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THE AUDITOR-GENERAL

ON

COUNCIL OF LEGAL EDUCATION

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



COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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



COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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**COUNCIL OF LEGAL EDUCATION
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KEY COUNCIL OF LEGAL EDUCATION INFORMATION AND MANAGEMENT

(a) Background information

The Council of Legal Education is established by Legal Education Act No. 27 of 2012. It is governed by the Council which is responsible for the general policy and strategic direction. Council of Legal Education is domiciled in the Republic of Kenya.

(b) Principal Activities

The principal activities of the Council as per Legal Education Act No. 27 of 2012 Section 6 is to:

- i) Regulate Legal Education and Training in Kenya;
- ii) Accredite and licence legal education providers
- iii) Supervise Legal Education providers
- iv) Harmonisation of Legal Education programmes
- v) Advice Government on Legal Education and Training
- vi) Recognize and Approve Qualifications obtained outside Kenya for purpose of admission to the roll
- vii) Administer professional examination prescribed under section 13 of Advocates Act

Vision of CLE

Globally competitive and transformative legal education and training in Kenya.

CLE Mission

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

(c) Key Management

The Council's day-to-day management is under the Secretary / Chief Executive Officer Council of Legal Education.

(d) Fiduciary Management

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



**COUNCIL OF LEGAL EDUCATION
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No	Designation	Name
1.	Secretary/Chief Executive Officer	Dr. Wambua Kituku, Phd
2.	Director Directorate of Quality Assurance Compliance & Accreditation	Ms. Mutugi Mary Mugure
3.	Director Directorate of Examination	Mr. George W. Wafula
4.	Manager Internal Audit	Ms. Ignazia K. Kaimba
5.	Manager Finance & Accounts	Ms. Ednah K. Oyori
6.	Principal Accountant	CPA Purity Kimathi
7.	Principal Supply Chain Management Officer	Mr. Jairus O. Kirande

(e) Fiduciary Oversight Arrangements

The Audit, Risk and Governance Committee

The Committee is responsible for evaluating the adequacy of management procedures with regard to risk management, control and governance. The Committee reviews and approves the internal audit work plans. It reviews the internal and external audit findings and recommendations and proposes the preventive actions necessary. The Committee meets at least quarterly in scheduled meetings.

Finance and General Purposes Committee

The Committee is charged with the responsibility of ensuring that Council funds are prudently utilized and in line with the core functions and council's Strategic Plan. The Committee also considers staff administrative matters to ensure they are within the law. It develops and reviews policies that will help the Council attract and retain highly qualified competent staff.

(f) Council of Legal Education Headquarters

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

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

(g) Council of Legal Education Bankers

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



**COUNCIL OF LEGAL EDUCATION
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(h) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084 - 00100
NAIROBI, KENYA


(i) Principal Legal Adviser

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




COUNCIL OF LEGAL EDUCATION
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THE COUNCIL OF LEGAL EDUCATION MEMBERS

BOARD MEMBER	PARTICULARS
 <p data-bbox="177 891 655 958">Prof. Githu Muigai LLB HONS, LLM (COL.) PHD, FCIARB</p>	<p data-bbox="699 551 1412 1048">Prof. Githu Muigai has over 35 years' experience in the practice of law in Kenya and in East Africa. Prof. Muigai holds LLB and Ph.D. degrees from the University of Nairobi and an LLM Degree from Columbia University School of Law, New York. He was called to the Bar in 1985. In addition to the practice of law he is an Associate Professor of Public law in the School of Law of the University of Nairobi (currently on leave of absence). He has also published extensively in the areas of international law, and human rights and has previously worked as a consultant to various international organizations, including the African Union, United Nations Development Programme, the World Bank and the International Committee of the Red Cross.</p> <p data-bbox="699 1077 1412 1440">Born on 31st January 1960, Professor Githu has a wide range of areas of practice which include Commercial Litigation and Arbitration, Constitutional and Administrative Law, Information and Communications Technology Law, Insurance and Banking Law, Investments Law, Mergers & Acquisitions Law, Public and Private International Law, Public Procurement Law. From August 2008 - September 2011 Prof. Githu Muigai was the UN Special Rapporteur on Contemporary Forms of Racism, Racial Discrimination, Xenophobia and Related Intolerance.</p> <p data-bbox="699 1469 1412 1771">He is a Fellow of the Chartered Institute of Arbitrators (UK) and a member of the American Association of Trial Lawyers, Institute of Public Secretaries, Law Society of Kenya, East African Law Society, Council of Legal Education, International Commission of Jurists, International Bar Association and the Commonwealth Lawyers Association. He has also been a Judge of the African Court of Human & Peoples Right between 2008 - 2010.</p> <p data-bbox="699 1800 1412 1933">Prof. Muigai has recognized expertise in the areas of justice sector reform generally and Constitutional reform specifically. From the year 2000 to 2005, he was a commissioner to the Constitutional Review</p>



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	<p>Commission where he was specially charged with the legal drafting of the Draft Constitution of the Republic of Kenya. He was a legal adviser and draftsman to the Somali peace process and was involved in the drafting the Somali Federal Transitional charter.</p> <p>Prof. Githu Muigai served as Attorney General of the Republic of Kenya from the 29th August, 2011 to March 2018.</p> <p>Prof. Githu Muigai is the Chairman of the Council.</p> <p>Date of appointment: 18th April, 2018 Date of retirement: 6th April, 2021 Date of reappointment: 5th October 2021</p>
 <p>HON. JUSTICE (DR.) SMOKIN C. WANJALA; PhD, SCJ, CBS</p>	<p>Justice Wanjala was born on 22nd June, 1960. He is a Judge of the Supreme Court of Kenya since 2011. Between 2011 and 2016, he was a member of the Judicial Service Commission and Chairman of the Commission's Human Resources and Administration Committee.</p> <p>Justice Wanjala is a holder of a Bachelor of Laws (LL.B, Hons.) from the University of Nairobi, a Diploma in Law from the Kenya School of Law, a Master of Laws (LL.M) from Columbia University, New York and a Doctorate in Law (PhD) from the University of Ghent, Belgium.</p> <p>Before his appointment to the Supreme Court of Kenya, Justice Wanjala served as a Law Lecturer and later, Senior Lecturer at the University of Nairobi for twenty (20) years (1986-2004). While still lecturing at the University of Nairobi, he served as the Joint Secretary to the Commission on Illegally and Irregularly Acquired Public Land (the Ndung'u Commission) in 2003. He is credited with having overseen the compilation and writing of what has become popularly known as the Ndung'u Report. Justice Wanjala was the first Chairman of the Public Complaints Committee on the Environment (PCC) which is one of the Compliance Committees of the National Environment and Management Authority-NEMA (2002-2004).</p> <p>He was appointed as Assistant Director of the Kenya</p>



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Anti-Corruption Commission (KACC) in October 2004, where he served in that capacity until 2009.

He has many publications to his credit including books and articles in the fields of Law, Human Rights and Governance. He has published locally and internationally. Apart from his accomplishments in academia as a Law Teacher and Author, Justice Wanjala has participated in major research projects leading to the compilation and production of seminal reports.

Justice Wanjala is one of the four founder members of the **Centre for Law and Research International (CLARION)** where they pioneered Civic Education in the Country. He is a member of the **International Commission of Jurists, ICJ-Kenya Chapter** and the **Kenya National Academy of Sciences**. He has recently delivered lectures at the **International Anti-Corruption Academy (IACA)** during the Institution's Summer Lecture Series.

In 2008, Justice Wanjala became a subject of Biographical Record in *Marquis "Who is Who" in the World, 25th Edition*. Inclusion in this Biography is limited to individuals who have contributed significantly to the betterment of society.

In 2012, Justice Wanjala received the Presidential Award of the **Chief of the Order of the Burning Spear (CBS) [First Class]**, the 4th Highest Civilian Award in Kenya for his distinguished service rendered to the Nation.

In 2018, Justice Wanjala was selected for the **2018 Albert Nelson Marquis (Who is Who) Lifetime Achievement Award** as a result of his hard work and dedication to his profession.

Hon. Justice (Dr.) Smokin C. Wanjala is a member of the Quality Assurance & Compliance Committee and the Examinations Committee.

Date of appointment: 23rd January, 2020



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Mr. Eric Gumbo
LL.B

Born on 23rd March 1978, Mr. Eric Gumbo was admitted as an Advocate of the High Court of Kenya in 2004. He is the Founder and current Managing Partner of G&A Advocates LLP, (Formerly Gumbo & Associates Advocates) a law firm ranked by IFLR 1000 and recognised as leading Law Firm by the East Africa Law Society.

As an Advocate in Private Practice, Mr Gumbo has been involved in both Public and Private sector assignments specifically in the areas of Dispute Resolution, Corporate Commercial, Intellectual Property, Technology and Innovation and recently completed a course and training in Financial Markets from Yale University.

Based on his extensive experience with various public sector institutions, Mr. Gumbo has recently been appointed to serve as a Director in the Kenya Reinsurance Corporation (Kenya Re) and as a member of the recruitment panel for the Office of the Auditor General for the Republic of Kenya.

Within the private sector, Mr. Gumbo represents the interests of lawyers as a Member of the Industrialization and Enterprise Development Board under the auspices of the Kenya Private Sector Alliance.

Mr. Gumbo has over the years represented a wide range of clients in the resolution of many landmark disputes in the High Court, Court of Appeal and Supreme Court, including representing the Independent Electoral and Boundaries Commission (IEBC) in all the three Presidential Election Petitions since 2013.

Mr. Gumbo is additionally a Member of the Chartered Institute of Arbitrators and continues to be involved in various Alternative Dispute Resolution processes including Arbitration and Mediation. He also sits in the Law Reform Committee of the Law Society of Kenya.

He is the Chair to the Examination Committee and the acting Chair of the Council.

Date of appointment: 17th February, 2020



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Dr. Elizabeth Muli

Dr. Elizabeth W. Muli is a Senior Lecturer at the University of Nairobi School of Law and Chairperson of the Commercial Law Department. She has taught law for twenty years at both Undergraduate and Postgraduate levels. She is an Advocate of the High Court of Kenya of over 20 years standing and a member of the Law Society of Kenya. She is also a member of

The Institute of Directors Kenya (IOD) and serves on the boards of other organizations in the public and private sector.

Born on 2nd December, 1969, Dr. Muli previously served as the Vice-Chairperson of the Commission for the Implementation of the Constitution(CIC) between 2011 and 2015. Dr. Muli is a Fulbright Fellow and holds a Doctor of the Science of Law (JSD) and Master of the Science of Law (JSM) from Stanford Law School, a Master of Laws(LLM) from University of Bristol(UK), a Bachelor of Laws (LLB) from University of Nairobi and a Diploma of Law. Dr. Muli represents Public Universities at Council and chairs the Audit Committee.

Dr. Muli chairs the Audit, Risk & Governance Committee.

Date of appointment: 5th June 2018

Date of retirement: 14th June 2021



Dr. Maurice Ajwang Owuor

Born on 21st August 1964, Dr. Maurice holds a Ph.D international Law (People's Friendship University, Moscow, Russian Federation)

LL. M International Law (Baku State University, Azerbaijan)

Diploma in International Journalism, People's Friendship University, Moscow, Russian Federation

Post Graduate Diploma in Law, Kenya School of Law

Post Graduate Diploma in Human Resource Management

Professional Membership:

Law Society of Kenya



East African Law Society

Dr. Ajwang chairs the Examination Committee and a member of the Finance & General-Purpose Committees.

