647</u>	<u>355,283,477</u>
Total revenue		<u>550,612,647</u>	<u>585,181,677</u>
Expenses			
Employee costs	8	214,349,967	209,460,917
Board of Directors expenses	9	15,472,575	11,337,456
Administrative Costs	10	242,368,649	198,691,675
Operational costs	11	42,276,586	51,527,372
Continuing Prof Dev. Expenses	12	8,862,779	15,024,632
Hospitality Costs	13	17,213,376	25,557,911
Total expenses		<u>540,543,932</u>	<u>511,599,964</u>
Surplus/ (Deficit) for the period		<u>10,068,715</u>	<u>73,581,713</u>

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XIII. STATEMENT OF FINANCIAL POSITION

	Note	2020 Kshs	2019 Kshs
Assets			
Current assets			
Consumable stocks	14	6,081,365	6,259,209
Accounts Receivables and Prepayments	15	172,972,661	122,688,672
Cash and Bank Balances	16	<u>338,769,008</u>	<u>270,804,022</u>
Total Current Assets		<u>517,823,034</u>	<u>399,751,903</u>
Non-current assets			
Property, Plant and Equipment	17	<u>2,295,058,574</u>	<u>2,187,463,154</u>
Total non - current assets		<u>2,295,058,574</u>	<u>2,187,463,154</u>
Total assets		<u>2,812,881,608</u>	<u>2,587,215,057</u>
Liabilities			
Current liabilities			
Payables & Accruals	18	99,688,539	74,402,796
Gratuity Pivable	19	5,753,088	6,188,814
Deferred Income	20	136,372,288	122,122,290
Provision for Audit Fees	21	<u>696,000</u>	<u>580,000</u>
Total current liabilities		<u>242,509,915</u>	<u>203,293,900</u>
Total liabilities		<u>242,509,915</u>	<u>203,293,900</u>
Net Assets			
Reserves		1,321,729,160	1,208,756,563
Accumulated Deficit		(192,003,199)	(194,981,138)
Capital Fund		<u>1,440,645,732</u>	<u>1,370,145,732</u>
Total Net Assets and liabilities		<u>2,812,881,608</u>	<u>2,587,215,057</u>




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The financial statements set out on pages 34 to 40 were signed on behalf of Kenya School of Law by:




Director/ CEO & Secretary

Dr. Henry Mutai



Principal Accountant

CPA Ruth G. Gichuki



Chairperson of the Board

Prof. Fatuma Chege

Date 15/04/2021

Date 12/4/2021

Date 16/04/2021

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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 2018		(282,238,808)	1,208,756,563	1,310,145,732	2,236,663,487
Prior year adjustment		13,675,957			13,675,957
Development Grant				60,000,000	60,000,000
Surplus / (Deficit) for the year		73,581,713	-		73,581,713
As at 30th June 2019		(194,981,138)	1,208,756,563	1,370,145,732	2,383,921,157
At 1st July 2019		(194,981,138)	1,208,756,563	1,370,145,732	2,383,921,158
Assets Revaluation			112,972,597		112,972,597
Development Grant				70,500,000	70,500,000
Prior Year Adjustments		(7,090,776)			(7,090,776)
Surplus/(Deficit)		10,068,715		-	10,068,715
As at 30th June, 2020		(192,003,199)	1,321,729,160	1,440,645,732	2,570,371,694

