

REPUBLIC OF KENYA

PARLIAMENT
OF KENYA
BRARY



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



THE NATIONAL ASSEMBLY
PAPERS L AID

DATE: 26 APR 2023 DAY: Wednesday

TABLED BY: Hon. Naomi Wago
Deputy Majority Whip

CLERK AT THE TABLE: Finlay Muriuki

REPORT

OF

THE AUDITOR-GENERAL

ON

KENYA SCHOOL OF LAW

**FOR THE YEAR ENDED
30 JUNE, 2022**



THE KENYA SCHOOL OF LAW

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING 30TH JUNE 2022

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

**KENYA SCHOOL OF LAW
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FOR THE YEAR ENDED 30 JUNE 2022**

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I. KEY KENYA SCHOOL OF LAW INFORMATION AND MANAGEMENT

a) Background information

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

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

b) Principal Activities

Vision

A centre of excellence in professional legal training, research and consultancy.

Mission Statement

To offer practical training for the professional development of lawyers and other professionals, and to undertake research, and consultancy in the public and private sectors for promotion of the rule of law and good governance.

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

Core Values

- Integrity
- Excellence

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- Customer Oriented
- Team-work and Partnership
- Competence and Professionalism
- Transparency and Accountability
- Equity

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 2022 and who had direct fiduciary responsibility were:

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

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11.	Principal Librarian	Ms. Agnes Mwai
12.	Principal Legal Officer	Ms. Pauline Mbuthu

e) Fiduciary Oversight Arrangements

The Board of Directors who carry out the oversight duties through the Board Committees holds the fiduciary oversight arrangements of the School. These committees are Finance and General Purposes, 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. The Academic Affairs Committee, which develops legal training policies and programmes to meet domestic market requirements and to comply with international best practices, develops policies and strategies for managing Kenya School of Law examinations, provides guidelines and advises 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 – 2699581/2/3/4/5/6.

E-mail: lawschool@ksl.ac.ke

Website: www.ksl.ac.ke

DROPPING ZONE

Kenya School of Law Town Campus

Development House, 5th Floor

Moi Avenue

Nairobi, Kenya

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- h) The Kenya School of Law Bankers**
- 1) Barclays Bank of Kenya**
Corporate Branch
Barclays Plaza

P.O BOX 4661 – 0100

Nairobi, Kenya
 - 2) Equity Bank of Kenya**
Supreme Branch
Karen
Nairobi, Kenya
 - 3) Co-operative Bank of Kenya**
Karen Branch

P.O Box 24644-00502

Karen, Kenya
- i) Independent Auditors**
Auditor - General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084 GPO 00100

Nairobi, Kenya
- j) The Kenya School of Law Principal Legal Advisor**
The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112 City Square 00200


Nairobi, Kenya

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II. THE KENYA SCHOOL OF LAW BOARD MEMBERS

Board Member's photo, name, and role	Key qualifications and work experience
 <p>Prof. Joseph Mworia Wamutitu Chairperson KSL Board of Directors September 2021 to present</p>	<ul style="list-style-type: none"> ❖ Associate Professor – Egerton University ❖ Dean Faculty of Education, and Community Development Studies, Department of Curriculum, Instruction and Educational Management - Egerton University. ❖ Doctor of Philosophy (Ph. D) – Banaras University - India ❖ Masters of Education (M.Ed.) – Kenyatta University ❖ Bachelor of Education (B.Ed.) - Kenyatta University <p>Appointment Date: 28th October, 2021</p>
 <p>Hon. Lady Justice Pauline Nyamweya JA, FCI Arb Member Representing Chief Justice, Republic of Kenya</p>	<ul style="list-style-type: none"> ❖ Judge of the Court of Appeal of Kenya ❖ Lecturer - Faculty of Law, University of Nairobi ❖ Deputy Secretary – The Constitution of Kenya Review Commission ❖ Secretary – The Capital Markets Tribunal ❖ Member – Advisory Team to the Kenya Government's Governance, Justice, Law and Order Sector Programme (GJLOS) ❖ Fellow of the Chartered Institute of Arbitrators ❖ Master of Laws (LLM) - University of Cambridge, UK ❖ Bachelor of Laws (LL. B) – The University of Nairobi. <p>Appointment Date: 21st July, 2015</p>

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 <p>Prof. Michael Nyongesa Wabwile Ph.D. Member Representing University Law Lecturers in Kenya</p>	<ul style="list-style-type: none"> ❖ 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 ❖ Doctor of Philosophy (PhD) in Law - University of Leicester, UK ❖ Post-Graduate Diploma in Law - Kenya School of Law ❖ Master of Laws (LL.M.) - University of Cambridge UK ❖ Bachelor of Laws (LL. B) – The University of Nairobi. <p>Appointment Date: 20th March, 2021</p>
 <p>Mrs. Emily Chweya Member Representing State Law Office and Department of Justice</p>	<ul style="list-style-type: none"> ❖ Chief State Counsel, OAG & DOJ ❖ Bachelor of Laws (LL. B) – The University of Nairobi ❖ Post graduate Diploma in Law - Kenya School of Law. <p>Appointment Date: 1st October, 2013</p>

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 <p>Mr. Elijah Nyamamba Member Representing the National Treasury</p>	<ul style="list-style-type: none"> ❖ Deputy Director – Supply Chain Management Services, at the National Treasury Assistant ❖ Registered Member - Kenya Institute of Supplies Management (KISM) ❖ Master’s Degree in Procurement and Logistics - JKUAT ❖ Bachelor of Arts (B. A.) (Hons) Special Subject Economics - Shivaji University, India. Appointment Date: 5th May, 2021
 <p>CS. Jacqueline A.O. Manani, Member Representing the Law Society of Kenya</p>	<ul style="list-style-type: none"> ❖ Director, Legal Services - Public Service Commission (PSC) ❖ Bachelor of Laws (LL. B) – Moi University ❖ Post Graduate Diploma in Law - Kenya School of Law ❖ Master of Laws (LL.M) - University of London ❖ Member - Institute of Certified Public Secretaries of Kenya (ICPSK) Appointment Date: 22nd May, 2021
 <p>Ms. Catherine Ochanda, Member Representing State Law Office and Department of Justice</p>	<ul style="list-style-type: none"> ❖ Deputy Chief State Counsel ❖ Bachelor of Laws (LL. B) - The University of Nairobi ❖ Post Graduate Diploma in Law - Kenya School of Law ❖ Master of Laws (LL.M) in Advanced Legislative Studies - University of London Appointment Date: 24th October, 2016

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

- ❖ Director and CEO - Kenya School of Law
- ❖ Advocate - High Court of Kenya
- ❖ Doctor of Philosophy (Ph.D.) - University of Melbourne
- ❖ Master of Laws (LL.M) - University of Melbourne
- ❖ Master of Laws (LL.M) - Temple University, US
- ❖ Post graduate Diploma in Law - Kenya School of Law
- ❖ Bachelor of Laws (LL.B) – The University of Nairobi

Appointment Date: 26th March, 2018

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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 (LL.M), Postgraduate Diploma in Law, Bachelor of Laws (LL.B)</p>	<p>Director/ Chief Executive Officer & Secretary, Kenya School of Law Board</p> <p>Appointment Date: 26th March, 2018</p>
<p>2. Mr. Isaac Simiyu Kuloba</p>  <p>Master of Laws (LL.M), Postgraduate Diploma in Law, Bachelor of Laws (LL.B)</p>	<p>Assistant Director, Continuing Professional Development /Projects & Research</p> <p>Appointment Date: 1st October, 2017</p>
<p>1. Ms. Anna Konuche</p>  <p>2.</p>	<p>Assistant Director, Advocate Training Programme</p> <p>Appointment Date: 7th November, 2017</p>