Date of appointment: 5th June, 2018



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	<p>Ms. Mutugi Mary Mugure Ag. Secretary/Chief Executive Officer Director Directorate of Quality Assurance, Compliance and Accreditation</p> <p>Ms. Mutugi holds an LL.B (Hons) degree from Moi University, and a Master degree in International Conflict Management. Ms. Mutugi is an Advocate of the High Court of Kenya and a Commissioner of Oath. She has 10 years' experience in Legal Education and Training, four (4) of which are in Legal Education and Regulation.</p> <p>Date of acting: 4th June to 30th November 2021</p>
	<p>Dr. Wambua Kituku Secretary/Chief Executive Officer Council of Legal Education</p> <p>Dr. Wambua Kituku holds a PhD in Environmental Law from the University of Nairobi, with a focus on regulatory aspects of solid waste management.</p> <p>He also holds Bachelor's Degree in Law (LL.B) and Master of Laws (LL.M) from the University of Nairobi. Dr. Kituku also holds a Bachelor of Science Degree from Jomo Kenyatta University of Agriculture and Technology.</p> <p>Dr Kituku is an advocate of the High Court of Kenya and registered EIA/EA Lead Expert with NEMA and holds an EIA and EA certificate from The African Nazarene University.</p> <p>Before joining the Council of Legal Education, Dr Kituku worked with the United Nations Development Programme (UNDP) Kenya Country Office for the last ten years, managing civil society strengthening as well as elections programmes.</p> <p>He has previously practiced law in Nairobi and Machakos and worked for National and well as International NGOs. Dr. Kituku has a long consulting experience with the Public Sector, UN bodies, NGOs, Public and Private Sector spanning for over 20 years in such areas as strategy formulation, research, training, and advisory services.</p>



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	<p>Dr Kituku has taught law at the School of Law of Kenyatta University, where he served as the examination's coordinator as well.</p> <p>He is currently teaching and supervising post-graduate students at the Faculty of Law, University of Nairobi.</p> <p>He has written and published peer-reviewed articles on environmental law and democratic governance issues.</p> <p>Date of appointment: 1st December, 2021</p>
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MANAGEMENT TEAM

	<p>Dr. Wambua Kituku Secretary/Chief Executive Officer Council of Legal Education</p> <p>Dr. Wambua Kituku holds a PhD in Environmental Law from the University of Nairobi, with a focus on regulatory aspects of solid waste management.</p> <p>He also holds Bachelor's Degree in Law (LL.B) and Master of Laws (LL.M) from the University of Nairobi. Dr. Kituku also holds a Bachelor of Science Degree from Jomo Kenyatta University of Agriculture and Technology.</p> <p>Dr. Kituku is an advocate of the High Court of Kenya and registered EIA/EA Lead Expert with NEMA and holds an EIA and EA certificate from The African Nazarene University.</p> <p>Before joining the Council of Legal Education, Dr Kituku worked with the United Nations Development Programme (UNDP) Kenya Country Office for the last ten years, managing civil society strengthening as well as elections programmes.</p> <p>He has previously practiced law in Nairobi and Machakos and worked for National and well as International NGOs. Dr. Kituku has a long consulting experience with the Public Sector, UN bodies, NGOs, Public and Private Sector spanning for over 20 years in such areas as strategy formulation, research, training, and advisory services.</p>
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COUNCIL OF LEGAL EDUCATION
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	<p>Dr Kituku has taught law at the School of Law of Kenyatta University, where he served as the examination's coordinator as well.</p> <p>He is currently teaching and supervising post-graduate students at the Faculty of Law, University of Nairobi.</p> <p>He has written and published peer-reviewed articles on environmental law and democratic governance issues.</p>
	<p>Ms. Mutugi Mary Mugure, OGW Ag. Secretary/Chief Executive Officer Director Directorate of Quality Assurance, Compliance and Accreditation</p> <p>Ms. Mutugi holds an LL.B (Hons) degree from Moi University, and a Master degree in International Conflict Management. Ms. Mutugi is an Advocate of the High Court of Kenya and a Commissioner of Oath. She has 10 years' experience in Legal Education and Training, four (4) of which are in Legal Education and Regulation.</p> <p>Date of acting: 4th June to 30th November 2021</p>
	<p>Ms. Ignazia K. Kaimba Manager, Internal Audit</p> <p>Ms Kaimba holds a Master of Business Administration (Finance) and a Bachelor's Degree in Commerce from the University of Nairobi. She is a Certified Internal Auditor (CIA) and member of Global Institute of Internal Auditors (IIA). She is also a Certified Information System's Auditor and member of Information Systems Audit and Control Association (ISACA). She has over 15 years' experience in the area of risk management and corporate governance. She previously worked for Ministry of Finance, Ethics and Anti-Corruption Commission (EACC) and Chuka University.</p>
	<p>Mr George W. Wafula Director Directorate of Examinations</p> <p>Has a Master of Education Degree (Curriculum Development) from Kenyatta University, Bachelor of Education (B.Ed Arts) of Kenyatta University, worked as a professional teacher for thirteen (13) years and in charge of school examination at the District level for three years. Served at the Public Service Commission(PSC) Examination Department starting as a Senior Examination officer to Principal Examination Officer for ten (10) years, joined the Council of Legal Education as Manager Examination in November 2015 and from April,2019,</p>



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	<p>appointed as Director of Examinations. He was appointed to the position in September 2020.</p>
	<p>CPA Ednah Kerubo Oyori Manager Finance & Accounts</p> <p>Ms. Ednah Kerubo Oyori holds a Master of Science Degree in Finance & Investments from the University of Nairobi, a Bachelor of Arts in Economics Degree from Makerere University and is a Certified Public Accountant. Ms. Kerubo is a member of the Institute of Certified Public Accountants of Kenya (ICPAK). Ms. Kerubo has served as Manager, Finance and Accounts at the Kenya Film Commission, she has worked as a Senior Accountant with the Kenya Universities and Colleges Central Placement Service and as Accountant at The University of Nairobi and comes with a vast experience in Finance & Accounts having worked in Positions of Senior Management in the Public Sector.</p>
	<p>CPA Purity Kimathi Principal Accountant</p> <p>CPA Kimathi is a Certified Public Accountant and a Certified Secretary. She holds an MBA (Finance & Strategic Management) and a Bachelor of Commerce (Finance) from the University of Nairobi. She is a member of the Institute of Certified Public Accountants Kenya (ICPAK) and the Institute of Internal Auditors (IIA). She has over 16 years' experience in Finance & Administration, with keen interest in corporate governance. She previously worked at the Teachers Service Commission.</p> <p>Acting Assistant Director Finance, Planning and Administration: 1st April 2020 to 21st November 2021</p>



**COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
REPORT OF CHAIRMAN'S STATEMENT**



Council is pleased to present the Annual Report and Financial Statements for the Council of Legal Education for the year ended June 30, 2021. During the period under review CLE registered significant growth in its operation with the expanded mandate. Council established structures to deliver the mandates and am happy to note that we successfully conducted ATP Examination in the year 2020/2021.

CLE is mandated to regulate, licence and supervise legal education in Kenya, we have taken this responsibility with utmost seriousness, giving our best to achieve set targets. Our hope, vision and purpose is to ensure that the quality of legal education in the country is at par with, if not, the best in the world.

Council continues to monitor the quality of Legal education in the country through quality audits. This program ensures that Licenced legal education providers comply with the conditions of the licence hence protecting the public and consumers of legal education. During the Financial Year Council conducted thirteen (13) legal quality audits and conducted eight (8) Inspections towards licensing legal educations providers.

Council continues to conduct ATP Examination, where 3,987 candidates were examined during the year and 497 qualifying candidates were gazetted for admission to the Bar.

At a policy level, the Council continues to engage legal education stakeholders with a view of enhancing quality of legal education which is aligned to the country's "Big Four" and Vision 2030. The Council remains focused on its mandate, in particular on the role it plays in promoting quality of legal education.

With the emergence of the COVID-19 Pandemic, the Council scaled down on the number of staff attending to matters physically at the CLE offices as per the Government directives. The activities of the Council were greatly affected and this lead to non-achievement of some of the Performance Contract targets, delay of the finalization to the Curriculum development, the registration for the ATP Examination that was planned for September 2020 was cancelled due to social distancing and Government directive on gathering of not more than 15 people. The planned April 2021 ATP Examination was also postponed to June 2021, to mention but a few.

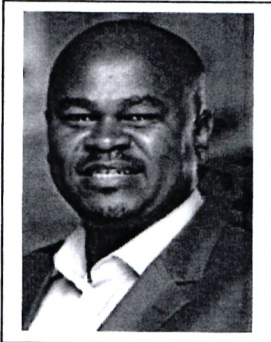
I take this opportunity to thank all our stakeholders for their continued support throughout the year. The Office of Attorney General and Department of Justice, The National Treasury and Planning, Council Members, Management and staff who have played crucial roles in enabling CLE to achieve key milestones during the year under review.

As we embark on a new financial year we are eager to continue collaborating with each of you towards making ours a success story of professionalism and great achievements.

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



COUNCIL OF LEGAL EDUCATION
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REPORT OF THE SECRETARY/CHIEF EXECUTIVE OFFICER



Since the establishment under the new regulatory framework the Council of [Grab your reader's attention with a great quote from the document or use this space to emphasize a key point. To place this text box anywhere on the page, just drag it.]

Legal Education has made concerted efforts in promoting and enhancing the quality of legal education in the country. Council continues to play its transformative role in the legal education sector as mandated by the Law. I take this opportunity to present an overview of the Council of Legal education performance for the Financial Year ending June 30, 2021.

During the year, thirteen (13) Institutions were audited, eight (8) inspected.

Council continues to receive and process applications for recognition and approval of foreign qualifications. During the year Council reviewed the criteria to equate foreign law qualifications. A total of thirty-one (31) applications were received and processed.

In the year 2020/2021, Council successfully conducted The ATP Examination in June 2021. In the examination series 3,987 candidates were examined. A total of 497 qualified candidates were gazetted for admission to the Roll of Advocates.

Council also made tremendous improvements in several other areas which include reviewing of service delivery systems, prudent management of financial resources, performance management, risk management, enhancing the capacity of human resources, providing conducive working environment, strengthening ICT infrastructure and review of institutional, legal and regulatory framework.

COVID-19 Pandemic has impacted greatly on the delivery of the Councils mandate. The Council scaled down on the number of staff attending to matters physically at the CLE offices as per the Government directives. The activities of the Council were greatly affected and this lead to non-achievement of some of the Performance Contract targets, delay of the finalization to the Curriculum development, the registration for the ATP Examination that was planned for September 2020 was cancelled due to social distancing and Government directive on gathering of not more than 15 people. The planned April 2021 ATP Examination was also postponed to June 2021.

In the period under review, the Council's revenue reduced from **Kshs.369.4 Million** in 2019/20 to **Kshs.314.9 Million** in 2020/21. This is attributed to a decrease of Government of Kenya subvention which reduced from Kshs.198.9million in 2019/2020 to kshs.181.4 million in 2020/2021 and reduction in A-I-A. The Council did not achieve the budgeted A-I-A due to administration of only one ATP examination.

Total recurrent expenditure reduced from **Kshs. 286.8 million** in 2019/20 to **Kshs.245.5Million** in 2020/21. This reduction is attributed to the Government directives on austerity measures to reduce expenditure and Government ban on planned activities due the outbreak of COVID-19 pandemic.



COUNCIL OF LEGAL EDUCATION

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The Council's total asset base increased from Kshs. 367.4 Million in 2019/2020 to Kshs.569.9 Million in 2020/2021 financial year. Non-current assets went down by 34% from Kshs. 28.8 million to shs. 19.0 million due to depreciation.

On behalf of Council let me appreciate the support I have received from both the National Government, legal education sector players and stakeholders. Finally let me take this opportunity to commend the Council, management and staff, for the conclusion of yet another successful year.

Secretary/ CEO
Council of Legal Education
P. O. Box 829-00502, Karen
Nairobi, Kenya
Dr. Wambua Kituku
SECRETARY/CHIEF EXECUTIVE OFFICER
COUNCIL OF LEGAL EDUCATION



COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
STATEMENT OF THE COUNCIL OF LEGAL EDUCATION PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2020/2021

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.