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XV STATEMENT OF CASH FLOWS

	Notes	2020 Kshs	2019 Kshs
CASHFLOWS FROM OPERATING ACTIVITIES			
Net Surplus/ (Deficit) for the year		10,068,715	73,581,713
Adjustments for:-			
Depreciation	18	<u>132,262,309</u>	<u>95,322,094</u>
Surplus / (Deficit) before working capital changes		<u>142,331,024</u>	<u>168,903,807</u>
(Increase)/ Decrease in Receivables		(50,283,989)	(10,929,546)
(Increase)/ Decrease in Consumable Stocks		177,844	(866,228)
Increase/(Decrease) in Payables		<u>39,216,014</u>	<u>(28,647,511)</u>
Net cash flows from operating activities		<u>131,440,893</u>	<u>128,460,522</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	18	<u>(239,857,728)</u>	<u>(37,011,325)</u>
Net cash flows from investing activities		<u>(239,857,728)</u>	<u>(37,011,325)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Gok Development Grant		70,500,000	60,000,000
Revaluation Reserve		112,972,597	-
Prior year adjustment		<u>(7,090,776)</u>	<u>13,675,957</u>
Net Cash flow from Financing Activities		<u>176,381,821</u>	<u>73,675,957</u>
Net Increase in Cash and Cash Equivalents		<u>67,964,985</u>	<u>165,125,154</u>
Cash and Cash Equivalents at beginning of period		<u>270,804,024</u>	<u>105,678,870</u>
Cash and Cash Equivalents at end of period		<u><u>338,769,008</u></u>	<u><u>270,804,024</u></u>

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XVI STATEMENT OF BUDGET AND ACTUAL COMPARISON

a) Recurrent budget

	Budget 2019/2020 Kshs	Apportioned Budget 2019/2020 Kshs	Actual Cumulative to date Kshs	Performance Difference Kshs	% Change
Revenue					
GoK Grants - Recurrent	213,890,000	213,890,000	213,890,000	0	0%
School Fees Income	283,358,600	283,358,600	285,658,077	2,299,477	1%
Hospitality Income	55,548,000	55,548,000	19,191,933	(36,356,067)	-65% (i)
Continuous Professional Development	33,075,000	33,075,000	26,458,643	(6,616,357)	-20% (ii)
Other Incomes	5,500,000	5,500,000	5,413,994	(86,006)	-2%
Total Income	591,371,600	591,371,600	550,612,647	(40,758,953)	
Expense					
Administrative Costs	153,490,000	153,490,000	242,368,649	(88,878,649)	-58% (iii)
Employee Costs	232,071,000	232,071,000	214,349,967	17,721,033	8%
Hospitality	20,170,225	20,170,225	17,213,376	2,956,849	15% (iv)
Operational Cost	43,653,775	43,653,775	42,276,586	1,377,189	3%
Board of Directors expenses	15,500,000	15,500,000	15,472,575	27,425	0%
Continuous Professional Development	8,895,000	8,895,000	8,862,779	32,221	0%
Total Expense	473,780,000	473,780,000	540,543,932	(66,763,932)	
Surplus/(Deficit) for the Year	117,591,600	117,591,600	10,068,715		

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b) Capital/ Development budget

Asset class	Budget 2019/2020 Kshs	Apportioned Budget 2019/2020 Kshs	Actual Cumulative to date Kshs	Performance Difference Kshs	% Change %	
Capital works in progress	141,651,425	141,651,425	95,636,822	46,014,603	32%	(v)
Office Equipment	2,000,000	2,000,000	3,694,261	(1,694,261)	-85%	(vi)
Computer Equipment	32,010,000	32,010,000	13,359,940	18,650,060	58%	(vii)
Motor cycle	290,000	290,000	290,000	0	0%	
Library books	5,640,175	5,640,175	2,701,713	2,938,462	52%	(viii)
Furniture and fittings	6,500,000	6,500,000	4,977,452	1,522,548	23%	(ix)
Total	<u>188,091,600</u>	<u>188,091,600</u>	<u>120,660,188</u>	<u>67,431,412</u>		

Explanation of material variance

- (i) Reduction of seminars and conferences due to austerity measures by Government, coupled with the effects of the Covid-19 pandemic where hospitality services were suspended entirely. There was less demand therefore for hospitality services/facilities
- (ii) Fewer trainings/consultancies undertaken than had been budgeted for, with the Covid-19 pandemic grounding trainings in the entire Q4.
- (iii) There was a higher depreciation total than had been budgeted for. In addition, assets were revalued upwards during the year resulting to a corresponding rise in the depreciation expense provision.
- (iv) There were trainings/consultancies undertaken than had been budgeted for.
- (v) A payment certificate for works done on the ongoing library project is yet to be received
- (vi) Procurement for budgeted items set to take place in Q4 was suspended
- (vii) Procurement for budgeted items set to take place in Q4 was suspended
- (viii) There was a revaluation of motor vehicles upwards in the year.
- (ix) Procurement for budgeted items set to take place in Q4 was suspended
- (x) There was a revaluation of furniture upwards in the year.

