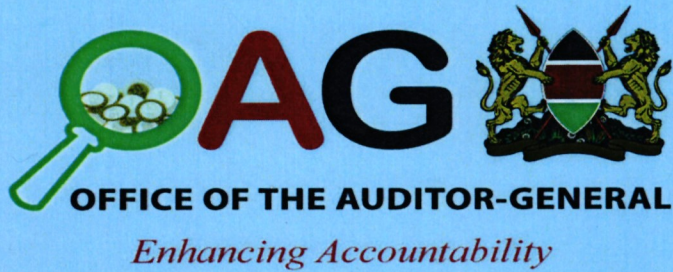


REPUBLIC OF KENYA



REPORT

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ON

KENYA SCHOOL OF GOVERNMENT

FOR THE YEAR ENDED
30 JUNE, 2021

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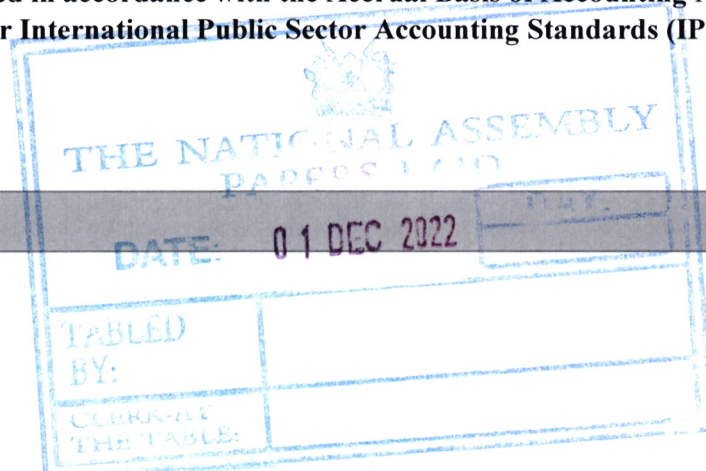
KENYA SCHOOL OF GOVERNMENT

ANNUAL REPORT

AND

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2021

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



**KENYA SCHOOL OF GOVERNMENT
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

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KENYA SCHOOL OF GOVERNMENT

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For the year ended 30 June 2021

I KEY ENTITY INFORMATION AND MANAGEMENT

a. Establishment of the School

The Kenya School of Government (KSG) was established by the KSG Act No. 9 of 2012. It came into effect on 1st July 2012. The KSG is the successor to the former Kenya Institute of Administration (KIA), the former Kenya Development Learning Centre (KDLC), and the former Government Training Institutes (GTIs) Baringo, Embu, Matuga and Mombasa. The School therefore has four (4) Campuses.

b. Principal Activities

The principal activity of the School is transformation of the Public Service by inculcating national values and developing core skills and competencies for quality service delivery in the Public Service.

c. Key Management

The School's day to day management is under the following key organs:

- i. Council members
- i. Director General/ CEO
- ii. Management

d. Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were;

i Director General	Prof. Ludeki Chweya
ii. Director Finance & Administration	Prof. Nura Mohamed
iii. Director Academic Affairs	Dr. Josphine Mwanzia
iv Director-Baringo Campus	Dr. Solomon Letangule
v Director- Matuga Campus	Dr. John Bii
vi Director- Mombasa Campus	Dr. Tom Wanyama
vii Director- Embu Campus	Dr. Anne Kangethe
viii Director - e-Learning and Development	Mr. Joseph Ndung'u
ix Director- Learning and Development	Dr. Rachael Ngesa

e. Fiduciary Oversight Arrangements

Kenya School of Government has established an audit committee composed of four council members and head of internal audit department being the secretary of the committee. Their role is to provide oversight responsibility in ensuring the School adheres to the statutory regulations and the approved policies and procedures of the School as well as other relevant government policies, procedures and pronouncement issued from time to time. Further, the Ministry of Public Service and Gender receives the performance of the School on a quarterly basis as a monitoring tool on the performance of the School.