The Council of Legal Education has 5 strategic pillars and 8 objectives within its Strategic Plan for the FY 2014/2015- 2018/2019. These strategic pillars are as follows:

- Pillar 1: Quality Legal Education
- Pillar 2: Research & Development
- Pillar 3: Corporate Image
- Pillar 4: Institution Capacity
- Pillar 5: Bar Examination

The Council of Legal Education develops its annual work plans based on the above 5 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Council of Legal Education achieved its performance targets set for the FY 2019/2020 period for its 3 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Quality Legal Education	To enhance the legal education Regulatory and Licencing Framework	Legal Education Providers licence maintained	Conduct quality audits in nine (9) Legal Education Providers	Thirteen (13) quality audits conducted
		Legal Education Providers licenced	Conduct inspections in ten (10) Legal Education Providers	Eight (8) inspections conducted
		Seventeen (17) annual reports reviewed	Review annual reports from seventeen (17) licensed legal education providers	Achieved
		Conference on legal education	Organize a conference on legal education and training	Not achieved due to Government ban on travel
		Published status of legal education providers twice in the Financial Year	Publish status of legal education providers twice a year in Kenya Gazette or in at least one (1) newspaper with nation-wide circulation	Achieved



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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
		Developed ATP Program Curriculum developed by 30 th June, 2021	Develop the ATP Programme Curriculum	Partially achieved. A Consultant was appointed and the curriculum should be ready by end of August 2021.
		Validated Bar Program Curriculum validated by 30 th June, 2021	Validation of the Bar Curriculum	Not achieved due to Government ban on gatherings of not more than 15 people
Pillar 2: Bar Examination	To develop and administer structures and systems that assure credible and verifiable Bar Examination	Develop the ATP Examination Policy By 31 st March, 2021	Develop the ATP Examination Policy	Partially achieved. It's in a draft format.
		Developed drafts ATP Examination Regulations by 30 th June, 2021	Develop drafts Bar Examination Regulations and submit them to the Attorney General's office	Partially achieved. The regulations were developed and still in the draft format.
		<p>Number of trained invigilators in July and November 2019</p> <p>Number of trained Markers in July and November, 2019</p> <p>Number of trained Setters</p>	<p>Conduct capacity building on best practices in the Bar Examination administration for the following:</p> <p>a) 40 Invigilators in the 2nd Quarter FY 2020/2021 and 70 invigilators in the 4th Quarter</p> <p>b) 24 Markers in the 2nd Quarter FY 2020/2021 and 45 invigilators in the 4th Quarter</p>	<p>One ATP examination administered in April 2021. 118 invigilators trained.</p> <p>One ATP examination administered in April 2021. 48 Markers trained.</p>



COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
		in February, 2021	Train 27 setters	The Council did not administer ATP Exams in 2020. The setting had been done in February of 2020.
		Number of Candidates	Administer Bar Examination to 3,900 candidates	Administered to 3,987 Candidates
		Time taken to process examination results	Release Bar Examination results within 2 ½ months after administering the Bar Examination	One ATP examination administered in June, 2021. Marking done in July 2021.
		100% Candidates gazetted	Submit for gazettement all qualifying Candidates for admission to the Roll of advocates within 1 month	Gazetted 497 candidates for admission into the Roll of Advocates
Pillar 3: Corporate Image	Promote positive corporate image and enhance CLE visibility	Enhance visibility	Enhance CLE visibility in collaboration with HELB at the Kenya School of Law	HELB Fund launched for the April 2021 ATP exams
		2019/2023 CLE Strategic Plan	Develop CLE Strategic Plan 2019/2023 that is aligned to the MTP III and the “Big Four” Agenda	Achieved
		CLE and CUE collaboration	Identify the areas of collaboration between CLE and CUE	Achieved
		Publicize the ATP HELB scheme	In partnership with Higher Education Loans Board (HELB)	Achieved



COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
			publicize ATP Education Loans Scheme to benefit ATP Examination Candidates	



COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
CORPORATE GOVERNANCE STATEMENT

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

At the Council of Legal Education, the Board places a high degree of importance on maintaining a sound control environment and applying the highest standards of business integrity and professionalism in all areas of the Councils activities.

The Board is responsible for the governance of the Council Legal Education and conducts the business and operations of the Council with integrity and in accordance with the generally accepted corporate practices based on transparency, accountability and responsibility.

The Board has an approved Council Charter to guide the operation and conduct of council matters.

Council members are appointed as set out in the Legal Education Act, 2012 Section 4 and functions of Council of Legal Education are set out in Legal Education Act Section 8.

The Council has appointed various standing Committees to which it has delegated responsibilities with the Chairmen of the Committees reporting to it. The composition of the standing Committees are as follows;

Finance and General-Purpose Committee

The Committee is charged with the responsibility of ensuring that Council funds are prudently utilized and in line with the core functions and Council's Strategic Plan. The Committee also considers staff administrative matters to ensure they are within the law. It develops and reviews policies that will help the Council attract and retain highly qualified competent staff. ICT, procurement and any other general matters are adjudicated by this Committee.

The Committee members are:

- | | | |
|-----------------------------|-------------|--------------------------------------|
| 1. Dr. Maurice Ajwang Owuor | - Chair | - retired 14 th June 2021 |
| 2. Ms. Rita Njiru | - Member | |
| 3. Mr. Eric Gumbo | - Member | |
| 4. Dr. J. K. Gakeri | - Secretary | - resigned |
| 5. Dr. Wambua Kituku | - Secretary | |

Quality Assurance and Compliance Committee

The core mandate of the Council is to regulate, licence and supervise legal education providers. This is the Committee responsible for assurance and maintenance of quality in legal education and training. The Committee evaluates legal education programmes, assesses capacities of Legal Education providers, and inspects the legal education providers to ascertain capacity and compliance to the set standards.



COUNCIL OF LEGAL EDUCATION

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

The Committee members are:

- | | | | |
|----|--------------------------------------|-------------|------------|
| 1. | Ms. Diana Sawe | - Chair | |
| 2. | Hon. (Dr.) Justice Smokin C. Wanjala | - Member | |
| 3. | Ms. Mary Njuya | - Member | |
| 4. | Mr. George Nyakundi | - Member | |
| 5. | Dr. J. K. Gakeri | - Secretary | - resigned |
| 6. | Dr. Wambua Kituku | - Secretary | |

Examination Committee

The Examination Committee was established in 2015/16 Financial Year to administer the policy and procedures established by Council for the ATP Examination. The Committee ensures that ATP Examination Candidates are examined in accordance with the regulations, consider examination results and authorize gazetting of candidates who have met the requirements to be admitted to the Roll of Advocates.

The Committee members are:

- | | | | |
|----|--------------------------------------|-------------|--------------------------------------|
| 1. | Mr. Eric Gumbo | - Chairman | |
| 2. | Dr. Maurice Ajwang Owuor | - Member | - retired 14 th June 2021 |
| 2. | Hon. (Dr.) Justice Smokin C. Wanjala | - Member | |
| 3. | Ms. Mary Njuya | - Member | |
| 6. | Dr. J. K. Gakeri | - Secretary | - resigned |
| | Dr. Wambua Kituku | - Secretary | |

Audit, Risk and Governance Committee

The Committee is mandated to review all matters related to Audit, Quality Assurance of systems and processes at the Council and risk management. The Committee gives guidance on internal audit queries raised with management and external auditors of the Council. The Committee reviews established systems to ensure that there are adequate internal controls, as well as compliance with the law and approved policies.

The members of the Committee are:

- | | | | |
|----|---------------------|-------------|--------------------------------------|
| 1. | Dr. Elizabeth Muli | - Chairman | - retired 14 th June 2021 |
| 2. | Mr. George Nyakundi | - Member | |
| 3. | Ms. Diana Sawe | - Member | |
| 4. | Ms. Rita Njiru | - Member | |
| 5. | Internal Auditor | - Secretary | |



COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
COUNCIL MEETING ATTENDANCE

Meetings held by the Council and Committees (1 July 2020 to 30 June 2021)

Council/ Committee	Number of Meetings held
Council	9
Finance and General-Purpose Committee (FGPC)	6
Quality Assurance and Compliance Committee (QACC)	6
Examination Committee (EC)	6
Audit, Governance and Risk Committee (AGRC)	4

Summary of attendance in meetings

Council Member	Date of Appointment	Council Meetings		FGPC		QACC		EC		AGRC		Total Meetings	
		App	Att	App	Att	App	Att	App	Att.	App	Att.	App	Att.
Hon. Prof. Githu Muigai, ECH, SC - Retired	18 th April 2018	6	5	0	0	0	0	0	0	0	0	6	5
Mr. Eric Gumbo	17 th February 2020	9	5	6	6	0	0	6	4	0	0	21	15
Dr. Elizabeth Muli - Retired	5 th June 2018	9	5	0	0	0	0	0	0	4	4	13	9
Dr. Maurice Ajwang Owuor - Retired	5 th June 2018	9	5	6	6	0	0	6	6	0	0	21	17
Ms. Diana Sawe	17 th July 2018	9	8	0	0	6	4	0	0	4	3	19	15
Ms. Rita Njiru	17 th September 2019	9	7	6	6	0	0	0	0	4	4	19	17
Ms. Mary Njuya	13 th June 20129	9	8	0	0	6	6	6	6	0	0	21	20
Mr. George Nyakundi	20 th May 2019	9	8	0	0	6	5	0	0	4	4	19	17



COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Hon. (Dr.) Justice Smokin C. Wanjala	23 rd January 2020	9	8	0	0	6	4	6	6	0	0	21	18
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App. - Applicable

Att. - Attended

Note

Applicable refers to the number of meetings members were eligible to attend during the period.
Attended refers to the number of meetings members attended during the period.

The Council members are paid sitting allowances and other allowances which are included in the Council Allowances and Expenses detailed on note 11 in this Annual Report and Financial Statements for the year ended June 30, 2021.



COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
MANAGEMENT DISCUSSION AND ANALYSIS

Quality Assurance and Licencing Department

During the Financial Year Council conducted thirteen (13) legal audit and eight (8) Inspections towards licensing legal educations providers. Legal education institutions inspected included:

No.	Institution	Date of Inspection	Programme	Licencing Status
1	Kenya School of Law	13 th November, 2020 (virtual)	Diploma in Law	Application under review
2	Mount Kenya University	19 th November, 2020 (virtual)	LL.M	Licenced to 2026
3	Riara University	17 th November, 2020 (virtual)	LL.B	Licenced to November 2021
4	Catholic University of East Africa	30 th November, 2020 (virtual)	LL.B	Licenced to September 2021
5	Egerton University	3 rd December, 2020 (virtual)	LL.B	Licenced to 2026
6	Strathmore University	7 th December, 2020	LL.M	Licenced to 2024
7	Kenyatta University	11 th December, 2020	LL.B	Licenced to December 2021
8	Chuka University	18 th February, 2021 (on the site)	LL.B	Licenced to 2025
9	Kabarak University	1 st April, 2021 (virtual)	LL.B	Licenced to 2026
10	Egerton University	19 th May, 2021 (virtual)	LL.B	Licenced to 2026
11	Africa Nazarene University	21 st May, 2021 (on the site)	LL.B	Licenced to 2025
12	Umma University	3 rd June, 2021 (on the site)	LL.B	Licenced to 2025
13	Moi University	30 th June, 2021	LL.B	Licenced to 2025

In 2020/2021 Financial Year, Council successfully conducted Audit in the following institution:

No.	Institution	Date of Audit	Programme	Licencing Status
1	Umma University	24 th September, 2020 (on the site)	LL.B	Licenced to 2025
2	UoN, Parklands Campus	3 rd November, 2020 (virtual)	LL.B	Licenced to 2025
3	Moi University	11 th November, 2020 (virtual)	LL.B	Licenced to 2025
4	Chuka University	28 th October, 2020 (virtual)	LL.B	Licenced to 2025
5	Africa Nazarene University	16 th November, 2020 (virtual)	LL.B	Licenced to 2025
6	Mount Kenya University	4 th March, 2021 (virtual)	LL.M	Licenced to 2026
7	Egerton University	3 rd June, 2021 (virtual)	LL.B	Licenced to 2026
8	Kabarak University	10 th June, 2021 (virtual)	LL.B	Licenced to 2026



COUNCIL OF LEGAL EDUCATION

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

The department also received and processed thirty-one (31) application for foreign qualification.

The department also reviewed annual reports from seventeen (17) Licenced Legal Education providers as listed below: -

1. Kabarak University
2. Catholic University of Eastern Africa
3. Kenya Institute of Management
4. University of Embu
5. Daystar University
6. Riara University
7. Kenyatta University
8. University of Nairobi - Parklands
9. University of Nairobi - Mombasa
10. University of Nairobi - Kisumu
11. Egerton University
12. Jomo Kenyatta University of Agriculture and Technology
13. Africa Nazarene University
14. Kisii University
15. Strathmore University
16. Mt. Kenya University
17. Africa Nazarene University

Bar Examination Department

During the year 2020/2021, Council administered Bar Examination to 3,987 candidates in June 2021, while 497 candidates qualified for gazetted and admission to the Roll of advocates.