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XVII NOTES TO THE FINANCIAL STATEMENTS

1. General Information

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

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

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

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

3. Summary of significant accounting policies

a) Revenue recognition

i) Revenue from exchange transactions – IPSAS 9

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

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ii) Revenue from non-exchange transactions – IPSAS 23

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

b) Budget information – IPSAS 24

The original budget for the financial year 2019/2020 was approved by Board of the Directors on January 2019. This was later reviewed and the School received actual allocation from the Government in May 2019 through printed estimates. This actual allocation is what the School implemented during the financial year 2019/2020 with no budget revisions. In the supplementary estimates the gross expenditure for the school was revised upwards. The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the School. As a result of the adoption of the accrual basis for budgeting purposes, there are no timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

c) Taxes – IAS 12

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

d) Property, plant and equipment – IPSAS 17

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

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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 2019/2020 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.

g) Contingent assets

As at the time of preparing the 2019/2020 Annual Report and Financial Statements, the status of the

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School's parcel of land along the Bishops Road on which the principal house was still pending due to "a stay of Execution" in the Court. The asset value 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 Zamara Consultants and Administrators and operates according to provisions of the Retirement Benefits Act (1997). The assets of the scheme are held in a separate trustee administered fund that is funded by both the School and its Employees.

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

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

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

j) Related parties – IPSAS 20

Members of key management are regarded as related parties. Key management of the School have been disclosed on pages 12 to 15 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, 2020.

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.

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,

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uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

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

- (i) The condition of the asset based on the assessment of the School's management.
- (ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- (iii) The nature of the processes in which the asset is deployed
- (iv) Availability of funding to replace the asset
- (v) Changes in the market in relation to the asset

Credit risk Management

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

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

Accounts receivable from exchange transactions are as follows:

	As at 30 th June 2020	As at 30 th June 2019
Accounts Receivables	Kshs 172,972,661	Kshs 122,688,672

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

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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 and Internally generated funds.

Accounts payables from exchange transactions are as follows:

	As at 30th June 2020	As at 30th June 2019
Accounts payables	Kshs. 54,050,740	Kshs. 29,372,194

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NOTES TO THE FINANCIAL STATEMENTS

3. Revenue from non- exchange transactions

	2020 Kshs	2019 Kshs
National Treasury	<u>213,890,000</u>	<u>229,898,200</u>
Total	<u>213,890,000</u>	<u>229,898,200</u>

4. School Fees Income

	2020 Kshs	2019 Kshs
Application/Registration Fee	4,454,100	4,125,310
Examination Fees	15,860,700	19,583,690
Library Fees	8,634,702	9,014,250
Pupilage Supervision	8,097,000	8,123,000
Tuition Fees	<u>248,611,575</u>	<u>247,374,475</u>
Total	<u>285,658,077</u>	<u>288,220,724</u>

5. Hospitality Income

	2020 Kshs	2019 Kshs
Staff Catering	503,224	539,400
Seminars/Conferences/Accommodation	11,197,698	30,190,419
Hire of Grounds	1,060,966	1,926,759
Sports Facilities	765,936	1,354,976

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Students Cafeteria Income	2,790,486	5,217,145
Laundry Income	122,623	2,400
Hostel Fees - Students	<u>2,751,000</u>	<u>3,370,000</u>
Total	<u>19,191,933</u>	<u>42,601,099</u>

6. Continuing Professional Development Income

	2020	2019
	Kshs	Kshs
CPD Workshops	17,409,332	13,863,717
Consultancy Services	<u>9,049,310</u>	<u>4,772,816</u>
	<u>26,458,643</u>	<u>18,636,533</u>