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<p>3. Mr. John Malombe</p>  <p>Executive MBA, Post Graduate Diploma (HRM), Post Graduate Diploma (ED.), Bachelor of Arts (Sociology) Member, IHRM</p>	<p>Assistant Director, Human Resource & Administration</p> <p>Appointment Date: 15th October, 2019</p>
<p>4. Ms. Lucia Lulu</p>  <p>Master of Business Administration (HR), Bachelor of Science - International Business Administration (Management)</p>	<p>Principal Human Resource Officer</p> <p>Appointment Date: 2nd August, 2019</p>
<p>5. PA Ruth G. Gichuki</p>  <p>Master of Business Administration (MBA, Finance), Bachelor of Commerce, Certified Public Accountant (K), Member, ICPAK, AWAK.</p>	<p>Principal Accountant</p> <p>Appointment Date: 1st July, 2019</p>

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<p>6. CPA Fredrick Abea</p>  <p>Master of Business Administration (Finance) Bachelor of Business Management, Certified Public Accountant (K), Diploma in Accounts, Member, ICPAK & IIA(K)</p>	<p>Principal Internal Auditor.</p> <p>Appointment Date: 30th August 2019</p>
<p>7. Ms. Mariam A. Mahmud</p>  <p>MSc in Procurement and Logistic, Bachelor of Commerce, Member, Chartered IPS -(UK) and KISM</p>	<p>Principal Supply Chain Management Officer</p> <p>Appointment Date: 3rd October 2016</p>
<p>8. Mr. Fredrick Muhia</p>  <p>Master of Business Administration, Bachelors of Business Administration, Diploma in Technical Education, Diploma in Personnel Management & Industrial Relations</p>	<p>Principal Officer, Academic Services</p> <p>Appointment Date: 1st May 2010</p>

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<p>9. Ms. Anastasia Otieno</p>  <p>Master of Laws (LL.M), Postgraduate Diploma in Law, Bachelor of Laws (LL.B),</p>	<p>Principal Lecturer</p> <p>Paralegal Studies Programme Coordinator</p> <p>Appointment Date: 2nd August, 2019</p>
<p>10. Ms. Agnes Mwai</p>  <p>Masters in Library & Information Science, Bachelor of Education (Arts)</p>	<p>Principal Librarian</p> <p>Appointment Date: 4th May, 2015</p>
<p>11. Ms. Pauline Mbuthu</p>  <p>Master of Laws (LL.M), Postgraduate Diploma in Law, Bachelor of Laws (LL. B), Bachelor of Arts (Psychology), Member, LSK</p>	<p>Principal Legal officer</p> <p>Appointment Date: 16th March, 2020</p>

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IV. CHAIRPERSON'S STATEMENT

I am delighted to present the Eighteenth Annual Report and Accounts of the Kenya School of Law (herein after referred to as the "School") for the period ending 30th June, 2022.

KEY ACHIEVEMENTS

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

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

- ii. The student numbers remained stable at 1651 for both Advocates Training Programme and Diploma in Law (Paralegal studies) being a total of 1509 and 142 students respectively. Due to Covid-19 restrictions, the students attended their classes online.

- iii. During the year, Hospitality policy was approved by the board for implementation.

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CHALLENGES

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

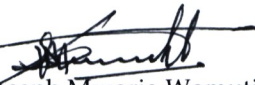
Freezing of employment in government institutions also hindered full implementation of the planned activities due to shortage of staff in some departments.

THE WAY FORWARD

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

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

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


Prof. Joseph Mworira Wamutitu,

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, 2022. This is the Eighteenth Annual Report and Accounts since its re-establishment as a Semi-Autonomous Government Agency. During the year, the School acting within its mandate, successfully executed most of its planned programmes, projects and new initiatives with a view of delivering quality legal services to its clients.

KEY ACTIVITIES

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

a) Academic Services

During the Financial Year 2021/2022, the ATP academic program admitted 1509 students and 142 students in the Diploma in Law (Paralegal Training) Programme. Final examinations for the ATP students were administered in April 2022.

Orientation of the new cohort of ATP students was done virtually on 28th March 2022, the heads of departments enlightened the students on what to expect in the school. Council of Legal Education also informed the new students of their mandate and relation with the School. The Higher Education Loans Board (HELB) also informed students of their collaboration with the School in assisting them with Loans for their school fees.

The School continued to offer legal aid in collaboration with the Law Society of Kenya and a legal awareness week was organised in October 2021. A legal aid was also conducted in Kisumu county at Dunga beach in October 2021. Legal aid in collaboration with Kituo cha sheria was done in December 2021 in Likoni. There was also a legal aid clinic done in Kisii County for the local community in Sameta location on 20th to 22nd January 2022. A Prison visit was conducted at Shimo la Tewa prison in Mombasa county in February 2022.

Pupil master workshop was held in Nairobi on 18th February 2022. Andragogy training for legal educators course for all lecturers in the School ATP, PTP and CPD was done from 2nd to 4th March 2022.

Mentorship Workshop was conducted at the School on 24th June 2022 and 50 students participated. Senior advocates in practice were invited to give talks and guide the students in the legal profession.

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The School also carried out pupillage supervision in Nairobi and various regions countywide.

The 6th Graduation and Prize-Giving Ceremony was held on March 18th 2022 for the year 2020 cohort and the occasion was graced by The Hon. Justice (Rtd) P. Kihara Kariuki, The Attorney General of Kenya.



KSL students during the 6th Graduation and Prizing Giving Ceremony at the School in Karen

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Legal Aid session by Kenya School of Law at Milimani Law Courts during the Annual Law Society of Kenya Awareness week in October 2021

b) Continuing Professional Development

The FY 2021-2022 was a mixed one in terms of the core activities of CPD, namely, training and consultancies. The School successfully mounted twenty-one (21) continuing professional development

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courses during the year in diverse fields of law. These included¹: Public Procurement Law and Policy (in collaboration with LSK); Data Protection Law & Policy; Legislative Drafting; Emerging Trends in Cyber Security and ICT Sector Laws, Procedures & Enforcement; Legal Audit & Compliance; Corporate Governance & the Law; Legal Audit & Compliance (in Collaboration with LSK Young Lawyers Committee); Public Procurement Law and Policy: Obligations of Procuring Entities; Litigation Refresher Course for In-house Counsel; Legal Auditor Certification Course; Mediation in Public Sector Dispute Resolution; Andragogy for Lecturers; Financial Analysis, Procedures & Reporting; Effective Board Operations & Procedures; Insolvency & Business Restructuring; Legislative Drafting; and Investigation of Wildlife Crimes & Courtroom Skills (Ngorongoro Conservation Area Authority-Tanzania).

The CPD Department carried out trend analysis of its courses and prepared a *Trend Analysis Report* in December. The analysis yielded some useful information that will inform delivery of the training mandate under the CPD department.

The School also completed carrying out consultancy services to various organizations including: Nursing Council of Kenya, KASNEB, Sacco Societies Regulatory Authority, and Kenya Reinsurance Corporation. Some new consultancies came in late in the year and would be executed in the FY 2022-2023.

Finally, the School has been allowed by KASNEB to be a center for training Certified Secretaries. This Programme will roll out in the next financial year and will be an additional source of A-I-A for the School once it takes off in earnest.

During the year, the School organized its 3rd Annual Conference themed “Election, Rule of Law and the Practice of Democracy in Africa”. The Conference, which was held both physically and virtually, was well attended, despite the challenges caused by Covid-19 pandemic. The Conference generated interest from scholars and legal practitioners, and the papers that were presented at the Conference were well researched on the thematic areas. The School hopes that the annual conferences would be a springboard to the School doing more research on matters of law.

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Participants of Legislative Drafting Training Course at Kenya School of Law

c) Hospitality and Conferencing Activities

The School offers conferencing facilities, including accommodation, for guests. The pandemic adversely affected the operations of the hospitality industry resulting in a drastic reduction in the number of guests hosted but the section is slowly picking up. The following institutions held workshops in the School:

Nairobi Centre for International Arbitration, Machakos University, Cooperative University, Karen Langata District Association, Bajwa travel, Office of the Attorney General & Department of Justice, Council of Legal Education, Kenyatta National Hospital, Kenya Plant Health Inspectorates Services, Commission of University Education, Kilimani Junior, and Kenya Revenue Authority.