Finance, Planning and Administration Department

ISO Certification

The Council of Legal Education is still under the ISO 9001:2015 Certification. The second Surveillance Audit took place on 1st April 2021. In the financial year 2021/22, Council is supposed to undergo a Re-Certification Audit by the Kenya Bureau of Standards (KEBS).

Bar Examination Loan (BEL)

During 2020/2021 FY, Council in partnership with HELB facilitated application and disbursement of Bar Examination Loan (BEL). During the year in perspective, Council remitted Ksh 20 M. (Twenty million) which revamped the fund kitty to a total of Ksh 100 M. (One Hundred million). This is a fund created to assist needy students. In the FY 2020/2021, 248 students benefited from the fund.



COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Performance Contract

The Performance Contract for the FY 2020/2021 was developed, negotiated and vetted online, as no physical meeting were being held due to the COVID-19 pandemic in compliance to protocols put in place by the Government.

Council rated “Good” in the 2019/2020 Performance Contract Evaluation.

Financial performance

2019/2020

In the period under review, the Council’s revenue reduced from **Kshs.382.2 Million** in 2018/2019 to **Kshs.369.4 Million** in 2019/2020. This is attributed to a decrease of Government of Kenya subvention which reduced from **Kshs.210.5 million** in 2018/2019 to **kshs.198.9 million** in 2019/2020.

Total recurrent expenditure reduced from **Kshs. 321.3 million** in 2018/19 to **Kshs.286.8 Million** in 2019/2020. This reduction is attributed to the Government directives on austerity measures to reduce expenditure and Government ban on planned activities due the outbreak of COVID-19 pandemic.

The Council’s total asset base reduced from **Kshs. 524.8 Million** in 2018/2019 to **Kshs.367.4 Million** in 2019/2020 financial year. Non-current assets went down by 33% from **Kshs. 43.1 million** to **shs. 28.8 million**.

2020/2021

In the period under review, the Council’s revenue reduced from **Kshs.369.4 Million** in 2019/2020 to **Kshs.314.9 Million** in 2020/2021. This is attributed to a decrease of Government of Kenya subvention which reduced from **Kshs.198.9 million** in 2019/2020 to **kshs.181.4 million** in 2020/2021. The Council did not achieve the budgeted A-I-A due to administration of only one ATP examination 2020/2021 as opposed to administration of two ATP examinations in 2019/2020.

Total recurrent expenditure reduced from **Kshs. 286.8 million** in 2019/20 to **Kshs.245.5 Million** in 2020/2021. This reduction is attributed to the Government directives on austerity measures to reduce expenditure and Government ban on planned activities due the outbreak of COVID-19 pandemic.

The Council’s total asset base increased from **Kshs. 367.4 Million** in 2019/2020 to **Kshs.569.9 Million** in 2020/2021 financial year. Non-current assets went down by 34% from **Kshs. 28.8 million** to **shs. 19.0 million** due to depreciation.

Information Communication Technology

A vendor was contracted to develop and operationalize the Enterprise Resource Planning System, the firm is still on site to ensure the staff are trained and the System is working as planned. Currently the system is on “go live” and at the final stages of implementation.

The Examination Department was able to use the Examination module in the system for the June 2021 ATP Examination registration.



COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Procurement

The section facilitated the procurement of goods and services required by user departments while complying with the Procurement Laws and Regulations.

Training / Conferences

Council has and will continue making tremendous improvements in several other areas which include reviewing of service delivery systems, risk management, enhancing the capacity of human resource, providing conducive working environment, strengthening of ICT infrastructure, review of institutional, legal and regulatory framework.

The Council facilitated attendance of trainings and conferences both physically and virtually for the Staff Members during the year under audit.

Staff Medical Scheme

Human Resource facilitated the procurement of staff medical scheme with Jubilee Insurance. The section continues to monitor and facilitate utilization of the scheme.

Internship

In 2020/2021 Council continues to provide 1-year internship opportunities to students who wish to gain practical experience in their areas of study. Council provided one (1) internship during the year under review.

Council of Legal Education compliance with statutory requirements

During Financial Year 2020/2021 Council of Legal Education has complied with statutory requirements. Where Council has not remitted statutory deductions to the agencies, provisions for payables have been provided as per the accounting policies and the International Public-Sector Accounting Standards (IPSAS).



**COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

Key projects and investment decisions Council of Legal Education is planning/implementing

Council is still in the process of implementing one project in the Financial Year 2020/2021 namely the Enterprise Resource Planning System.

Major risks facing Council of Legal Education

Risks

Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk arises from bank balances, trade receivables and amounts due from related parties. The Council's management assesses the credit quality of each customer, taking in to account its financial position, past experience and other factors.

Interest rate risk

The Council's interest rate risk arises from investments in short term deposits and Government securities. Council has not invested in short term deposits or Government securities hence this risk has not crystalized.

Price risk

The Council does not hold investments that would be subject to price risk; hence this risk is not relevant

Liquidity risk management

Liquidity risk is the risk that the Council will not be able to meet its financial obligations when they fall due. The Council's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or at the risk of damaging reputation. The Council ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

Material arrears in statutory/financial obligations

Council of Legal of Legal education is up to date in remitting its statutory and financial obligations. Council closed the year with a few payables but nil pending bills.

COVID-19 Pandemic Risk

COVID-19 Pandemic has impacted greatly on the delivery of the Councils mandate. The Council had to scale down on the number of staffs attending to matters physically at the CLE offices as per the Government directives. The activities of the Council were greatly affected and this lead to non-achievement of some of the Performance Contract targets, the registration for the ATP examination that was planned for September 2020 was cancelled due to social distancing and Government directive on gathering of not more than 15 people.



COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

5. Corporate Social Responsibility / Community Engagements -

The Council planted 260 seedlings on a 1-hectare piece of land in the Ngong forest assisted by Staff from the Kenya Forest Service. Council is responsive to societal needs in the environment in which it operates. Below is photo of the Director QCL and the Accountant planting and watering trees in Ngong forest.



**COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**





**COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
REPORT OF THE COUNCIL MEMBERS**

The Council submits this report together with the financial statements for the year ended June 30, 2021 which show the state of the Council of Legal Education affairs.

Principal activities

Council of Legal Education was established by Legal Education Act No 27, of 2012. The principal activities of the Council as per Legal Education Act No. 27 of 2012 section 6 are:

- i) Regulate legal education and training in Kenya;
- ii) Accredite and licence legal education providers
- iii) Supervise legal education providers
- iv) Harmonisation of legal education programmes
- v) Advice Government on Legal Education and Training
- vi) Recognize and approve qualifications obtained outside Kenya for purpose of admission to the roll
- vii) Administer professional examination prescribed under section 13 of Advocates Act

Results

The Financial statements of the Council of Legal Education for the year ended June 30, 2021 are set out on page 1 to 38.

Council Members

The members of Council who served during the year are shown on page iv to x. During the year one (1) Council Member was nominated to CLE Council while the Chair and other two (2) Council Members retired. The Council Members attended a Mwongozo training facilitated by SCAC (State Corporation Advisory Committee) in November 2020 and February 2021.

Surplus remission

In accordance with Regulation 219 (2) of the PFM Act Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the year end of each financial year. The Council of Legal Education did not remit any surpluses in FY 2020/2021.

Auditors

The Auditor General is responsible for the statutory audit of the Council of Legal Education in accordance with Article 229 of the Constitution of Kenya, 2010, Public Audit Act 2015.

By Order of the Council

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

Date.....



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

Section 81 of the Public Finance Management Act, 2012 and section 28 of the Legal Education Act, 2012 requires Council to prepare financial statements in respect of the Council of Legal Education, which give a true and fair view of the state of affairs of the Council of Legal Education at the end of the financial year and the operating results of the Council of Legal Education for that year. The Council is also required to ensure that the Council of Legal Education keeps proper accounting records which disclose with reasonable accuracy of the financial position of the Council of Legal Education. The Council is also responsible for safeguarding the assets of the Council of Legal Education.

The Board is responsible for the preparation and presentation of the Council of Legal Education's financial statements, which give a true and fair view of the state of affairs of the Council of Legal Education for year ended on June 30, 2021. This responsibility includes:

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

The Board accepts responsibility for the Council of Legal Education Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public-Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012, the State Corporations Act and Legal Education Act, 2012. The Council is of the opinion that the Council of Legal Education's financial statements give a true and fair view of the state of Council's transactions during the financial year ended June 30, 2021, and of the Council of Legal Education's financial position as at that date. The Council further confirm the completeness of the accounting records maintained for the Council of Legal Education, which have been relied upon in the preparation of the Council of Legal Education's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board to indicate that the Council of Legal Education 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 Council of Legal Education's Financial Statements were approved by Council on _____ and signed on its behalf by:

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

Secretary/
Council of Legal Education
P. O. Box 829 - 00502, Karen
NAIROBI, Kenya

Dr. Wambu Kituku
Secretary/CEO
COUNCIL OF LEGAL EDUCATION



COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The Council of Legal Education exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on 5 pillars: putting the customer/Citizen first, delivering relevant services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

Sustainability strategy and profile -

1. The Council is committed to achieving service levels that meet the expectations of our client. The council undertakes to institute programmes that will ensure that clients receive quality consistent and reliable services. Council will implement processes to manage client complaints and provide feedback promptly and sensitively. Some of the sustainability strategies put in place by the Council include diversification of Exam Centres and offering more than one exam series.
2. **Environmental performance**
The Council is committed to providing a safe, fair and stimulating work environment that empowers employees to make a meaningful contribution to the organisations performance development, and offers challenging and rewarding opportunities for personal and professional growth. The council recognizes the importance of attracting and retaining the best staff.
3. **Employee welfare**
The Council is an Equal Opportunities Employer, which promotes diversity and does not discriminate on grounds of gender, ethnicity, religion, sexual orientation or physical ability. The Council has developed a draft Safety, Health and Environment Policy in compliance with OSHA Act of 2007 and this is still awaiting the approval of the Board. The Council is implementing the skill gaps analysis report guides in employees' trainings and development. The Council has also committed to the growth of all professionals by paying their yearly subscription to the different professional bodies. During the Financial Year 2020/2021, the Council received the approved HR instruments developed as guided by SCAC. This was implemented with effect from 2nd April 2021.
4. **Market place practices-**
 - a) The Council has put in place mechanism and awareness programs to combat any corruption activities. The Council does not engage in any political involvement
 - b) The Council maintains a list of registered suppliers from whom opportunities are given to. The AGPO affirmative is also undertaken by the Council strictly. The credit period is usually one month.
 - c) The Council is responsible in its advertisement-outline efforts to maintain ethical advertising practices. The Council mainly advertises through the Ministry of Information under the My-Gov initiative.



**COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON COUNCIL OF LEGAL EDUCATION FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and 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 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.

Qualified Opinion

I have audited the accompanying financial statements of the Council of Legal Education set out on pages 1 to 44, which comprise of the statement of financial position as at 30 June, 2021 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Council of Legal Education as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Legal Education Act, 2012 .

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

- (i) The statement of cash flows reflects an increase in trade and other payables from non-exchange of Kshs.40,193,583 against a recasted amount of Kshs.47,662,697 resulting in an unreconciled variance of Kshs.7,469,114.
- (ii) The statement of cash flows reflects transfer to car and mortgage reserve amounting to Kshs.12,093,800 while the corresponding Note 28 to the financial statements reflects a balance of Kshs.57,093,800 resulting in an unexplained variance of Kshs.45,000,000.
- (iii) The statement of changes in net assets and statement of cash flows reflects prior year adjustment of Kshs.802,750. However, the details of the misstatement and the supporting documentation in respect of the adjustment were not provided for audit review.
- (iv) The statement of changes in equity reflect a capitalization of the Bar Examination Loan balance of Kshs.80,000,000 while Note 19 to the financial statements indicated an amount of Kshs.100,000,000 resulting into an unexplained difference of Kshs.20,000,000.

In the circumstances, the validity, accuracy and completeness of the account items and balances mentioned above in the financial statements could not be confirmed.