7. Other income

	2020	2019
	Kshs	Kshs
Rent Income	4,181,001	4,149,030
Miscellaneous Income	233,000	1,112,600
Photocopy Services	89,035	34,250
Tender Documents	3,000	17,000
Graduation Income	775,617	465,000
Other Income	<u>132,341</u>	<u>47,241</u>
Total	<u>5,413,994</u>	<u>5,825,121</u>

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8. Employee costs

	2020	2019
	Kshs	Kshs
Basic Salaries	113,263,353	107,039,146
Casual wages - Other	1,280,248	1,850,884
House Allowance	40,118,548	35,049,852
Leave Allowance	4,717,623	2,888,457
Overtime Allowance	-	5,658,940
Medical Employer Contributions	20,826,908	23,637,362
NSSF Employer Contributions	326,000	326,600
Pension Employer Contributions	21,354,453	19,860,168
Responsibility Allowance	70,877	482,392
Special duty	344,403	715,183
Gratuity Contribution	1,724,096	2,340,819
Commuter Allowance	9,849,459	9,611,116
Extraneous Allowance	<u>474,000</u>	<u>-</u>
Total	<u>214,349,967</u>	<u>209,460,917</u>

9. Remuneration of directors

	2020	2019
	Kshs	Kshs
Chairman's Honoraria	960,000	640,000
Directors emoluments	<u>14,512,575</u>	<u>10,697,456</u>
Total director emoluments	<u>15,472,575</u>	<u>11,337,456</u>

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10. Administrative Costs

	2020	2019
	Kshs	Kshs
Advertising & Publicity	3,339,920	3,663,138
Official Entertainment	40,210	50,000
Newspapers & Journals	768,360	881,920
Printing & Stationery	3,105,755	4,826,663
Cleaning services & Materials	9,863,791	7,077,586
Security Services	7,501,227	7,506,240
Travel & Accommodation Expenses	16,368,152	12,238,268
Fuel	2,923,586	4,053,993
Bank Service Charges	910,446	1,092,250
Insurance Expenses	1,611,200	1,848,093
Postage and Delivery	75,960	63,675
Telephone & Faxes	2,986,623	2,870,993
Electricity	6,050,536	7,491,303
Water & Sewerage	5,629,362	4,037,264
Depreciation expense	132,262,309	95,322,096
Bad Debts	-	745,004
Internet & E-mail	5,539,239	4,299,499
Vehicle Repairs & Maintenance	1,562,106	3,880,163
Building Repairs & Maintenance	12,599,036	3,844,764

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Computer Repairs & Maintenance	3,321,200	2,267,249
Equipment Repairs & Maintenance	2,409,262	2,419,191
Audit Fees	696,000	696,000
Professional Fees	2,742,234	1,964,730
Communication	321,600	-
Conferences & Workshops	3,859,421	4,720,962
Litigation	548,399	599,885
Staff Uniforms	331,300	1,434,128
Staff Welfare	4,058,036	5,699,163
Training & Development	4,916,635	4,886,917
Subscriptions	258,260	126,980
Review of Policies	-	1,374,419
I.S.O Expenses	873,920	1,336,600
Corporate Social Responsibility	394,344	688,075
Software Licenses	-	441,160
Boarding of Items	45,820	-
E-board License	974,400	-
Asset Tagging	1,900,000	-
Land rent	-	511,339
Energy Saving Project	1,580,000	1,509,830
Strategic Planning & Review	-	2,222,137
Total	<u>242,368,649</u>	<u>198,691,675</u>

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11. Operational Cost

	2020	2019
	Kshs	Kshs
Hire of Facilities & Equipment	6,491,723	6,517,512
Examination Expenses	8,214,190	8,443,673
Library Expenses	-	263,600
Library Online Subscriptions	4,464,954	1,463,477
Part Time, Guest Lecturers Cost	13,378,100	14,624,950
Pupilage & Legal Clinics	884,800	2,755,100
Pupil Master Workshop	708,555	-
Students Welfare	1,365,365	3,406,769
Accreditation Expense	500,000	150,000
Graduation expense	1,591,158	1,373,582
Legal Clinic Visits	2,390,012	4,356,540
Moot Court Competition	213,429	4,776,469
Andragogy Training Curriculum/Training Modules Development	1,924,300	-
	<u>150,000</u>	<u>3,395,700</u>
Total	<u>42,276,586</u>	<u>51,527,372</u>
	2020	2019
	Kshs	Kshs
Continuing Prof. Dev. Expenses	<u>8,862,779</u>	<u>15,024,632</u>
Total	<u>8,862,779</u>	<u>15,024,632</u>