The school also has grounds for hire for weddings and other various outdoor activities.

d) Human Resources and Administration

During the Financial year the School continued implementing the Human Resource policy instruments and commenced the recruitment of replacements for positions vacated as well as priority positions identified within the core mandate of the School.

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The review of the HR Policy instruments i.e. HR Manual, Staff Establishment, Career Progression Guidelines, Grading and Organizational Structure was due and began, the proposals made taking into consideration the Strategic direction of the School as set out in the new Strategic Plan.

Other policies developed within the year included the Car Loan and Mortgage policies, which the School looks forward to operationalizing following approval and are a welcome addition to the benefits already enjoyed by the Staff.

The School trained staff in line with the Training Needs Assessment Report to provide staff with skills and professional development. Moreover, the School supported various professionals in attending Continuing Professional Development programmes offered by recognized professional bodies for their development and in support of their good standing as a requirement for them to practice.

The Annual Staff Teambuilding was held in December, 2021 at Maanzoni Lodge. It was a good occasion for staff to bond and give feedback towards bettering the working environment. Staff Birthdays were celebrated during the year and support during bereavement was also extended.

Quarterly Health talks organized in conjunction with the Staff Medical Insurance Provider were held to empower staff to address various issues and make healthy choices. In the month of October 2021, being the cancer awareness month, there was an opportunity for staff to undergo various medical checks and tests and receive individual feedback and advise. In the third quarter, voluntary counselling and testing for HIV was facilitated and staff participated well.

All staff set their targets in line with the School Annual work plan and held mid-year review and end of year performance appraisal discussions with their supervisors. The validation of the previous year's appraisal results was held and various recommendations implemented including recognizing staff who had posted commendable performance.

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FINANCIAL PERFORMANCE

a) Revenue

During the year the School received **Kshs 191.11 Million** as Government recurrent subvention against **Kshs 195.03 Million received** in the 2020/2021 financial year. This amount was in line with approved budget allocation. The target for internally generated revenue was **Kshs 377.5 Million**. The School, however, managed to raise **Kshs 353.6 Million** from its internal operations against **Kshs 294.6 Million** in 2020/2021 financial year. This represented an increase of 20% and resulted mainly from a higher number of students within the financial year compared to FY 2020/2021. Student's fees income of **Kshs 299.76 Million** contributed the highest portion of this internally generated revenue representing 85%. Combined Hospitality and CPD activities generated **Kshs 46.8 Million** against **Kshs 55.3 Million** in 2020/2021 financial year representing a drop of 15.5%.

b) Expenditure

The School expended **Kshs 557.9 Million** in recurrent expenses. A total of **Kshs 101.6 Million** was spent on items of a capital nature.

c) Results

The School's net assets rose from **Kshs 2.48 billion** in the 2020/2021 financial year to **Kshs 2.51 billion** in 2021/2022 financial year. During the year the School reported a deficit of **Kshs 12.83 million**.

This was an improvement from the deficit recorded in the financial year 2020/2021 where the deficit stood at **Kshs. 96.3 million**, largely attributed to the higher portion of the income apportioned in the current financial year from the ATP class of 2020.

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. Secondly, the School is recovering Post Covid and this has affected revenue collections in the internally generating units.

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.

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WAY FORWARD

The School looks forward to continued execution of its mandate with a view to delivering quality legal training services to its customers, stakeholders and the public. Both Management and Board will continue to diversify sources of revenue with a view to achieving financial self- sustainability. The School will also continue to adhere to laid down policies and procedures in management of its affairs and particularly ensure prudent use of allocated resources. Implementation of austerity measures and compliance with Government circulars will result to continual funding from the Government. With the clear strategic objectives and initiatives being undertaken, the future of the School is 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 continuous professional development courses. This also includes all other clients who have chosen to utilize our facilities. Lastly, I thank the entire Kenya School of Law staff for their dedication and professionalism in upholding the School's values.


Dr. Henry K. Mutai

Director/Chief Executive Officer & Secretary

KENYA SCHOOL OF LAW BOARD

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**VI. STATEMENT OF KENYA SCHOOL OF LAW PERFORMANCE AGAINST
PREDETERMINED OBJECTIVES FOR FY 2021/2022**

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

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

Pillar /theme/issue 1: Legal Education

Pillar/theme/issue 2: Continuing Professional Development

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

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

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

Pillar/theme/issue 6: Customer Focus

The School develops its annual work plans based on the above 6 pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The KSL achieved its performance targets set for the FY 2021/2022 period for its 6 strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Legal Training	To provide quality professional legal training for ATP and PTP	No. of students trained in the ATP	Train 1500 students under ATP	Trained a total of 1509 lawyers under the Advocates Training Programme
		No. of students trained in the PTP	Train 210 students under PTP	Trained a total of 142 Students under the Paralegal Training Programmes
		No. of trainings undertaken	Train academic staff on teaching methodologies	Conducted one training on teaching methodologies for all the academic staff,

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		Operational E-learning platform	Implement E-learning for both ATP and PTP	Sustained the implementation of ATP E-learning Programme
Continuing Professional Development CPD	To provide Practical Training for Continuing Professional Development	No. of courses delivered	Develop and Deliver CPD short courses	Delivered 21 CPD short courses
		Approved CPD policy	To develop the CPD policy	Policy developed and approved by the Board
Research, consultancies and projects:	To undertake Research, consultancies and projects:	No. of legal consultancies undertaken	Undertake legal consultancies	Three consultancies were awarded during the FY. i.e. Capital Market Authority, Tourism Fund and Bandari Maritime.
		No. of conferences held	Hold an annual conference	Held the 3rd Annual Legal Conference
Financial Sustainability and cost cutting	To enhance and broaden revenue streams and cut costs to achieve financial sustainability	No. of MOUs signed	Sign MOU with strategic partners	Signed MOUs with 2 strategic partners (Institute of Chartered Secretaries and Nairobi LSK Branch). The partnerships are aimed at enhancing resources.
Institutional capacity/ Operational Excellence	To strengthen institutional capacity for operational excellence	% implementation of TNA report	Implement Training Needs Assessment Report	A total of 77 staff members were trained on the TNA approved trainings
		% implementation of the ERP system	Implement an ERP system	Implementation of the phase II ERP system is estimated at 90%
Customer Focus	To enhance customer satisfaction	Certification	Maintain the ISO 900:2015 Certification	School recertified by the KEBs who is the Schools Certification Body

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The School aligns its annual Performance Contract targets with the Strategic Plan targets specifically under the Core mandate section which are under the Strategic Pillars 1,2 and 3. Therefore, an achievement of the 2021/2022 strategic plan activities as indicated above clearly demonstrates an achievement of the School's 2021/2022 signed Performance Contract.