2. Unreconciled Revenue from Non-Exchange and Exchange Transactions

As disclosed in Notes 6 and 7 to the financial statements, the statement of financial performance reflects under revenue from non-exchange transactions - transfers from other Government units of Kshs.181,412,249 and revenue from exchange transactions of Kshs.133,493,750 all totalling Kshs.314,905,999. However, the financial statements of the State Law Office and Department of Justice for the year ended 30 June, 2021 reflects an amount of Kshs.312,578,249 in respect of transfer to the Council for Legal Education, resulting in an unreconciled variance of Kshs.2,327,750.

In the circumstances, the accuracy and completeness of the revenue from non-exchange and exchange transactions totalling Kshs.314,905,999 could not be confirmed.

3. Unsupported Repairs and Maintenance Costs

As disclosed in Note 11 to the financial statements, the statement of financial performance reflects repairs and maintenance costs of Kshs.1,079,015. The costs includes an expenditure of Kshs.643,984 in respect of motor vehicle repair which were not supported by procurement documents including pre and post inspection reports on the defects on the vehicle.

In the circumstances, the validity and propriety of the expenditure totalling Kshs.643, 984 could not be confirmed.

4. Unsupported Refundable Deposit

As previously reported, the statement of financial position reflects trade and other payables from non-exchange balance of Kshs.78,564,307 which, as disclosed in Note 22 to the financial statements, includes an amount of Kshs.1,827,267 relating to refundable deposits. However, schedules provided for audit describes the amount as credits in bank not in cash book which have remained outstanding since the financial year 2015 and have not been reconciled to date.

In the circumstances, accuracy and existence of refundable deposit balance of Kshs.1,827,267 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual reflects actual receipts of Kshs.314,905,999 against the final receipt budget of Kshs.310,112,249 resulting in excess receipts of Kshs.4,793,750. The final recurrent expenditure budget was Kshs.310,112,249 against the actual expenditure of Kshs.245,499,981, resulting in an under expenditure of Kshs.64,612,268 or 21% of the approved budget.

The under expenditure may have impacted negatively on service delivery to public.

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. Irregular Insurance Expenditure

The Management spent an amount of Kshs.792,997 on insurance expenses sought from five (5) service providers in the financial year under review. However, the service providers were not in the prequalified list contrary to Section (95)(3) of the Public Procurement and Asset Disposal Act, 2015 which states that a procuring entity shall invite tenders from only the approved persons who have been pre-qualified.

Consequently, Management was in breach of the law.

2. Underpayment of House Allowance

As disclosed in Note 9 to the financial statements, the statement of financial performance reflects employees costs of Kshs.94,451,803 out of which an amount of Kshs.11,275,031 relates to house allowance paid to the Council's Staff. However, it was observed that the members of staff were paid house allowances which were below the recommended rates as per Salaries and Remuneration Commission (SRC) Circular Ref.022/12/2015 on review of allowances in the Public Service dated 10 December, 2014 as analyzed below:

CLE Equivalent Grade	Civil Service Grading Job Group	Recommended House Allowance Rates by SRC Kshs	House Allowance Rates as per CLE Payroll Kshs	Variance Kshs
CLE 4	R	50,000	40,000	10,000
CLE 5	P - Q	45,000	40,000	5,000
CLE 6	N	35,000	24,000	11,000
CLE 7	L and M	28,000	20,000	8,000
CLE 8	K	16,500	10,000	6,500
CLE 9	J	10,000	6,000	4,000
CLE 10	J	10,000	6,000	4,000

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

3. Non-implementation of E-procurement

During the year under review, the Council had not implemented E-Procurement contrary to Executive Order No.2 of 2018. Further, the Council has been using Quick books for financial management and manual procurement system.

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

4. Delayed Completion of an Enterprise Resource Planning (ERP) System

The Council contracted a local company for the supply delivery, installation, testing a software at a contract price of Kshs.6,425,060 for a period of twelve (12) months and the project commenced on 13 January, 2020. Audit review in the month of January, 2022, one year after expiry of the contract period, revealed that the contractor had been paid in full while the project was still in progress without proof of a valid extension. This is contrary to Section 68(2d) of Public Finance Management Act, 2012 which provides that in performance of a function, an Accounting Officer shall ensure that all contracts entered into by the entity are lawful and are complied with.

In the circumstances, the value for money on this Project may not have been obtained.

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, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Inadequate Staffing

Review of staff establishment revealed that the Council had thirty-five (35) employees against an establishment of sixty-five (65) employees resulting in a deficit of thirty (30) personnel.

In the circumstances, adequacy of segregation of duties and effective service delivery to the stakeholders could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires that I plan and perform the audit to obtain assurance about whether processes and systems of internal controls, 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 Members

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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Council's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Council or to sustain 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 Members are responsible for overseeing the Council's financial reporting process, reviewing the effectiveness of how the 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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit

report. However, future events or conditions may cause the Council to terminate or 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 Council to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

22 July, 2022



COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020/2021	2019/2020
Revenue from non-exchange transactions		Kshs.	Kshs.
Transfers from governments	6	181,412,249	198,960,000
		181,412,249	198,960,000
Revenue from exchange transactions			
Rendering of services	7	133,493,750	170,425,350
Other Income	8	-	-
		133,493,750	170,425,350
Total revenue		314,905,999	369,385,350
Expenses			
Employee costs	9	94,451,803	97,916,384
Council Allowances and Expenses	10	7,535,420	4,987,688
Repairs and Maintenance	11	1,079,015	1,411,645
Use of Goods and Services	12	68,896,179	55,993,897
ICT Related Costs	13	7,978,642	7,085,159
Examination Related Costs	14	52,750,767	57,821,218
Depreciation and amortization	15	12,808,155	21,602,304
Transfer Higher Educations Loans Board - Bar Examination Loan	19	-	40,000,000
Total expenses		245,499,981	286,818,295
Surplus before tax		69,406,018	82,567,055
Net Surplus/(Deficit) for the Year		69,406,018	82,567,055
Attributable to:			
Surplus/(deficit)		69,406,018	82,567,055

The notes set out on pages 8 to 34 form an integral part of the Financial Statements.

The financial Statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:

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

CPA Ednah K. Oyori
Manager Finance
& Accounts
ICPAK M/No.11607
Council of Legal Education

Prof. Githu Muigai,
SC, EGH
Chairman
Council of Legal
Education

Date.....

Date.....

Date.....



COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021

	Notes	2020/2021	2019/2020
		Kshs.	Kshs.
Assets			
Current assets			
Cash and cash equivalents	16	445,158,378	330,044,863
Inventories	17	4,632,018	6,289,781
Receivables from non-exchange transactions	18	1,155,045	2,333,209
Total Current Assets		450,945,441	338,667,853
Other Assets			
Bar Examination Loan	19	100,000,000	-
		100,000,000	-
Non-current assets			
Property, plant and equipment	20	19,004,618	28,736,059
Intangible Assets	21	929	50,924
Total Non-Current Assets		19,005,547	28,786,983
Total assets		569,950,988	367,454,836
Liabilities			
Current liabilities			
Trade and other payables	22	78,564,307	30,901,610
Employee benefit obligation	23	-	533,114
Deferred Income	24	973,000	7,909,000
Provision for Audit fees	25	1,200,000	1,200,000
Total Current Liabilities		80,737,307	40,543,724
Non-current liabilities			
Total Non-Current Liabilities		80,737,307	40,543,724
Net assets			
Accumulated Surplus		315,188,185	326,911,108
Capitalization of the Bar Examination Loan	19	80,000,000	-
Asset Replacement Reserve	27	36,931,696	-
Car Loan & Mortgage Reserve	28	57,093,800	-
Total Net Assets		489,213,681	326,911,108
Total Net Assets and Liabilities		569,950,988	367,454,836

The Financial Statements set out on pages 1 to 7 were signed on behalf of the Council by:

Secretary
Council of Legal Education
Box 829 - 00100 Nairobi Kenya

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

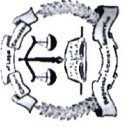
 CPA Ednah K. Oyori
 Manager Finance
 & Accounts
 ICPAK M/No. 11607
 Council of Legal Education

 Prof. Githu Muigai,
 SC, EGH
 Chairman
 Council of Legal Education

Date.....

Date.....

Date.....



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

		Accumulated surplus	Asset Replacement Reserve	Car Loan & Mortgage Reserve	Capitalization of the Bar Examination Loan	Total
		Kshs	Kshs	Kshs	Kshs	Kshs
Changes in Equity for the year 2020/2021						
Balance as at 1 st July 2020		326,911,108	-	-	-	326,911,108
Capitalization of the Bar Examination Loan	19	-	-	-	80,000,000	80,000,000
Asset Replacement Reserve (transfer from surplus)	27	-36,931,691	-	-	-	-36,931,691
Car & Mortgage Reserve	28	-45,000,000	-	-	-	-45,000,000
Asset Replacement Fund		-	36,931,696	-	-	36,931,696
Car Loan & Mortgage Reserve		-	-	57,093,800	-	57,093,800
Prior Year Adjustment	29	802,750	-	-	-	802,750
Surplus/(deficit) for the period		69,406,018	-	-	-	69,406,018
Balance as at 30 June 2021		315,188,185	36,931,696	57,093,800	80,000,000	489,213,681
Balance as at 1st July 2019						
Surplus/(deficit) for the period		459,344,053	-	-	-	459,344,053
Surplus Remission to the National Treasury and Planning		82,567,055	-	-	-	82,567,055
		-215,000,000	-	-	-	-215,000,000
Balance as at 30th June, 2020		326,911,108	-	-	-	326,911,108



COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020/2021	2019/2020
Cash generated from operations		Kshs.	Kshs.
Surplus for the year before tax		69,406,018	82,567,055
Adjusted for:			
Depreciation and Amortization	15	12,808,155	21,602,304
Working capital adjustments:			
(Increase) /Decrease in inventory	17	1,657,763	(3,351,360)
(Increase)/Decrease in receivables	18	1,178,164	(786,499)
Transfer to HELB Loan Fund	19	(20,000,000)	-
Increase/(Decrease) in Current Liabilities	22	40,193,583	(24,981,155)
Transfer to Car & Mortgage Reserve	28	12,093,800	-
Prior Year Adjustment	29	802,750	-
Net cash flows from operating activities	26	118,140,233	75,050,346
Cash flow from investment activities			
Purchase of Property Plant and Equipment	20	(3,026,718)	(7,243,317)
Net Cash flow used in investment activities		(3,026,718)	(7,243,317)
Net cash flows used in financing activities		-	(215,000,000)
Net increase in Cash and Cash Equivalents		115,113,515	(147,192,971)
Cash and Cash Equivalent as at 1st July 2020		330,044,863	477,237,835
Cash and Cash Equivalent as at 30th June 2021	16	445,158,378	330,044,863

The Financial Statements set out on pages 1 to 7 were signed on behalf of the Council by:

Secretary/ CEO
Council of Legal Education
P.O. Box 829 - 00502, Karen
NAIROBI, Kenya

Dr. Wambua Kituku

CPA Ednah K. Oyori

Prof. Githu Muigai,
SC, EGH
Chairman

Secretary/Chief Executive Officer

Manager Finance and
Accounts

Council of Legal Education

ICPAK M/No. 11607
Council of Legal Education

Council of Legal
Education

Date.....

Date.....

Date.....



COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED 30 JUNE 2021

Income estimates	Original budget 2020-2021 Kshs '000	Adjustments 2020-2021 Kshs '000	Final budget 2020-2021 Kshs '000	Actual on comparable basis 2020-2021 Kshs '000	Performance difference 2020-2021 Kshs '000	% of Utilization
GoK Grants - Recurrent	181,412,249	-	181,412,249	181,412,249	-	-
A-I-A (Accreditation fees)	2,640,000	560,000	3,200,000	3,200,000	-	-
Examination Fees	165,150,000	(40,650,000)	124,500,000	129,823,700	5,323,700	-4
Foreign Qualification Equation	2,310,000	(1,310,000)	1,000,000	470,050	(529,950)	53
Other Income	-	-	-	-	-	-100
Total Income	351,512,249	(41,400,000)	310,112,249	314,905,999	4,793,750	
RECURRENT EXPENDITURE						
Employee Costs	144,881,206	(44,983,519)	99,897,687	94,451,803	5,445,884	5
Repairs and Maintenance Expense	1,663,028	(732,831)	930,197	1,079,015	148,818	-16
Depreciation and Amortization Expense	-	-	-	12,808,155	12,808,155	-100
Use of Goods and Services	83,408,625	5,711,952	89,120,577	68,896,179	20,224,398	23



COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Council Allowances and Expenses	12,500,000	(1,004,918)	11,495,082	7,535,420	3,959,663	34
ICT Related Costs	18,300,000	(3,108,432)	15,191,568	7,978,642	7,212,926	47
Bar Examination Costs	70,759,390	2,717,748	73,477,138	52,750,767	20,726,371	28
Legal Education Bursary Fund	20,000,000	-	20,000,000	-	20,000,000	100
Total Recurrent Budget	351,512,249	(41,400,000)	310,112,249	245,499,981	64,612,268	
Surplus/(Deficit)	-	-	-	69,406,018		



COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Budget notes:

The budget was revised by the Council when it was noted that only one ATP Examination series could be administered to incorporate the reduction in the collection of A-I-A.