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14. Consumable stocks

	2020	2019
	Kshs	Kshs
Stationery	2,307,117	2,640,507
Cleaning materials	1,302,935	2,102,002
Electrical materials	1,697,323	1,516,700
Dry Foodstuff	496,893	-
Non-Foods	<u>277,097</u>	<u>-</u>
Total	<u>6,081,365</u>	<u>6,259,209</u>

15. Accounts Receivables & prepayments

	2020	2019
	Kshs	Kshs
School Fees Receivable	71,992,550	29,526,256
CPD Receivable	17,983,365	12,596,963
Hospitality Receivable	29,870,565	25,166,517
Non-School Fees Receivables - Other	55,677,967	56,643,278
Staff Receivables and Advances	2,014,929	1,356,483
Deposits	240,000	240,000
Unreconciled receipts	(103,000)	1,862,890
Provision for Doubtful Debts	<u>(4,703,715)</u>	<u>(4,703,715)</u>
Total	<u>172,972,661</u>	<u>122,688,672</u>

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16. Cash at bank and in hand	2020	2019
	Kshs	Kshs
Barclays Bank 2022099224- Collection a/c	16,181,559	12,070,831
Barclays Bank 2022029110 - Payments a/c	94,683,507	56,697,826
Barclays Bank 2022099240	7,177,753	5,316,949
Equity Bank 1630263144477	3,939,331	3,841,731
Cooperative Bank 01129706350500	<u>216,786,857</u>	<u>192,876,684</u>
Total Cash at bank and in hand	<u>338,769,008</u>	<u>270,804,022</u>

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17. PROPERTY, PLANT & EQUIPMENT

Depreciation Rate	Leasehold		Buildings		Capital Work in Progress		Office Equipment		Computer Equipment		Software		Library Books		Motor Vehicles		Furniture & Fittings		Total
	0.0%	Kshs	2.5%	Kshs	0.0%	Kshs	30.0%	Kshs	33.3%	Kshs	0.0%	Kshs	20.0%	Kshs	25.0%	Kshs	12.5%	Kshs	
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								
As at 30th June 2019	710,000,000	1,305,754,509	180,268,044	38,731,050	76,260,316	7,876,404	30,309,232	40,999,024	74,617,682	2,464,816,262									
As at 1st July 2019	710,000,000	1,305,754,509	180,268,044	38,731,050	76,260,316	7,876,404	30,309,232	40,999,024	74,617,682	2,464,816,262									
Additions	-	5,958,700	89,678,122	3,694,261	13,359,940	6,224,943	2,701,713	290,000	4,977,452	126,637,595									
Revaluation	-	-	-	33,860,994	36,633,223	-	-	34,655,166	7,823,214	112,972,596									
As at 30th June 2020	710,000,000	1,311,713,210	269,946,166	76,286,304	126,253,479	14,101,347	33,010,945	75,944,190	87,418,348	2,704,673,989									
DEPRECIATION																			
As at 1st July 2018	-	69,410,230	-	19,797,638	36,380,053	-	22,363,346	17,088,387	16,991,356	182,031,013									
Charge for the year	-	32,643,863	-	11,619,315	25,420,105	-	6,061,846	10,249,756	9,327,210	95,322,094									