VII. CORPORATE GOVERNANCE STATEMENT

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

Members of the Board

The Members of the Board comprise of appointees of the Principal Secretary of the Ministry for the time being responsible for legal education, the Principal Secretary of the Ministry for the time being responsible for National Treasury, the Attorney-General, The Chief Justice, a representative of the Law Society of Kenya nominated by its Council, and two other 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:

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

Academic Affairs Committee

The committee's responsibilities are to develop legal training policies and programmes to meet domestic market requirements and 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. Mr. Elijah Omoro Nyamamba | Member |
| 4. Prof. Michael Nyongesa Wabwile | Member |
| 5. Ms. Catherine Ochanda | Member |

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

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OTHER STATUTORY COMMITTEES

Corruption Prevention Committee

The Committee's responsibility is to effectively address corruption related issues in the institution and to provide oversight function. The Kenya School of Law Anti-Corruption Policy provides the guiding framework for prevention, detection, investigation and reporting of corruption to the Kenya School of Law. The Committee implements its mandate and operations guided by legal instruments and statutory policies such as:

- i) The Anti-Corruption and Economic Crimes Act, 2003
- ii) The Kenya School of Law Act, No. 27 of 2012
- iii) The Public Officers Ethics Act, 2003
- iv) The State Corporations Act, Cap 446 and the Regulations
- v) The Public Procurement and Asset Disposal Act, 2015
- vi) The Public Finance Management Act, 2012

The composition of the committee is as follows:

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

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

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Board Expenses

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

Board Meetings

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

Name of Committee	Members	Number of meetings held
Finance and General Purpose Committee	1. Prof. Michael Nyongesa Wabwile Chairperson 2. Mr. Elijah Omoro Nyamamba Member 3. Mrs. Emily Chweya Member 4. Ms. Catherine Ochanda Member 5. CS. Jacqueline A.O. Manani Member	12 (4 ordinary meetings 8 special meetings)
Academic Affairs Committee	1. Mrs. Emily Chweya Chairperson 2. Hon. Lady Justice Pauline Nyamweya Member 3. CS. Jacqueline A.O. Manani Member 4. Prof. Michael Nyongesa Wabwile Member 5. Ms. Catherine Ochanda Member	6 (4 ordinary meetings 2 special meeting)
Audit and Risk Management Committee	1. CS. Jacqueline A.O. Manani Chairperson 2. Hon. Lady Justice Pauline Nyamweya Member 3. Mr. Elijah Omoro Nyamamba Member 4. Prof. Michael Nyongesa Wabwile Member 5. Ms. Catherine Ochanda Member	6 (4 ordinary meetings 2 special meetings)

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VIII. MANAGEMENT DISCUSSION AND ANALYSIS

a) The School's operational and financial performance:

The operational and financial performance of the School is set out on page xvi to page xxv.

b) School's compliance with statutory requirements:

During the 2021/2022 financial year, the School met all its statutory obligations (PAYE, NSSF, NHIF, and VAT).

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

The School is currently undertaking construction of an Ultra-Modern Library, which is about 92% complete and is financed through grants from the Government. The construction of the Library has been severely affected by slow progress of the contractor thus delaying the completion of the same.

Major risks facing the entity:

i) Competition

Operationally, the School has a 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 has developed a new Strategic Plan to diversify the revenue base. The School is currently experiencing competition in both Continuing Professional Development courses and Paralegal Training Programme. To mitigate this, the School has planned to market its facilities and legal trainings offered to sensitize the public and other stakeholders.

ii) Reputation

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

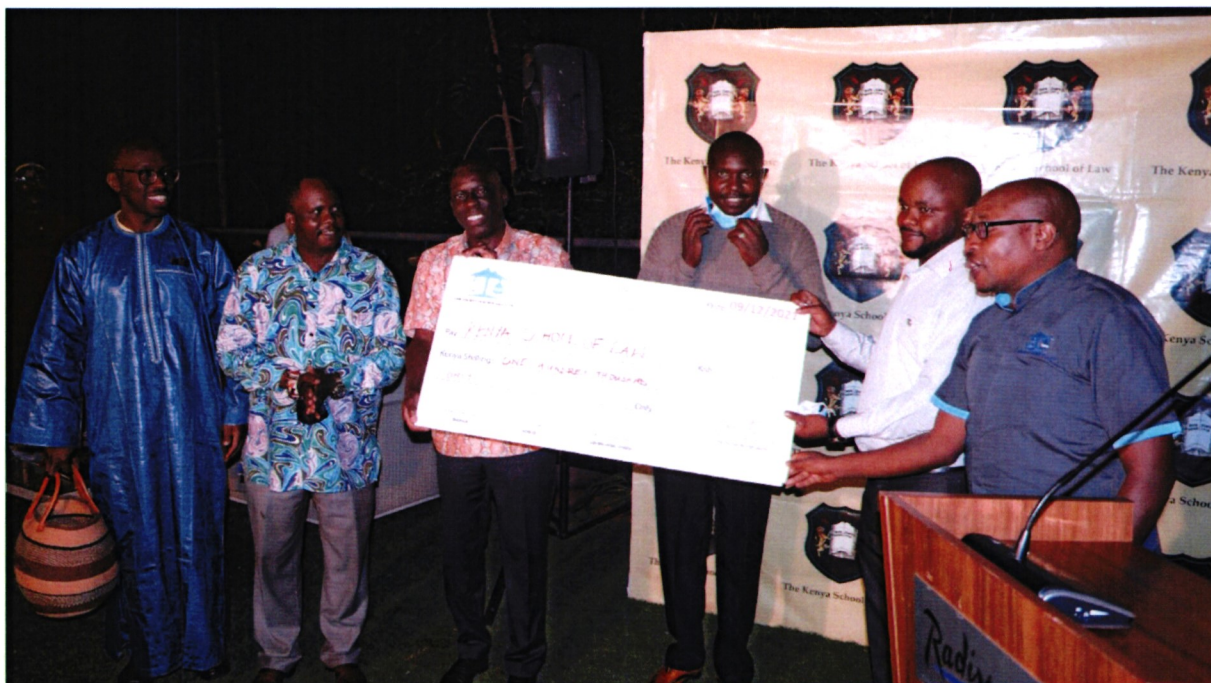
iii) Financial Risk

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

A number of students being enrolled have difficulty in raising full fees for their entire duration of study Programme. This poses a risk of failure to collect fees income. The School has established a Legal Education

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Fund as a way of mitigating this risk and during the year 147 students benefitted from the fund. Cumulatively 310 students have benefitted from the fund.



Fundraising held to boost Legal Education Fund Kitty in December 2021

iv) Risk of Interest and fines from stalled project

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

IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

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

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

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

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importance of attracting and retaining the best staff. To achieve this, the School is guided by the human resource policy covering the career guidelines and progression.

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

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

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

The School carried out CSR activities to Nilishe Go Green Home and a Hike in Ngong, where they donated books and, foodstuff. The School also sponsored the virtual Standard Chartered Marathon where by staff participated in the marathon.



Kenya School of Law staff and students during a CSR activity at the Nilishe Go Green in Ngong

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The Kenya School of Law staff display their medals after finishing the virtual October 2021 Standard Chartered Marathon

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X. REPORT OF THE BOARD OF DIRECTORS

The Board submits this report together with the financial statements for the year ended June 30, 2022 which show the state of the School's affairs.

Principal activities of the School

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

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

Results

The results of the School for the year ended June 30, 2022 are set out on page 1 to page 7.

Directors

The Members of the Board of Directors who served during the year are shown on page vii to page x 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.....27/1/2023.....

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XI. STATEMENT OF BOARD'S RESPONSIBILITIES

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

The Board is responsible for the preparation and presentation of the School's financial statements, which give a true and fair view of the state of affairs of the School for and as at the end of the financial year (period) ended on June 30, 2022. 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, 2022, and of the Kenya School of Law's financial position as at that date. The Board Members further confirm the completeness of the accounting records maintained for the School, which have

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

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

Approval of the financial statements

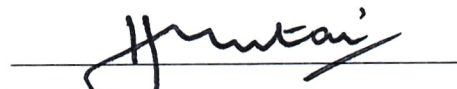
The Kenya School of Law's financial statements were approved by the Board on 16/9 2022 and signed on its behalf by:



Prof. Joseph Mworia Wamutitu

Chairperson

KENYA SCHOOL OF LAW BOARD



Dr. Henry K. Mutai

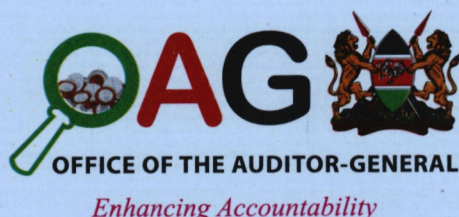
Director/Chief Executive Officer & Secretary

KENYA SCHOOL OF LAW BOARD



REPUBLIC OF KENYA

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-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
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P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA SCHOOL OF LAW FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya School of Law set out on pages 1 to 32, which comprise the statement of financial position as at 30 June, 2022, 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

Report of the Auditor-General on Kenya School of Law for the year ended 30 June, 2022

Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, the financial position of the Kenya School of Law as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kenya School of Law Act, 2012 and the Public Finance Management Act, 2012

Basis for Qualified Opinion

1. Unsupported Accounts Receivables

The statement of financial position and as disclosed in Note 18 to the financial statements reflects accounts receivables balance of Kshs.184,729,307. However, the basis for the computation of the provision for doubtful debts of Kshs.4,703,715 was not provided.