- a. Examination fees - In any given financial year, the Council administers two (2) ATP examination series. Due to the Government protocols on Covid-19 pandemic, the Council only administered one (1) ATP exams and the final budget was adjusted to include the changes. The actual collection of A-I-A was oversubscribed as Candidates from previous sitting also registered for the exam.
- b. Foreign Qualification Equation - Only 47 students sought the Foreign Equation Qualification in the FY. A reallocation was done to reduce the expected collection as the number of qualifications are reducing.
- c. Depreciation and amortization expense - This is a non-cash item that is not budgeted for in the year.
- d. Use of Goods and Services - This was due to the austerity measures instituted by the Council in the FY for most of the costs that constitute General Expenses, in view of the reduced revenue.
- e. Council allowances and expenses - Council was meant to attend trainings but could not manage due to the Covid-19 protocols instituted by the Government on travel.
- f. ICT Related Costs - This is due to austerity measures put in place by the Government creating a framework for the purchase of ICT services and goods.
- g. Bar Examination Costs - The Council administered only one ATP examination series in the FY.
- h. Legal Education Bursary Fund - This is a fund created to support needy Candidates to cater for their ATP examination charges. The fund was capitalized as advised by the External Auditors.



COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
NOTES TO THE FINANCIAL STATEMENTS

1. General Information

The Council of Legal Education is established by Legal Education Act No. 27 of 2012 and derives its authority and accountability from the Act. Council of Legal Education is wholly owned by the Government of Kenya and is domiciled in Kenya.

Principal Activity of the Council of Legal Education

- (a) Regulate legal education and training in Kenya offered by legal education providers;
- (b) Licence legal education providers;
- (c) Supervise legal education providers; and
- (d) Advise the Government on matters relating to legal education and training.
- (e) Recognise and approve qualifications obtained outside Kenya for purposes of admission to the Roll.
- (f) Administer such professional examinations as may be prescribed under section 13 of the Advocates Act.

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

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Council of Legal Education accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

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

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

3. Adoption of New and Revised Standards

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2021.



COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Standard	Effective date and impact:
Improvement to IPSAS	<p>Applicable: 1st January 2021:</p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p> <p>(Council of Legal Education not affected by the amendments to the financial statements)</p>

i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p>



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Standard	Effective date and impact:
	<ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>(This will not affect the Council of Legal Education)</i></p>
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <p><i>(This will not affect the Council of Legal Education)</i></p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial</p>



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Standard	Effective date and impact:
	instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued. <i>(This will not affect the Council of Legal Education)</i>

ii. Early adoption of standards

Council of Legal Education did not adopt any new or amended standards in year 2021.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

i) Revenue from Non-Exchange Transactions - IPSAS 23

Fees, taxes and fines

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

Transfers from Other Government Entities

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

ii) Revenue from Exchange Transactions - IPSAS 9

Rendering of Services

The Council recognizes revenue from rendering of services like Licencing fee, Bar examination fees and Foreign qualification fees when the event occurs or by reference to the stage of completion when the outcome of the transaction can be estimated reliably.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Revenue from Students for examination is recognized when the Examination takes place. The fee is allocated to each examination series on a basis which reflects the extent to which services rendered.

Interest Income



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The Council operates two (2) Current bank account with National Bank of Kenya. The Council does not expect to receive any future cash receipts from the current accounts.

b) Budget Information - IPSAS 24

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

Council of Legal Education budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement on financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section *Budget vs Actual* of these financial statements.

c) Taxes

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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 Council recognizes such parts as individual assets with specific



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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 on the year of acquisition.

The annual depreciation rates in use are:

Computer Equipment	33.3%
Intangible Assets	33.3%
Office Equipment	20.0%
Motor Vehicles	20.0%
Furniture and Fittings	12.5%

Council derecognizes items of property, plant and equipment and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset is included in the surplus or deficit when the asset is derecognized. (Disclosure note 15)

e) Intangible Asset

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in non-exchange transactions is their fair value at the date of exchange. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the surplus or deficit in the period in which they were incurred.

Computer software amortization rate is 33.3% per annum (Disclosure note 16)

f) Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A lease is classified as a Finance lease when it transfers substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are



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recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Total payments made under operating leases are charged to the statement of financial performance on a straight-line basis over the period of the lease. When an operating lease is terminated before the expiry of the lease period, any payment required to be made to the lessor by way of penalty is recognized as expense in the year in which termination takes place.

Rentals payable under operating leases are recognized as an operating expense on the straight-line basis over the term of the relevant lease. (Disclosure note 30)

g) Inventories - IPSAS 12

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

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 are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Council.

Consumable stock is valued at cost using weighted average method. (Disclosure note 19)

i) Provisions

Provisions are recognized when Council of Legal Education 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.

Where Council of Legal Education expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.



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The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent Liabilities

The Council of Legal Education does not recognize contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

The Council of Legal Education has four (4) pending cases in Court. Council does not foresee any material outflow of economic resources on the cases in court.

Contingent Assets

The Council of Legal Education does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more future events not wholly within the control of the Council in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statement. If it has become virtually certain that an inflow of economic benefit or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

j) Nature and Purpose of Reserves

Council of Legal Education creates and maintains reserves in terms of specific requirements. Reserves are listed as below

- i) Retained Earnings - this is the sum of all accumulated surplus and deficits as at the reporting date
- ii) Capital Development Reserve - this represents funds set aside by Council for specified capital development
- iii) Bar Education Loan fund reserve - this represents funds set aside for the legal Education Revolving Fund.
- iv) CLE Car Loan and Mortgage Scheme - this represents funds set aside as seed money to operationalize the Scheme once opening of the Bank Account is approved by the National Treasury and Planning.



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k) Changes in Accounting Policies and Estimates - IPSAS 3

The Council recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

l) Employee Benefits - IPSAS 25

i) Retirement benefit Plans

The Council operates a defined contribution pension scheme. The assets of the scheme are held in a separate trustee administered fund, which is funded by contributions from both the Council at 20% and employees at 10% of basic salary. The scheme is managed by Zamara Fanaka Retirement Fund. The Council's contribution is charged as expenses in the year to which they become payable. Currently the Council contributes monthly 31% gratuity to Zamara Fanaka Retirement Fund for CLE Scale 1 and 2.

The Council and its employees also contribute to the National Social Security Fund, a statutory defined contribution pension scheme. The Council's contributions in respect of retirement benefit are charged as expenses in the year to which they become payable.

ii) Short Term Employee Benefits

The cost of short-term employee benefits, such as leave pay, is recognized during the period in which the employee renders related services. (Disclosure note 21)

m) Related Parties- IPSAS 20

The Council of Legal Education regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Council. Council considers the Government (Disclosure in note 6), Council members, and Senior Management as related parties.

n) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short-term cash imprests, petty cash balance and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

o) Comparative Figures

Council of Legal Education was established by the Legal Education Act 2012. It became fully operational as from June 1, 2013, this being the 8th year of operations, comparative figures are for 2020/2021 financial year.



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p) Subsequent events

The Council had budgeted to collect A-I-A amounting to Kshs.170,100,000. With the Government protocols on Covid-19, only one ATP examination was administered and this led to an under collection of Kshs.133,493,750.

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

The preparation of the Council'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.

i) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Council based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Council. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

ii) Useful Lives and residual values

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

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

iii) Provisions

Provisions are raised and management determines an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material. Provision for Audit Fee has been subjected to this treatment.

Provision for bad debt

Council makes provision for bad debt using accounts receivable aging method. An account receivable that is more than two (2) years becomes a doubtful debt.



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2020/2021 2019/2020
Kshs. Kshs.

6. Revenue from non-exchange transactions

Transfer from Government

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year 2020 - 2021	2019-2020
			KShs	KShs	KShs
Office of Attorney General and Department of Justice	181,412,249	-	-	181,412,249	198,960,000
Total	181,412,249	-	-	181,412,249	198,960,000

GOK recurrent and development grants were operational grants from the Government through the Office of Attorney General and Department of Justice disbursed as follows;

	Date	Recurrent	Development	Total
1 st quarter	24/08/2020	45,353,062.25	-	45,353,062.25
2 nd quarter	11/11/2020	45,353,062.25	-	45,353,062.25
3 rd quarter	08/03/2021	5,353,062.25	-	5,353,062.25
4 th quarter	24/06/2021	85,353,062.25	-	85,353,062.25
Total		181,412,249	-	181,412,249

7. Revenue from exchange transactions	2020/2021	2019/2020
Rendering of services	Kshs.	Kshs.
Accreditation fees	3,200,000	3,200,000
Equating Foreign qualification	470,050	640,500
Examination	82,411,000	69,774,050
Resits	47,412,700	80,367,800
Remarks	-	16,443,000
	133,493,750	170,425,350

Council of legal education levies fees for services rendered as per Legal Education Act, 2012 and Legal Education (Accreditation and Quality Assurance) Regulation 2016.

*Council charged Licencing fees @ Kshs. 1,600,000.00 per institution
Council charges equation of foreign qualification @ Kshs. 10,000 per candidate
Council charges Kshs. 5,000 per unit bar examination for nine units
Council charges Kshs. 10,000 per unit for re-sits
Council charges Kshs. 15,000 per unit for re-marks
NB: Included in the Resit Kshs. 6,936,000 transferred from Deferred income having met the income recognition criteria.*



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	2020/2021	2019/2020
8. Other Income	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
 9. Employee Costs	 2020/2021	 2019/2020
Basic Salaries	58,321,483	61,191,228
House Allowance	11,275,031	11,384,000
Leave allowance	1,552,318	1,606,512
Medical Scheme Expenditure	8,229,354	8,053,594
NSSF Employer contribution	86,000	86,800
Pension employer contribution	11,376,011	11,832,394
Other Staff benefits	16,000	16,000
WIBA & GPA	318,188	377,857
Commuter Allowances	3,277,418	3,368,000
	94,451,803	97,916,384
 10. Council expenses	 2020/2021	 2019/2020
Chairman's Honoraria	800,000	960,000
Council Sitting Allowances	4,845,000	2,344,040
Per Diem Allowance	435,140	208,875
Mileage	90,181	98,262
Training	1,263,035	1,222,267
Catering	52,064	94,244
Telephone allowance	50,000	60,000
Total Council expenses	7,535,420	4,987,688

Council Allowances and expenses	5,787,420	3,708,846
Finance and General-purpose Committee	440,000	290,327
Quality Assurance and Accreditation Committee	638,000	561,971
Risk and Audit Committee	300,000	292,303
Examination Committee	370,000	134,241
Total	7,535,420	4,987,688



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11. Repairs and Maintenance	2020/2021	2019/2020
Building repair & Maintenance	58,620	567,547
Plant & equipment maintenance	376,410	132,390
Motor vehicle repair and maintenance	643,985	711,708
	<u>1,079,015</u>	<u>1,411,645</u>
12. Use of Goods and Services	2020/2021	2019/2020
Advertising and publicity	2,817,914	4,420,613
Office rent	24,603,390	23,654,789
Strategic Plan	-	5,964,962
Newspapers and Journals	788,750	829,200
Printing and Stationery	3,062,564	2,345,659
Cleaning materials and materials	288,035	261,225
Security services	1,766,400	1,752,714
Travel and accommodation	9,380,853	2,805,686
Fuel	1,576,471	1,330,900
Insurance expenses	792,997	438,348
Postage and delivery	67,525	44,890
Telephone and Faxes	837,149	1,230,428
Electricity and Electrical items	2,079,975	1,188,977
Professional fees	9,706,720	3,485,047
Official entertainment	1,398,544	1,310,932
Staff welfare	517,008	492,306
Training and Development	4,325,289	506,338
Conferences and workshops	4,174,786	289,008
Audit Fees	600,000	1,680,000
Bank Service charges	111,810	147,806
Other Taxes, Levies and Penalties	-	1,814,070
	<u>68,896,179</u>	<u>55,993,897</u>
13. ICT related costs	2020/2021	2019/2020
Web Hosting	1,109,209	798,600
Internet and E-mail	3,390,422	1,653,457
Computer Repairs and Maintenance	2,299,038	1,535,740
Software and hardware Maintenance	1,179,973	3,097,362