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As at 30th June 2019	-	102,054,093	-	31,416,953	61,800,158	-	28,425,192	27,338,143	26,318,566	277,353,107
As at 1st July 2019	-	102,054,093	-	31,416,953	61,800,158	-	28,425,192	27,338,143	26,318,566	277,353,105
Charge for the Year	-	32,792,830	-	22,885,891	42,084,493	-	4,338,217	18,986,048	10,927,294	132,262,309
As at 30th June 2020	-	134,846,923	-	54,302,844	103,884,651	-	32,763,409	46,324,190	37,245,860	409,615,414
NET BOOK VALUE										
As at 30th June 2020	710,000,000	1,176,866,287	269,946,166	21,983,460	22,368,828	14,101,347	0	29,620,000	50,172,488	2,295,058,575
As at 30th June 2019	710,000,000	1,203,700,417	180,268,044	7,314,097	14,460,158	7,876,404	1,884,040	13,660,881	48,299,116	2,187,463,155

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18. Payables & Accruals

	2020	2019
	Kshs	Kshs
Accounts Payable	54,050,740	29,372,194
Staff Advances	1,084,166	500
Bank Loans (Staff)	147,732	981,959
HELB Payable	(9,681)	15,962
Insurance Recoveries	2,842	387,040
Net Pay Payable	124,648	-
NHIF Payable	(11,150)	165,350
PAYE Payable	842,079	2,297,342
Pension Payable	487,735	1,275,383
Saccos Control	(102,643)	-
Sheria Sacco Payable	(15)	1,390,930
Withholding Tax Payable	3,414,670	2,830,361
Endowment Fund Payable	359,586	259,586
Staff Welfare	307,478	307,478
Contract Retentions	25,552,162	21,067,198
VAT Control	12,858,188	13,901,413
Staff Benevolent	-	100,000
Sundry Creditors	580,000	50,100
Total Other Payables	99,688,539	74,402,796

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19. Gratuity Payable	2020	2019
	Kshs	Kshs
	<u>5,753,088</u>	<u>6,188,814</u>
Total Gratuity Payable	<u>5,753,088</u>	<u>6,188,814</u>
20. Deferred Income	2020	2019
	Kshs	Kshs
	<u>136,372,288</u>	<u>122,122,290</u>
Total Deferred Income	<u>136,372,288</u>	<u>122,122,290</u>
21. Provisions for audit fees	2020	2019
	Kshs	Kshs
	<u>696,000</u>	<u>580,000</u>
Total Provision for Audit Fees	<u>696,000</u>	<u>580,000</u>

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Additional Disclosures

20 Related Party Transactions

The following transactions were carried out with related parties

	2019/20	2018/19
	Kshs	Kshs
Transfers from related parties (Office of Attorney General)	213,890,000	229,898,200
Key management remuneration	6,521,600	6,873,324
Board of Directors expenses	15,472,575	11,504,871

21 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	2018/2019
	Kshs	Kshs	Kshs	Kshs	Kshs
Office of the Attorney General and Department of Justice	213,890,000	-	-	213,890,000	229,898,200
Total	213,890,000	-	-	213,890,000	229,898,200

22 Events after the reporting period

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

23 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.

24 Currency

The financial statements are presented in Kenya Shillings.

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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 title to the property had fraudulently been allocated to third parties cancelled. The matter was filed in court by Ethics and Anti-Corruption Commission in January 2007. In 2018, there was an update of the case and judgement was subsequently entered cancelling the fraudulent title and orders were issued to revert the land to Treasury. The School has initiated a follow up to have the title registered in KSL name.	D/CEO	Resolved	Already resolved

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Irregular Payments	Loss of Funds	<p>In the FY 2017/2018, it was discovered that the school had incurred losses occasioned by bank payments made to entities who had not transacted any business with the School.</p> <p>Following this discovery, the School management invited the office of the Auditor General for a forensic audit and enlisted the services of EACC to carry out investigations.</p> <p>This matter has not been closed. EACC has not yet communicated on the outcome of the investigations.</p>	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	17-Sep 2019	53,472,500	2019/2020
		12-Nov. 2019	53,472,500	
		04-Feb 2020	53,472,500	
		22-May 2020	53,472,500	
		Total	213,890,000	
b	Development Grants	11-Mar 2020	70,500,000	2019/2020
		Grand Total	284,390,000	

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