Further, included in the accounts receivables balance is school fees receivables balance of Kshs.76,640,018 and non-school fees receivables of Kshs.55,677,967 which have remained outstanding for more than one year. These outstanding receivables were however, not supported with individual listing and aging analysis of debtors.

In addition, the staff receivables totalling to Kshs.2,014,929 in respect of imprests issued to the staff have been outstanding for more than one year and were not supported with individual listing of imprest holders.

In the circumstances, the accuracy and completeness of the accounts receivables could not be confirmed.

2. Unsupported Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Kshs.232,129,730. As disclosed in Note 24 to the financial statements, the amount includes an amount of Kshs.40,988,608 for third-party payments which include contract retention money balance of Kshs.35,319,463. However, only an amount of Kshs.32,294,090 was supported, resulting to an unexplained balance of Kshs.3,025,373.

Further, although Management provided schedules to support the payables reflecting running balances for the whole year, no ageing analysis for actual payables was provided for audit verification.

In the circumstances, the accuracy and completeness of the trade and other payables balance of Kshs.232,129,730 as at 30 June, 2022 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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Delayed Completion of Contract

As previously reported, the contract for the construction of an Ultra-Modern Library and Moot Courts was awarded to a contractor at a cost of Kshs.488,704,449 and commenced on 24 June, 2013. The construction period was three years and the Project was expected to be completed by September, 2016. An amount of Kshs.322,940,902 had been paid to the contractor by 30 June, 2022. Physical inspection and verification of the progress of works however revealed that although the contractor was still on site, the works had not been completed, six years after the expected completion period.

Further, the contract did not stipulate who should bear the costs for delays and the School has not charged the contractor for the damages. No proper justification was made by the contractor for the delayed completion of the Moot Courts.

In addition, Management did not provide for audit verification the site inspection and meeting minutes between the Contractor, the School's Management and the Project Manager.

In the circumstances, it was not possible to confirm that the School obtained value for money from the expenditure of Kshs.322,940,902 incurred on the Project.

2. Failure to Use Integrated Enterprises Resource Planning (ERP)

The School Management entered into a contract on 27 June, 2018 for supply, delivery, installation, configuration, testing and implementation of an Integrated Enterprises Resource Planning (ERP) system at a cost of Kshs.14,998,510 through open tender. As detailed in the contract on the review and scope of the system, the system was expected to automate the School's functions to enable integration of management of the School's Core Business processes in real-time.

However, although, the certificate of completion was signed on 11 May, 2020 physical audit verification revealed that the integrated financial and accounting management and procurement, inventory and stores functions had not been automated. The scope of the contract had not been fully operationalized despite the contractor having been paid in full for all the modules.

In the circumstances, the School has not achieved its objectives as per the contract entered into between the School and the Vendor.

3. Non-Compliance with E-procurement

During the year under review, it was observed that the School had not implemented e-procurement as required by the Executive Order No.2 of 2018 and continues to undertake its procurements manually. It was therefore not possible to confirm that there was efficiency, effectiveness and transparency in the process of procurement of goods and services during the year.

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

4. Procurement of Conference Facilities from Non-Prequalified Suppliers

As disclosed in Note 11 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.100,269,083 under use of goods and services which further includes an amount of Kshs.6,757,855 relating to conferences and workshops. Examination of payment vouchers revealed that an amount of Kshs.5,120,428 was paid for provision of conference and workshops. However, the supporting records showed that payments were made to suppliers who were not prequalified/registered by the School, contrary to Section 106(2)(a) of the Public Procurement and Asset Disposal Act, 2015.

Further, a list of pre-qualified/registered suppliers provided for audit did not have category for conference and hospitality services and the payments made contrary to Section 105 (c) of Public Procurement and Asset Disposal Act, 2015 which requires the procuring entity to send out quotations for fairness and transparency in award of procurement services.

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

5. Non-Remittance of Value Added Tax

The statement of financial position and as disclosed in Note 25 to the financial statements reflects Value Added Tax (VAT) balance of Kshs.17,187,296. However, an amount of Kshs.13,000,000 has been outstanding for more than one year which contravenes Section 44(1) of the Value Added Tax Act, 2013 (Revised 2021) which requires VAT to be paid not later than the twentieth day after the end of that period.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and 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

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 controls, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities,

financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability 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 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

31 March, 2023

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XIII STATEMENT OF FINANCIAL PERFORMANCE

	Note	2022	2021
Revenue from non-exchange transactions		Kshs	Kshs
National Treasury	3	191,110,000	195,027,462
		<u>191,110,000</u>	<u>195,027,462</u>
Revenue from exchange transactions			
School Fees Income	4	299,761,121	232,979,137
Hospitality income	5	16,789,971	13,793,723
Continuous Professional Development Income	6	29,961,771	41,501,685
Rental revenue from facilities and equipment	7	4,378,000	4,289,000
Other income	8	2,699,788	2,024,866
		<u>353,590,651</u>	<u>294,588,412</u>
Total revenue		<u>544,700,651</u>	<u>489,615,874</u>
Expenses			
Employee costs	9	255,784,917	246,769,937
Board Expenses	10	9,927,548	8,009,468
Use of Goods and Services	11	100,269,083	92,229,313
Repairs and Maintenance	12	25,824,081	24,017,565
Depreciation and Amortization	13	71,341,490	124,535,652
Operational costs	14	64,344,324	59,969,561
Continuing Prof Dev. Expenses	15	15,471,452	20,621,282
Hospitality Costs	16	14,567,777	9,742,324
		<u>557,530,672</u>	<u>585,895,101</u>
Total expenses		<u>557,530,672</u>	<u>585,895,101</u>
Surplus/ (Deficit) for the period		<u>(12,830,021)</u>	<u>(96,279,228)</u>

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XIV STATEMENT OF FINANCIAL POSITION

	Note	2022 Kshs	2021 Kshs
Assets			
Current assets			
Inventories	17	2,967,625	5,830,480
Accounts Receivables	18	184,729,307	180,339,334
Prepayments and Deposits	19	1,137,500	1,137,500
HELB Fund	20	22,680,700	10,000,000
Cash and Bank Balances	21	<u>302,855,469</u>	<u>365,926,388</u>
Total Current Assets		<u>514,370,601</u>	<u>563,233,702</u>
Non-current assets			
Property, Plant and Equipment	22	2,237,025,819	2,207,402,271
Intangible Assets	23	<u>11,183,052</u>	<u>10,576,010</u>
Total non - current assets		<u>2,248,208,871</u>	<u>2,217,978,281</u>
Total assets		<u><u>2,762,579,472</u></u>	<u><u>2,781,211,982.83</u></u>
Liabilities			
Current liabilities			
Trade and Other Payables	24	232,129,730	286,205,658
VAT	25	<u>17,187,296</u>	<u>13,913,859</u>
Total current liabilities		<u>249,317,026</u>	<u>300,119,517</u>
Total liabilities		<u><u>249,317,026</u></u>	<u><u>300,119,517</u></u>
Reserves		1,321,729,160	1,321,729,160
Accumulated Deficit		(301,112,446)	-288,282,426
Capital Fund		<u>1,492,645,732</u>	<u>1,447,645,732</u>
		<u>2,513,262,446</u>	<u>2,481,092,466</u>
Total net assets and liabilities		<u><u>2,762,579,472</u></u>	<u><u>2,781,211,983.37</u></u>

KENYA SCHOOL OF LAW
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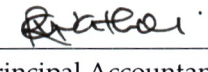
The notes set out on pages 8 to 32 form an integral part of these Financial Statements.