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7,978,642

7,085,159

14. Exam Related

Costs	2020/2021	2019/2020
Hire of Examination Centre	7,091,881	8,774,950
Exam Setting & Moderation	399,963	1,436,498
Exam marking, moderation & Checking	12,676,762	16,032,460
Exam Marking Centres	16,627,112	16,586,184
Examination Invigilation	4,913,180	2,505,206
Examination Printing	2,077,550	4,583,721
Exam Answer Booklets	1,164,919	879,699
Project and Orals Examination	7,799,400	7,022,500
	<u>52,750,767</u>	<u>57,821,218</u>

15. Depreciation and amortization

	2020/2021	2019/2020
Property, Plant & Equipment	12,758,160	19,563,007
Intangible Assets	49,995	2,039,297
Total Depreciation & amortization	<u>12,808,155</u>	<u>21,602,304</u>

16. Cash and Cash equivalent

Bank account No. 01023033161101	433,985,546	316,850,282
Bank account No. 01023033161100	11,155,977	13,172,301
Petty cash	16,855	22,281
Undeposited funds	-	-
	<u>445,158,378</u>	<u>330,044,863</u>

		2020-2021	2019-2020
Financial institution	Account number	KShs	KShs
a) Current account			
National Bank of Kenya -Hill Branch	01023033161101	433,985,546	316,850,281
National Bank of Kenya -Hill		11,155,977	13,172,301



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Branch	01023033161100		
Sub- total		445,141,523	330,022,582
b) Others(specify)			
Petty Cash		16,855	22,281
Sub- total		16,855	22,281
Grand total		445,158,378	330,044,863

Details on cash and cash equivalent

17. Inventories	2020/2021	2019/2020
Consumable stores	4,632,018	6,289,781
	<u>4,632,018</u>	<u>6,289,781</u>

18. Receivable from non-exchange transactions	2020/2021	2019/2020
Accounts Receivable	143,667	548,367
Prepayments	1,001,378	1,043,409
PAYE Receivables	-	234,000
Staff Advances	10,000	507,433
	<u>1,155,045</u>	<u>2,333,209</u>

19. Bar Examination Loan Transfer	2020/2021	2019/2020
Opening Bal	80,000,000	-
Additions	20,000,000	-
	<u>100,000,000</u>	<u>-</u>

Council of Legal Education (CLE) partnered with Higher Education Loans Board (HELB) to establish Bar Examination Loans to provide loans to candidates undertaking the ATP Examination. CLE transferred Ksh. 20 M to HELB. HELB and CLE signed a Service Level Agreement to guide the partnership. The amount of Kshs. 80 M for 2018/2019 and 2019/2020 have since been capitalized. Previously the amount of Kshs. 80 M had been expended through the Financial Performance Statement.



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20. Property, Plant and Equipment	Furniture, Fittings & fixture	Motor Vehicle	Plant and equipment	Computer equipment	Work-In- Progress	Total
Depreciation rate	12.5%	20%	20%	33.3%	0.0%	
Cost	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
At 1 July 2019	52,245,082	40,948,162	24,050,934	27,295,005	-	144,539,183
Additions	318,980	-	157,500	341,777	6,425,060	7,243,316
Disposal/fully depreciated items	-	-	-	-	-	-
Transfer/ adjustment	-	-	-	-	-	-
Capitalization of Computer Software	-	-	-	-	-	-
At 30th June 2020	52,564,062	40,948,162	24,208,432	27,636,783	6,425,060	151,782,499
At 1 July 2020	52,564,062	40,948,162	24,208,432	27,636,783	6,425,060	151,782,499
Additions	1,894,366	-	443,402	688,950	-	3,026,718
Disposal/fully depreciated items	-	-	-	-	-	-
Transfer/ adjustment	-	-	-	-	-	-
At 30th June 2021	54,458,428	40,948,162	24,651,834	28,325,733	6,425,060	154,809,217
Depreciation and impairment						-
At 1 July 2019	31,820,541	31,649,227	16,724,345	23,289,320	-	103,483,433
Depreciation for the year	6,570,508	6,607,872	2,583,009	3,801,618	-	19,563,007
Impairment	-	-	-	-	-	-
Disposals/fully depreciated items	-	-	-	-	-	-
Transfer/ adjustment	-	-	-	-	-	-
At 30th June 2020	38,391,049	38,257,099	19,307,354	27,090,938	-	123,046,440
At 1 July 2020	38,391,049	38,257,099	19,307,354	27,090,938	-	123,046,440
Depreciation for the year	6,807,303	2,691,063	2,607,990	651,803	-	12,758,159
Impairment	-	-	-	-	-	-
Disposals/fully depreciated items	-	-	-	-	-	-
Transfer/ adjustment	-	-	-	-	-	-
At 30th June 2021	45,198,353	40,948,162	21,915,344	27,742,741	-	135,804,599



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Net book values

At 30th June 2021	9,260,076	0	2,736,490	582,992	6,425,060	19,004,618
At 30th June 2020	14,173,013	2,691,063	4,901,078	545,845	6,425,060	28,736,059

NB: Work in progress relates to the implementation of ERP that is still on going and expected completion in the FY 2021/2022

	Cost or valuation	Normal annual depreciation charge
Motor Vehicles	27,492,848	27,492,848
Plant and Equipment	11,611,884	11,611,884
Computer Equipment	26,370,126	26,370,126
Intangible Assets	6,760,422	6,760,422
Total	72,235,280	72,235,280

21. Intangible Assets

Description	2020-2021	2019-2020
	KShs	KShs
Cost		
At beginning of the year	150,000	6,118,502
Additions	0	0
At end of the year	150,000	6,118,502
Capitalization	0	-5,968,502
At end of the year	150,000	150,000
Amortization and impairment		
At beginning of the year	99,076	4,028,281
Amortization	49,995	2,039,297
Capitalization	0	-5,968,502
At end of the year	149,071	99,076
Impairment loss	0	0
At end of the year	149,071	99,076
NBV	929	50,924



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22. Trade and other payables from Non- exchange transactions	2020/2021	2019/2020
Pension Payable	0	-
PAYE Payable	2,715,574	3,156,440
Withholding tax payable	17,238	498,917
VAT With holding Payable	329,985	363,153
Contract retention	0	666,944
Income Tax Withheld	334,076	473,568
Insurance recoveries payable	3,975	3,975
Trade payables	36,633,178	10,646,162
Net Pay payable	3,390	3,384
CLE Car Loan & Mortgage Scheme	-	12,093,800
Refundable Deposits	1,827,267	2,995,267
Provision for ATP Exam Administration	36,699,624	-
	<u>78,564,307</u>	<u>30,901,610</u>

The Refundable Deposits are credits that were received in the Council of Legal Education bank account deposited by Candidates but who are yet to come to the office for receipting and eventual recognition as revenue. The Council is in the process of reviewing the Finance Policy and Manual 2014 which will state how to dispose of the aged refundable deposits from the Councils books. During the administration of June 2021 ATP exams, the Council was able to reduce the amounts as Candidates who had previously made payments registered.

23. Employee Benefit Obligation	2020/2021	2019/2020
Leave Allowance Payable	-	533,115
	<u>-</u>	<u>533,115</u>

Annual leave accrues to employees on a monthly basis, the provision is an estimate of the amounts due to staff at the end of 2019/2020 Financial Year based on the terms of employment and Staff Manual. The salary scale used in the estimate are those payable at the end of financial year. Council changed the leave format from calendar year to financial year.



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24. Deferred income	2020/2021	2019/2020
	Kshs.	Kshs.
Examination fee received in advance	973,000	7,909,000
	973,000	7,909,000

Deferred income related to ATP Examination fee June 2021 ATP Examination.

Description	2020-2021	2019-2020
	KShs	KShs
ATP Examination Fee	973,000	7,909,000
Total deferred income	973,000	7,909,000

The deferred income movement is as follows:

	ATP Examination Fee	International funders	Public contributions and donations	Total
Balance brought forward	7,909,000	0	0	7,909,000
Additions	0	0	0	0
Transfers to Capital fund	(0)	(0)	(0)	(0)
Transfers to income statement	(6,936,000)	(0)	(0)	(6,936,000)
Other transfers	(0)	(0)	(0)	(0)
Balance carried forward	973,000	0	0	973,000

Deferred income transferred to income statement related to income recognized and having met the recognition criteria in the following income accounts

Exam Resit Fees	Kshs. 673,000
Examination Remark	Kshs. -
Examination Fees	<u>Kshs. 300,000</u>
Total	<u>Kshs. 973,000</u>

The income recognized Kshs. 6,936,000 which was related to June 2021 ATP Examination series for the Exam Resit Fees and ATP Examination for the Examination Fees respectively.

25. Provision for Audit Fees Payable	2020/2021	2019/2020
	Kshs.	Kshs.
Audit Fees	1,200,000	1,200,000
	1,200,000	1,200,000

Provision for Audit fees relate to Audit fees for two (2) financial years when the Office of Auditor General did not invoice Council of Legal Education.



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Provision Audit fees	Kshs.
2019/2020 & 2020/2021 Audit fee	1,200,000
Total	1,200,000

26. Cash Generated from Operations

	2020-2021	2019-2020
Surplus for the year before tax	69,406,018	82,567,055
Adjusted for:	0	
Depreciation	12,808,155	21,602,304
Working Capital Adjustments:	0	
Decrease/(Increase) in inventory	1,657,763	(3,351,360)
Decrease/(Increase) in Receivables	1,178,164	(786,499)
Transfer to HELB Loan Fund	(20,000,000)	-
Decrease/Increase in Deferred Income	6,936,000	(44,737,800)
Decrease/Increase in Payables	40,193,583	19,756,646
Prior Year Adjustments	802,750	-
Transfer to Car & Mortgage Reserve	12,093,800	-
Net Cash flow from Operating Activities	118,140,233	75,050,346

27. Asset Replacement Reserve

2021/2020	2019/2020
Kshs.	Kshs.
<u>36,931,691</u>	-
<u>36,931,691</u>	<u>-</u>

This was effected as per the State Corporations ACT Chapter 446 Section 16 that states inter "Every state corporation shall make provision for the renewal of depreciating assets by the establishment of sinking funds and for contributions to such reserve and stabilization funds as may be required."

28. Car & Mortgage Reserve

	2021/2020	2019/2020
	Kshs.	Kshs.
Car & Mortgage Reserve	45,000000	-
Transfer to Car & Mortgage	<u>12,093,800</u>	<u>-</u>
	<u>57,093,800</u>	<u>-</u>



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Council Received approval from the National Treasury and Planning to set aside the amount of Kshs. 45,000,000 as seed money for the CLE Staff Car Loan and Mortgage Scheme. Further the Board approved the transfer of Kshs. 12,093,800 from revenue to the Scheme. The operationalization of the scheme is in progress

29. Prior Year Adjustments

	2021/2020	2019/2020
	Kshs.	Kshs.
Prior year adjustments	<u>802,750</u>	-
	<u><u>802,750</u></u>	<u><u>-</u></u>

Prior Year Adjustment is from Taskforce Allowance recovered from staff in 2020/2021 that was paid in the FY 2018/2019.

30. Financial Risks Management

Council of Legal Education activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. Council of Legal Education does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

Council of Legal Education financial risk management objectives and policies are detailed below:

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk arises from bank balances, trade receivables and amounts due from related parties. The Council's management assesses the credit quality of each customer, considering its financial position, past experience and other factors.