KENYA SCHOOL OF GOVERNMENT

Annual Report and Financial Statements

For the year ended 30 June 2021

f. Headquarters

P.O.Box 23030-00604

Lower Kabete

NAIROBI, KENYA

g. Contacts

Telephone: +254-020-4015000

254-727-496698

Email: directorgeneral@ksg.ac.ke

Website: www.ksg.ac.ke

h. Bankers

Kenya Commercial Bank Ltd

P.O Box 14959-00800

Nairobi, Kenya

National Bank

P.O Box 14959-00800

Nairobi, Kenya

Central Bank of Kenya

Haile Selassie Avenue

P.O.Box 60000,00200

Nairobi, Kenya

i. Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O.Box 30084-00100

Nairobi, Kenya

j. Principal Legal Advisor

The Attorney General

State Law Office

Harambee Avenue

P.O.Box 40112-00200

Nairobi, Kenya

KENYA SCHOOL OF GOVERNMENT

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II COUNCIL MEMBERS



Prof. Gituro Wainaina- Chairman 64 Years upto 2nd May 2022

Prof. Gituro Wainaina holds a PhD in Agricultural Economics, Master in Business Administration and Bachelor of Education. He has extensive working experience including being a Director of the Social and Political Pillars under the Vision 2030 Delivery Secretariat and board member of various institutions including Capital Market Authority. He is also a Professor at the Department of Management Science at the University of Nairobi.



Prof. Ludeki Chweya PhD CBS -Director General and CEO 59 Years

Prof. Ludeki Chweya holds a Doctor of Philosophy (Ph.D.) degree in Political Studies from Queen's University at Kingston, Ontario, the Masters of Arts degree in Government from the University of Nairobi, and the Bachelor of Arts (BA) in Political Science and Arabic Language from the University of Nairobi. Prof. Chweya has vast experience in university teaching and research in International Relations and Political Economy.

Prof. Chweya has many years of experience in public sector management and policy development acquired mostly when he served as Permanent Secretary in the Government of Kenya.



Micah Origa - Council Member Representing Principal Secretary, The National Treasury 43 Years

Micah Origa holds a Master of Science Degree (MSC Finance) from the University of Nairobi, Master of Business Administration (MBA) and a Bachelor of Commerce (B.Com) degree. He is also Certified Public Accountant (CPA- K). Mr. Origa has wide experience in public sector budget formulation, preparation, implementation and monitoring.

He has sat in several other Boards over the last ten years. He is a member in the audit and risk as well as finance and general purpose committees.



Joseph Musyoki - Member Representing Commission for University Education 52 Years

Joseph Musyoki is a holder of a Master of Science Degree (Zoology) and a Bachelor of Education Degree from Kenyatta University. Mr. Musyoki has vast experience, spanning over 20 years, in research and higher education quality assurance. He is currently in charge of Institutional Accreditation at the Commission for University Education. He is the chairperson for finance and general purpose and a member in the learning and development committees respectively.



Prof. Peter Muchiri Ngatia, EBS Council Member 70 Years upto 5th May 2022

Prof. Peter Muchiri Ngatia holds the position of Director of Training at Amref Health Africa. He is a holder of BSC, MeD, MPH and Ph.D in Medical Education (Health Professionals) from the University of ALBERTA, Edmonton, CANADA. Prof. Ngatia has many years of experience in Training and Management in the health sector in Kenya and other African countries. He is the chairperson for the audit and risk.

KENYA SCHOOL OF GOVERNMENT

Annual Report and Financial Statements
FOR THE YEAR ENDED 30 JUNE 2021

COUNCIL MEMBERS (Continue)



Mr. Denis M. Mutahi – Alternate to the Principal Secretary, Ministry of Public Service and Gender 52 Years

Mr. Mutahi holds a Master's of Science in Human Resource Planning and Development and a Bachelors of Education. He is career civil servant with over 20 years of civil service experience and currently serving as a Director of Human Resource Management and Development, State Department for Public Service. He is a member in the Human Resource Committee, Risk and audit, Learning and development and Finance and General Purpose committee.



Gatwiri Kiriimi - Member 43 Years upto 6th February 2022

Ms. Gatwiri holds a Master's of International Business Administration, Strategic Management Entrepreneurship and a bachelor of Science degree (marketing) from United States International University. Currently she is a Managing Director at Inforparts Technologies Limited. She is the Chairperson for the Human Resource Committee and a member of Finance and General Purpose committee



Prof. Adams Oloo - Member 53 Years upto 5th May 2022

Prof. Adams Oloo, holds a Doctor of Philosophy (Ph.D) and Masters in Political Science from University of Delaware, Masters in Government from University of Nairobi and Bachelors in Business Administration and law from the University of Nairobi. He is an advocate of the High Court and currently an Associate Professor, Department of Political Science and Public Administration, University of Nairobi. He has experience in public administration and public policy, political economy, global governance and international relations. He is the Chairperson for Learning and development committee and a member in risk and audit committee.