The financial statements set out on pages 1 to 7 were signed on behalf of Kenya School of Law by:


Director/ CEO & Secretary

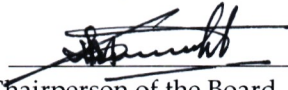
Dr. Henry Mutai

Date 27/1/2023


Principal Accountant

CPA Ruth G. Gichuki

ICPAK No. 13366
Date 26/1/2023


Chairperson of the Board

Prof. Joseph Mworira Wamutitu

Date 31/01/2023

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XV. STATEMENT OF CHANGES IN NET ASSETS

	Note	Accumulated Deficit Kshs	Revaluation Reserve Kshs	Capital Fund Kshs	Total Kshs
At 1st July 2020		(192,003,199)	1,321,729,160	1,440,645,732	2,570,371,693
Development Grant				7,000,000	7,000,000
Surplus/(Deficit)		(96,279,227)		-	(96,279,227)
As at 30th June, 2021		(288,282,426)	1,321,729,160	1,447,645,732	2,481,092,466
At 1st July 2021		(288,282,426)	1,321,729,160	1,447,645,732	2,481,092,466
Development Grant				45,000,000	45,000,000
Surplus/(Deficit)		(12,830,021)		-	(12,830,021)
As at 30th June, 2022		(301,112,447)	1,321,729,160	1,492,645,732	2,513,262,446

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XVI STATEMENT OF CASH FLOWS

	Notes	2022 Kshs	2021 Kshs
CASHFLOWS FROM OPERATING ACTIVITIES			
Net Surplus/ (Deficit) for the year		(12,830,021)	(96,279,228)
Adjustments for:-			
Depreciation	18	71,341,491	124,535,652
Surplus / (Deficit) before working capital changes		58,511,470	28,256,425
(Increase)/ Decrease in Receivables		(17,070,672)	(18,504,174)
(Increase)/ Decrease in Inventory		2,862,855	250,886
Increase/(Decrease) in Current Liabilities		(50,802,491)	57,609,603
Net cash flows from operating activities		(6,498,838)	67,612,739
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	18	(101,572,080)	(47,455,359)
Net cash flows from investing activities		(101,572,080)	(47,455,359)
CASH FLOWS FROM FINANCING ACTIVITIES			
GoK Development Grant		45,000,000	7,000,000
Revaluation Reserve		-	-
Prior year adjustment		-	0
Net Cash flow from Financing Activities		45,000,000	7,000,000
Net Increase in Cash and Cash Equivalents		(63,070,918)	27,157,380
Cash and Cash Equivalents at beginning of period		365,926,387	338,769,008
Cash and Cash Equivalents at end of period		302,855,469	365,926,387

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XVII STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Recurrent budget

	Budget 2021/2022	Adjustmen ts	Final Budget 2021/2022	Actual on comparabl e basis	Performance Difference	% of utiliza tion
	Kshs		Kshs	Kshs	Kshs	
Revenue						
GoK Grants - Recurrent	191,110,000	-	191,110,000	191,110,000	-	100%
School Fees Income	302,952,000	-	302,952,000	299,761,120	(3,190,880)	99%
Hospitality Income	33,240,000	-	33,240,000	16,789,971	(16,450,029)	51% (i)
Continuous Professional Development	35,000,000	-	35,000,000	29,961,771	(5,038,229)	86% (ii)
Rental Revenue from Facilities and Equipment	4,488,000	-	4,488,000	4,378,000	(110,000)	98%
Other Incomes	1,800,000	-	1,800,000	2,699,788	899,788	150% (iii)
Total Income	568,590,000	-	568,590,000	544,700,651	-23,889,349	
Expense						
Use of Goods and Services	95,860,000	1,384,000	97,244,000	100,269,083	(3,025,083)	103%
Employee Costs	283,621,000	-	283,621,000	255,784,917	27,836,083	90%
Depreciation	55,000,000	-	55,000,000	71,341,490	(16,341,490)	130% (iv)
Repairs and Maintenance	25,550,000	(2,800,000)	22,750,000	25,824,081	(3,074,081)	114% (v)
Hospitality	18,907,000	(4,200,000)	14,707,000	14,567,777	139,223	99%
Operational Cost	70,388,000	(304,000)	70,084,000	64,344,324	5,739,676	92%
Board of Directors expenses	9,000,000	-	9,000,000	9,927,548	(927,548)	110%
Continous Professional Development	10,264,000	5,920,000	16,184,000	15,471,452	712,548	96%
Total Expense	568,590,000	-	568,590,000	557,530,671	11,059,329	
Surplus/(Deficit) for the Year	-	-	0	(12,830,021)		

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Capital/ Development budget

Asset class	Budget 2021/2022		Apportione d Budget 2021/2022	Actual on comparabl e basis	Performance Difference	% of utiliza tion %
	Kshs		Kshs	Kshs	Kshs	
Capital works in progress	60,000,000	(15,000,000)	45,000,000	79,225,719	(34,225,719)	176% (vi)
Office Equipment	3,000,000	-	3,000,000	303,750	2,696,250	10% (vii)
Computer Equipment & Software	9,000,000	-	9,000,000	11,626,757	(2,626,757)	129% (viii)
Library books	5,000,000	-	5,000,000	3,817,284	1,182,716	76% (ix)
Furniture and fittings	7,400,000	-	7,400,000	6,598,570	801,430	89% (x)
Total	84,400,000	(15,000,000)	69,400,000	101,572,080	(32,172,080)	

Explanations for material variances

- (i) The hospitality department is recovering post Covid and thus was not able to meet the income targets as had been set.
- (ii) The uptake of the CPD courses was not as per the targeted number thus leading to lower income.
- (iii) The amount of money paid for certificates, graduation, loss of ID was more than the anticipated.
- (iv) The depreciation expense incurred in the year was more than the amount budgeted.
- (v) The resumption of physical classes necessitated more repairs and maintenance in the lecture halls to ensure they were conducive for learning.
- (vi) The payments for the ongoing library construction are subject to the presentation of work certificates from the Ministry of Works. The payment in FY 2021/2022 was financed from the budget of FY 2021/2022 and the funds brought forward from FY 2019/2020 when the certificates of work were less than the budget for capital expenditure.
- (vii) Fewer office equipment than budgeted for were procured.
- (viii) The over expenditure was caused by items that had been budgeted as recurrent but on implementation of the budget they were of capital nature.
- (ix) Some of the books that were to be purchased were not available in the market and thus not supplied.
- (x) The process of procuring a few of furniture items was not complete by the close of the financial year.

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XVIII. 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 owned by the Government of Kenya and is domiciled in Kenya. The School responsible for legal training at all levels, including Advocates, 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 based on 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. For school fees income, this is recognized and apportioned to the year that it relates since most of the fees is paid at the commencement of the academic year 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

Board of the Directors approved the original budget for the financial year 2021/2022 in January 2021. This was later reviewed and the School received actual allocation from the Government in May 2021 through printed estimates. This actual allocation is what the School implemented during the financial year 2021/2022 with budget revisions happening in the year. The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the School. As a result of the adoption of the accrual basis for budgeting purposes, there are no timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

c) Taxes – IAS 12

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

d) Property, plant and equipment – IPSAS 17

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

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

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The annual depreciation rates in use are:

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

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

e) Inventories – IPSAS 12

Inventories are stated at the Lower of Cost and Net Realisable Value. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories purchased by the School are expensed immediately to the various expense classes. At the end of the year, a stock take is carried out to establish the remaining consumable stock.

As at the closure of 2021/2022 financial year the School had consumable, stock valued at Kshs 2,967,625.

f) Provisions – IPSAS 19

Provisions are recognized when the School has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

g) Contingent assets

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

h) Changes in accounting policies and estimates – IPSAS 3

Estimates and Judgements are continually evaluated based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

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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 National Social Security Fund Act (CAP258) determines the contributions.