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2021				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	1,155,045	1,155,045	-	-
Bar Exam Loan	100,000,000	100,000,000	-	-
Bank balances	445,158,378	425,158,378	-	-
Total	546,313,423	546,313,423	-	-
At 30 June 2020				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	2,333,209	2,333,209	-	-



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31. Related parties' transactions

Entities and other parties related to Council of Legal Education include those parties who have ability to exercise control or exercise significant influence over its Operating and Financial decisions.

Council of Legal Education is related to

- i) The National Government;
- ii) State Law Office and Department of Justice;
- iii) Council Members;
- iv) Key Management;

The following transactions were carried out with related parties

Related party transactions

	2020/2021	2019/2020
	Kshs.	Kshs.
Transactions with related parties		
a) Grants from the Government		
Transfers from State Law Office and Department of Justice	181,412,249	198,960,000
Total	181,412,249	198,960,000
b) Key Management compensation		
Directors' emoluments	7,535,420	4,987,688
Compensation to the CEO	6,551,388	6,712,454
Compensation to key management	17,956,970	18,856,640
Total	32,043,778	30,556,782
Total	213,456,027	229,516,782

	2020/2021	2019/2020
Transfers from State Law Office and Department of Justice on behalf of Council of Legal Education	181,412,249	198,960,000
	<u>181,412,249</u>	<u>198,960,000</u>

Council Members and expenditure	2020/2021	2019/2020
Council members allowances	7,535,420	4,987,688
	<u>7,535,420</u>	<u>4,987,688</u>



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Description	2020-2021	2019-2020
	KShs	KShs
Chairman's Honoraria	800,000	960,000
Council Sitting Allowances	4,845,000	2,344,040
Per Diem Allowance	435,140	208,875
Mileage	90,181	98,262
Training	1,263,035	1,222,267
Catering	52,064	94,244
Telephone allowance	50,000	60,000
Total Council expenses	7,535,420	4,987,688

Key management remuneration	2020/2021	2019/2020
Key management compensation	24,508,358	25,569,094
	<u>24,508,358</u>	<u>25,569,094</u>

32. Operating Lease

Council has leased office premises under an operating lease. The three leases typically run for 6 years with an option for renewal. Lease payments are increased accordingly to reflect market rentals. The Council does not have an option to purchase the leased asset at the expiry of the lease period. There are no contingent rents recognized in the Statement of Financial Performance

The first lease was renewed from 1/7/2019 and is to run for a further 6 years, while the second lease which commenced on 1/7/2014 this expired as at 31st May 2019 and Council approved renewal of the same for another 6 years. The third lease commenced on 1/7/2016 and is to run for 6 years up to 1/07/2022.

At the end of the reporting period, Council had Outstanding Commitments of Kshs. 59,301,042 on two leases under non-cancellable operating leases in relation to the office premises. The third lease is being finalized by the landlord and quarterly lease payments have been accrued.

33. Contingent Liabilities

Council is involved in some Civil legal proceedings, the Council members believe, based on the information currently available, that the Council does not have any contingent liabilities which are likely to have a material effect on the results of the Councils' operations, financial position or liquidity. Therefore, no provision has been made in the financial statements.

Contingent liabilities	2020-2021	2019-2020
	Kshs	Kshs
4 Court cases pending as at June 30, 2021	-	-
Bank guarantees in favour of subsidiary	-	-
Total	-	-



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34. Capital Commitments

Capital Commitment	2020-2021	2019-2020
	KShs	KShs
Authorised for	0	0
Authorised and contracted for	0	0
Total	0	0

35. Dividends/Surplus Remission

In accordance with Section 219 (2) of the PFM Act Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the year end of each financial year. The Council of Legal Education did not remit and surpluses in FY 2020/2021.

36. Retirement Benefit obligation

Council operates a defined contribution retirement benefit plan for eligible employees. The assets of the plan are held separately from those of the Council in funds under the control of trustees. The scheme is administered by an independent administration company and is funded by contributions from the Council and employees. Councils' obligations to the staff retirement benefits plan are charged to the Statement of Financial Position as they fall due or, in the case of service gratuity, as they accrue to each employee.

The Council also makes contributions to the statutory defined contribution scheme, National Social Security Fund. This is a defined contribution scheme registered under the National Social Security Act. The Councils' obligations under the Scheme are limited to specific contributions legislated from time to time, which are currently at KShs. 200 per employee per month.

The total pension expense recognized in the income statement of KShs. 10.8 million (FY 2019/20: KShs. 10.8 million) represents contributions paid to the plan by the Council at 20% rate of the basic salaries. Employees contribute 10% of their basic salary. The employee contribution has been included within the employee costs. Currently the Council contributes monthly 31% gratuity to Zamara Fanaka Retirement Fund for CLE Scale 1 and 2. The members are also contributing voluntary to the fund at the rate of 10% of the basic salary.

The table below outlines the amount remitted to the fund since inception and payment of gratuity since April 2021. This has been done up to end of 30th June 2021.

No	Financial Year	Employer	Employee	Gross
1	2013/2014	277,682	138,841	416,523
2	2014/2015	4,486,394	2,243,197	6,729,591
3	2015/2016	9,773,390	4,886,695	14,660,085
4	2016/2017	13,037,736	6,518,868	19,556,604
5	2017/2018	13,232,474	6,616,237	19,848,711
6	2018/2019	12,425,189	6,212,595	18,637,784
7	2019/2020	10,808,086	5,404,043	16,212,129
8	2020/2021	10,917,707.12	5,458,853.56	16,376,560.68
Totals		74,958,658	37,479,330	112,437,988



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Gratuity

No	Financial Year	Employer	Employee	Total
1	2020/2021	572,880	148,800	721,680
	Totals	572,880	148,800	721,680

37. Events after the Reporting Period

The Council capitalized the Bar Education Loan for the FY's 2018/19 and 2019/20 amount Kshs.80 M hence increasing the outstanding surplus. This was done to comply with the advice provided by the External Auditor in the Audit Reports for FY's 2018/2019 and 2019/2020. The Council also recognized a prior year adjustment of Kshs. 802,750, Taskforce allowance recovered from Staff that was paid in the FY 2018/2019.

38. Ultimate and Holding Entity

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

39. Currency

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



COUNCIL OF LEGAL EDUCATION

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APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
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**COUNCIL OF LEGAL EDUCATION
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
Basis for Qualified Opinion	<p>As reported in the previous year, included in cash and cash equivalent balance of Kshs. 330,044,803 as disclosed in note 16 to the financial statement is National Bank of Kenya (NBK) revenue account cashbook balance of Kshs. 316,850,282 as at 30 June 2020. A scrutiny of the bank reconciliation statement for the month of June 2020 shows receipts (credits) in bank not in cashbook amounting to Kshs. 2,021,712 with some remaining outstanding since 2015 that had not been cleared as at the time of the audit in March 2021. No explanation has been provided for this anomaly. In the circumstances, the accuracy of cash and cash equivalents balance of Kshs. 330,044,863 as at 30 June 2020 could</p>	<p>Direct deposit in bank but not in cashbook in most cases relate to candidates who deposit examination fee in Council bank account but they do not register for examination. It is important to note that Council Conducts the Bar Examination twice in a year. The reconciling items listed in the credits in bank not in cashbook is only cleared when the candidate presents the original deposit slip and registers for examination or seeks the service for which payment is made. Receipting recognizes the deposits as income/revenue. Council has reviewed the Finance Manual that is still in a draft format and it states inter alia "This account (Refundable Deposits) shall be aged and any funds more than 3 years old (that are well documented, that is, have names and address details), will be transferred to the Unclaimed Financial Asset Authority (UFAA). Otherwise the Council will recognize the residual amounts as revenue in its</p>	Dr. Wambua Kituku Secretary/ CEO	Resolved	June 2021



**COUNCIL OF LEGAL EDUCATION
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
	not be confirmed.	books for purposes of recognizing it as revenue.”			



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
	<p>Note 20 to the financial statements reflect trade and other payables from non-exchange transactions balance of Kshs. 30,901,610 as at 30 June 2020 out of which Kshs. 8,773,276 relate to pending bills, Kshs. 3,156,440 to PAYE, Kshs.498,917 to withholding tax, Kshs.363,153 to VAT withholding payable and kshs.473,568 Income tax payable which have been outstanding for more than one year. Management has not given reasons for not settling the long outstanding amount due to Kenya Revenue Authority. This is in contravention to Section 130 of the Income Tax Act, Cap 470 which require pay as you earn deducted from employees' earnings to be remitted by the tenth day of the month following the deduction and</p>	<p>Council made all the outstanding payments amounting to Kshs. 2,938,961.00 to Kenya Revenue Authority vide cheque no. 006663 dated 24th May 2021.</p>	<p>Dr. Wambua Kituku Secretary/ CEO</p>	<p>Resolved</p>	<p>June 2021</p>



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
	<p>withholding tax and VAT to be remitted by the twentieth day of the month following the charge. Management is therefore in breach of the law.</p> <p>In the circumstances, it has not been possible to confirm that trade and other payables from non-exchange transactions balance of Kshs. 30,901,610 as at 30 June 2020 is fairly stated.</p>				
	<p>As reported in the previous year the statement of financial performance reflects transfer to Higher Education Loans Board of Kshs. 40,000,000 and described as Bar Examination Loan. However, as disclosed at note 26 to the financial statements, this amount is in respect to a revolving loan fund established by the</p>	<p>The amount of Kshs. 80 M for FY's 2018/2019 and 2019/2020 has since been capitalized in the Council's books</p>	<p>Dr. Wambua Kituku Secretary/ CEO</p>	<p>Resolved</p>	<p>June 2020</p>



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
	<p>Council in partnership with the Higher Education Loans Board (HELB) through a service contract signed on 27 June 2019 to fund candidates undertaking the Bar Examination with an initial funding of Kshs. 40,000,000. It is not clear why this amount was expensed in the financial Performance statement instead of capitalizing the same in the statement of financial position. In the circumstances, the accuracy of the statement of financial performance could not be confirmed for the year ended 30 June 2020.</p>				



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Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

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

Secretary/CEO
Council of Legal Education
P.O. Box 829 - 00502, Karen
SECRETARY/CEO
COUNCIL OF LEGAL EDUCATION

Date.....

Date.....



COUNCIL OF LEGAL EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

APPENDIX II: PROJECTS IMPLEMENTED BY COUNCIL OF LEGAL EDUCATION

Projects

Projects implemented by Council of Legal Education and Funded by development partners

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	-	-	-	-	-	-
2	-	-	-	-	-	-

NB: Donor grants and transfer from other MDA's are not applicable to Council of Legal Education.

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual per quarter	Sources
1.	Installing and Commissioning of the Enterprise Resource Plan system	6,425,060	5,461,301	85%	7,000,000	0	Internal
Total		6,425,060	5,461,301		7,000,000	0	



COUNCIL OF LEGAL EDUCATION
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APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:		COUNCIL OF LEGAL EDUCATION		
Break down of Transfers from the State Law Office and Department of Justice				
FY 2020/2021				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		24/08/2020	45,353,062.25	2020/2021
		11/11/2020	45,353,062.25	2020/2021
		08/03/2021	5,353,062.25	2020/2021
		24/06/2020	85,353,062.25	2020/2021
		Total	181,412,249.00	
b.	Development Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			0	
		Total	0	
c.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			0	
		Total	0	
d.	Donor Receipts			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			0	
		Total	0	

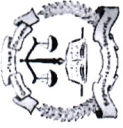
The above amounts have been communicated to and reconciled with State Law Office and Department of Justice

Ms. Purity Kimathi
 Principal Accountant
 COUNCIL OF LEGAL EDUCATION

Mr. Elijah Kabiru
 Head of Accounting
 STATE LAW OFFICE
 AND DEPARTMENT OF JUSTICE

Sign _____ Date _____

Sign _____ Date _____



COUNCIL OF LEGAL EDUCATION

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

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/ Development/ Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specified	
Office of Attorney General and Department of Justice	24/08/2020	Recurrent	45,353,062.25	45,353,062.25	-	-	-	-	45,353,062.25
"	11/11/2020	Recurrent	45,353,062.25	45,353,062.25	-	-	-	-	45,353,062.25
"	08/03/2021	Recurrent	5,353,062.25	5,353,062.25	-	-	-	-	5,353,062.25
"	24/06/2020	Recurrent	85,353,062.25	85,353,062.25	-	-	-	-	85,353,062.25
Total			181,412,249.00	181,412,249.00	-	-	-	-	181,412,249.00