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

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

j) Related parties – IPSAS 20

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

k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

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.

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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, 2022.

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. The management under the supervision of Board of Directors carries out risk management.

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

The preparation of the School's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

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

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

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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 2022	As at 30 th June 2021
Accounts Receivables	Kshs 184,729,307	Kshs 180,339,334

Liquidity Risk Management

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

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

Trade payables from exchange transactions are as follows:

	As at 30 th June 2022	As at 30 th June 2021
Trade payables	Kshs. 30,737,858	Kshs. 43,782,600

3. Transfer from other Government Entities

	2022 Kshs	2021 Kshs
Operational Grant	191,110,000	195,027,462
Total	191,110,000	195,027,462

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4. School Fees Income

	2022	2021
	Kshs	Kshs
Application/Registration Fee	3,786,000	4,178,000
Examination Fees	21,677,766	16,996,900
Library Fees	9,956,251	7,551,462
Pupilage Supervision	8,236,288	9,261,998
Tuition Fees	256,104,817	194,990,777
Total	299,761,121	232,979,137

5. Hospitality Income

	2022	2021
	Kshs	Kshs
Staff Catering	996,490	713,546
Seminars/Conferences/Accommodation	5,911,748	7,689,390
Hire of Grounds	836,643	449,144
Sports Facilities	2,697,463	1,799,805
Students Cafeteria Income	2,037,204	351,600
Laundry Income	135,423	119,238
Hostel Fees	4,175,000	2,671,000
Total	16,789,971	13,793,723

6. Continuing Professional Development Income

	2022	2021
	Kshs	Kshs
CPD Workshops	24,779,702	29,170,470
Consultancy Services	5,182,069	12,331,216
Total	29,961,771	41,501,685

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7. Rental Revenue from Facilities and Equipment

	2022	2021
	Kshs	Kshs
Staff houses	4,378,000	4,289,000
	<u>4,378,000</u>	<u>4,289,000</u>

8. Other income

	2022	2021
	Kshs	Kshs
Photocopy Services	218,535	111,186
Tender Documents	3,000	3,000
Graduation Income	868,500	343,000
Other Income	1,609,753	1,567,680
Total	<u>2,699,788</u>	<u>2,024,866</u>

9. Employee costs

	2022	2021
	Kshs	Kshs
Basic Salaries	135,795,150	127,587,086
Casual wages - Other	2,218,725	1,786,690
House Allowance	48,300,233	45,704,215
Leave Allowance	4,072,226	3,819,037
Overtime Allowance	1,262,963	2,221,584
Medical Employer Contributions	21,566,084	23,315,710
NSSF Employer Contributions	355,800	303,400
Pension Employer Contributions	25,391,517	24,259,836
Responsibility Allowance	-	80,117
Special duty	119,619	-

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Gratuity Contribution	1,860,496	1,789,568
Commuter Allowance	10,855,533	10,598,693
Extraneous Allowance	360,000	561,000
Taskforce Allowance	3,259,320	4,617,000
Retreat Allowance	367,250	126,000
Total	255,784,917	246,769,937

10. Board Expenses

	2022	2021
	Kshs	Kshs
Chairman's Honoraria	650,667	856,667
Directors emoluments	9,276,881	7,152,801
Total director emoluments	9,927,548	8,009,468

11. Use of Goods and Services

	2022	2021
	Kshs	Kshs
Advertising & Publicity	3,141,995	2,183,996
Club Membership /Official Entertainment	169,180	70,000
Newspapers & Journals	1,060,720	656,539
Printing & Stationery	4,224,733	3,135,538
Cleaning services & Materials	8,163,322	8,548,392
Security Services	7,621,133	7,406,498
Travel & Accommodation Expenses	21,333,892	16,027,215
Fuel	3,318,489	2,932,359
Bank Service Charges	972,586	1,171,220
Insurance Expenses	2,877,915	1,871,654

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Postage and Delivery	58,605	14,130
Telephone & Faxes	3,967,500	3,046,500
Electricity	5,534,419	6,516,935
Water & Sewerage	5,185,092	3,818,880
Internet & E-mail	2,472,868	4,622,847
Network Maintenance	392,500	-
Audit Fees	696,000	696,000
Professional Fees	1,036,891	1,348,950
Communication	488,100	340,700
Conferences & Workshops	6,757,855	4,974,019
Litigation	149,674	311,595
Staff Uniforms	667,978	1,665,926
Staff Welfare	4,117,965	1,158,670
Training & Development	4,623,025	4,064,550
Subscriptions	384,260	348,860
I.S.O Expenses	2,927,445	475,600
Corporate Social Responsibility	461,830	796,747
Boarding of Items	66,806	-
E-board License	-	1,071,840
Asset Tagging & Valuation	-	1,798,000
Land rent	320,564	3,892,389
Strategic Planning & Review	4,085,193	1,186,951
Performance contract	1,105,048	3,975,142
Offsite Back-up	1,885,500	2,100,672

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	100,269,083	92,229,313
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12. Repairs and Maintenance

	2022 Kshs	2021 Kshs
Vehicles	3,351,090	3,231,758
Buildings	11,565,699	5,950,613
Computers and accessories	8,738,194	11,217,624
Equipment	2,169,098	3,617,570
Total Repairs and Maintenance	25,824,081	24,017,565

13. Depreciation and Amortization

	2022 Kshs	2021 Kshs
Property , Plant, and Equipment	66,438,694	121,010,315
Intangible Assets	4,902,796	3,525,337
	71,341,490	124,535,652

14. Operational Cost

	2022 Kshs	2021 Kshs
Hire of Facilities & Equipment	11,521,920	7,744,301
Examination Expenses	9,200,500	7,781,756
Library Expenses	-	8,000
Library Online Subscriptions	4,445,444	6,262,230
Part Time, Guest Lecturers Cost	21,094,400	18,332,000
Pupilage & Legal Clinics	2,913,400	3,036,576
Pupil Master Workshop	745,000	906,630
Students Welfare	1,613,126	163,650

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Accreditation Expense	500,000	1,130,800
Graduation expense	1,406,656	865,049
Legal Clinic Visits	4,988,969	7,019,687
Moot Court Competition	2,341,871	3,931,002
Andragogy Training	2,118,450	1,481,040
E-Learning Content Development	-	1,287,000
Binding of Books	12,400	19,840
Fund raising & Alumni costs	1,442,188	-
Total	64,344,324	59,969,561

15. Continuing Prof. Dev. Expenses

	2022 Kshs	2021 Kshs
CPD Expenses - Training	15,411,452	19,557,622
CPD Expenses -Consultancy	60,000	1,063,660
Total	15,471,452	20,621,282

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16. Hospitality Costs

	2022	2021
	Kshs	Kshs
Gas	1,017,770	346,750
Foodstuffs & Drinks	9,925,617	7,076,455
Kitchen & Hostel Expenses	1,860,084	1,413,623
Laundry Expenses	741,200	418,339
Swimming Pool/Sports Expenses	925,440	487,157
Club House Expenses	97,666	-
Total	14,567,777	9,742,324

17. Inventories

	2022	2021
	Kshs	Kshs
Stationery	1,792,149	3,082,804
Cleaning materials	515,842	791,707
Electrical materials	295,790	1,603,910
Dry Foodstuff	256,416	249,774
Non-Foods	107,428	102,285
Total	2,967,625	5,830,480

18. Accounts Receivables

	2022	2021
	Kshs	Kshs
School Fees Receivable	76,640,018	75,512,101
CPD Receivable	20,821,402	20,838,608
Hospitality Receivable	34,278,706	30,999,444

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Non-School Fees Receivables	55,677,967	55,677,967
Staff Receivables	2,014,929	2,014,929
Provision for Doubtful Debts	<u>(4,703,715)</u>	<u>(4,703,715)</u>
Total	<u>184,729,307</u>	<u>180,339,334</u>

19. Prepayments and Deposits

	2022 Kshs	2021 Kshs
Utility Deposits	240,000	240,000
Rent Deposit	1,000,500	1,000,500
Unreconciled receipts	<u>(103,000)</u>	<u>(103,000)</u>
Total Other Current Assets	<u>1,137,500</u>	<u>1,137,500</u>

20. Helb Fund

	2022 Kshs	2021 Kshs
HELB Fund	<u>22,680,700</u>	<u>10,000,000</u>
	<u>22,680,700</u>	<u>10,000,000</u>

21. Cash and Cash Equivalents

	2022 Kshs	2021 Kshs
Absa Bank Acc. 2022099224	17,220,347	16,742,109
Absa Bank Acc. 2022029110	191,684,010	155,865,186
Absa Bank Acc. 2022099240	8,499,727	6,649,727
Equity Bank Acc. 1630263144477	7,145,276	4,659,586
Coop. Bank Acc. 01129706350500	<u>78,306,109</u>	<u>182,009,780</u>
Total Cash at bank and in hand	<u>302,855,469</u>	<u>365,926,388</u>

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

Financial institution	Account number	2022 KShs	2021 KShs
a) Current account			
Absa Bank	2022099224	17,220,347	16,742,109
Absa Bank	2022029110	191,684,010	155,865,186
Absa Bank	2022099240	8,499,727	6,649,727
Equity Bank	1630263144477	7,145,276	4,659,586
Coop. Bank	1129706350500	<u>78,306,109</u>	<u>182,009,780</u>
Sub- total		<u>302,855,469</u>	<u>365,926,388</u>

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22. Property, Plant & Equipment

Depreciation Rate	Leasehold	Buildings	Capital	Office	Computer	Library	Motor	Furniture &	Total
	Land	2.5%	Work in Progress	Equipment	Equipment	Books	Vehicles	Fittings	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at 1st July 2020	710,000,000	1,311,713,210	269,946,166	76,286,304	126,253,479	33,010,945	75,944,190	87,418,348	2,690,572,642
Additions	-	-	30,258,098	2,219,543	8,484,720	3,528,248	-	2,964,750	47,455,359
As at 30th June 2021	710,000,000	1,311,713,210	300,204,264	78,505,847	134,738,199	36,539,193	75,944,190	90,383,098	2,738,028,001
As at 1st July 2021	710,000,000	1,311,713,210	300,204,264	78,505,847	134,738,199	36,539,193	75,944,190	90,383,098	2,738,028,001
Additions	-	-	79,225,719	303,750	6,116,919	3,817,284	-	6,598,570	96,062,242
As at 30th June 2022	710,000,000	1,311,713,210	379,429,982	78,809,597	140,855,118	40,356,477	75,944,190	96,981,668	2,834,090,243
DEPRECIATION									
As at 1st July 2020	-	134,846,923	-	54,302,844	103,884,651	33,010,945	46,324,190	37,245,860	409,615,413
Charge for the Year	-	32,792,830	-	23,551,754	30,853,549	3,528,248	18,986,048	11,297,887	121,010,315
As at 30th June 2021	-	167,639,753	-	77,854,599	134,738,200	36,539,192	65,310,238	48,543,747	530,625,728
As at 1st July 2021	-	167,639,753	-	77,854,599	134,738,200	36,539,192	65,310,238	48,543,747	530,625,729

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Charge for the Year	-	32,792,830	-	954,999	6,116,918	3,817,284	10,633,953	12,122,708	66,438,692
As at 30th June 2022	-	200,432,584	-	78,809,598	140,855,118	40,356,477	75,944,190	60,666,456	597,064,421

NET BOOK VALUE

As at 30th June 2022	710,000,000	1,111,280,626	379,429,982	-	-	-	-	36,315,212	2,237,025,820
As at 30th June 2021	710,000,000	1,144,073,456	300,204,264	651,249	-	-	10,633,952	41,839,351	2,207,402,272

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

	Cost or valuation	Normal annual depreciation charge
Office Equipment	78,809,597	23,642,879
Computers and related equipment	140,855,118	42,256,535
Library Books	40,356,477	8,071,295
Motor vehicles	75,944,190	18,986,048
Total	335,965,383	92,956,757

23. Intangible Assets

Description	2022 KShs	2021 KShs
Depreciation Rate	25%	25%
Cost		
At beginning of the year	14,101,347	14,101,347
Additions	5,509,838	-
At end of the year	19,611,185	14,101,347

Amortization and impairment

At beginning of the year	3,525,337	-
Amortization	4,902,796	3,525,337
At end of the year	8,428,133	3,525,337

NBV	11,183,052	10,576,010
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24. Trade and Other Payables

	2022 Ksh	2021 Ksh
Trade payables	30,737,858	43,782,600
Payments received in advance	157,189,999	188,257,288
Employee payables	2,007,264	19,695,254

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Third-party payments	40,988,608	32,580,516
Other payables	<u>1,206,001</u>	<u>1,890,000</u>
Total trade and other payables	<u>232,129,730</u>	<u>286,205,658</u>

25. VAT	<u>17,187,296</u>	<u>13,913,859</u>
Total	<u>17,187,296</u>	<u>13,913,859</u>

Additional Disclosures

26 Related Party Transactions

The following transactions were carried out with related parties

	2021/22	2020/21
	Kshs	Kshs
Transfers from related parties (State Law Office)	191,110,000	195,027,462
Key management remuneration	6,539,924	6,715,200
Board of Directors expenses	9,927,548	8,009,468

27 Transfers from Ministries, Departments and Agencies

Name of Entity sending the grant	Amount recognized to the Statement of Comprehensive Income	Amount deferred under deferred income	Amount recognized in capital fund	Total grant income during the year	2021/2022
	Kshs	Kshs	Kshs	Kshs	Kshs
State Law Office and Department of Justice	191,110,000.00	-	-	191,110,000	191,110,000
Total	191,110,000	-	-	191,110,000	191,110,000

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28 Events after the reporting period

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

29 Ultimate and Holding Entity

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

30 Currency

The financial statements are presented in Kenya Shillings.

KENYA SCHOOL OF LAW
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XVIII APPENDICES

APPENDIX I PROGRESS ON FOLLOW – UP OF AUDITORS RECOMMENDATIONS

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

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

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

Date..... 27/1/2023

KENYA SCHOOL OF LAW
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APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1. Ultra-Modern Library and Moot Courts	488,704,449	322,940,902	92%			GOK

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APPENDIX III: 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	8 September 2021	47,777,500.00	2021/2022
		3-Nov. 2021	47,777,500.00	
		15-February 2022	47,777,500.00	
		28-April 2022	47,777,500.00	
		Total	191,110,000.00	
b	Development	21-October 2021	26,750,000.00	2021/2022
	Grants	30-June -2022	18,250,000.00	
		Total	45,000,000.00	

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

Principal Accountant
Kenya School of Law

Head of Accounting Unit
State Law Office

Sign  -----

Sign-----

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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Don or Transferring the funds	Date received	Nature: Recurrent/Development/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
Office of the Attorney General and Department of Justice	8 th -September 2021	Recurrent	47,777,500.00	47,777,500.00	-	-	-	-	47,777,500.00
	3 rd -Nov. 2021	Recurrent	47,777,500.00	47,777,500.00	-	-	-	-	47,777,500.00
	15th-Feb 2022	Recurrent	47,777,500.00	47,777,500.00	-	-	-	-	47,777,500.00
	28th-April 2022	Recurrent	47,777,500.00	47,777,500.00	-	-	-	-	47,777,500.00
	21-Oct-2021	Development	26,750,000.00	-	26,750,000.00	-	-	-	26,750,000.00
	30 th June, 2022	Development	18,250,000.00	-	18,250,000.00	-	-	-	18,250,000.00
TOTAL GRANTS			236,110,000.00	191,110,000.00	45,000,000.00	-	-	-	236,110,000.00