Dr. Ruth Agesa- Member representing Universities 58 years effective 22/2/2022

Dr. Ruth Agesa, holds a Doctor of Philosophy (Ph.D) in Peace and Conflict studies from Masinde Muliro University of Science and Technology, Masters in International Studies from University of Nairobi Bachelor of music from Kenyatta University. She has vast experience in the Education sector.



Rachael Musitia representing Universities upto 21/2/2022

Rachael Musitia has experience in formulation, monitoring and evaluation of policies, programmes and projects. She also has experience in public policy research and economic analysis in education sector.

KENYA SCHOOL OF GOVERNMENT

Annual Report and Financial Statements
FOR THE YEAR ENDED 30 JUNE 2021

III DIRECTORS/ SENIOR MANAGEMENT'S PROFILE



Prof. Ludeki Chweya
Director General and CEO

Prof. Ludeki Chweya holds a Doctor of Philosophy (Ph.D.) degree in Political Studies from Queen's University at Kingston, Ontario, the Masters of Arts degree in Government from the University of Nairobi, and the Bachelor of Arts (BA) in Political Science and Arabic Language from the University of Nairobi. Prof. Chweya has vast experience in university teaching and research in International Relations and Political Economy. Prof. Chweya has many years of experience in public sector management and policy development acquired mostly when he served as Permanent Secretary in the Government of Kenya.



Dr. Josphine Mwanzia
Director Academic Affairs

Dr. Josephine Mwanzia holds a Ph.D in Education from Victoria University of Wellington, Master of Education (Educational Management) from Universiti Brunei Darussalam and Bachelor of Education, Arts University of Nairobi.



Prof. Nura Mohamed
Director - Finance and Administration

Prof. Nura Mohamed holds a Doctor of Philosophy in Financial Economics from Central University, the Master of Business Administration (MBA) in Finance from Nairobi University and the Bachelor of Commerce in Finance from the same University. Prof. Mohamed has experience in research, and development of curricula and training material.



Dr. Solomon Letangule
Director-Baringo Campus

Dr. Solomon Letangule holds a Ph.D., in Business Administration (Strategic Management) from Jomo Kenyatta University of Agriculture and Technology (JKUAT), MBA (Strategic Management) from Kenya Methodist University (KEMU), Bachelor of Arts (Economics and Sociology) from University of Nairobi.

KENYA SCHOOL OF GOVERNMENT

Annual Report and Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

DIRECTORS/ SENIOR MANAGEMENT'S PROFILE (Continue)



Dr. Tom Oundo Wanyama

Director- Mombasa Campus

Dr. Tom Oundo Wanyama holds a Ph.D in Environmental Sociology from Kenyatta University, Master of Arts in Sociology and a Bachelor of Arts from the same University. Dr. Wanyama has experience in capacity development in the Public Sector, Training and Consultancy.



Mr. Joseph Ndung'u

Director - e-Learning and Development

Mr. Joseph Ndung'u holds the Master of Business Administration from Moi University and Bachelor of Science (Electrical Engineering) from University of Nairobi. Mr. Ndung'u has a wealth of experience in management, planning and organization of information and communication technology.



Dr. Anne Kangethe

Director - Embu Campus

Dr. Kang'ethe holds a PhD and a Master's of Science degree in Entrepreneurship (JKUAT), and Bachelors of Education Degree (University of Nairobi). She has worked in the Public Service for over Twenty (20) years. She has a wide experience in Management Consultancy, Research and capacity building in the Public Service. She has published Articles on various topical Public Service issues in Peer Reviewed Journals and presented papers in both National and International Conferences.



Dr. Rachel Ngesa

Director- Learning and Development

Dr. Rachel Ngesa holds a Doctor of Philosophy (Ph.D.), Master of Education (Med) and a Bachelor of Education (Science) from Kenyatta University. Dr. Ngesa has over 26 years' vast experience in public sector strategic leadership and management, training, research, case study development and program development for educational and training institutions.



Dr. John Bii

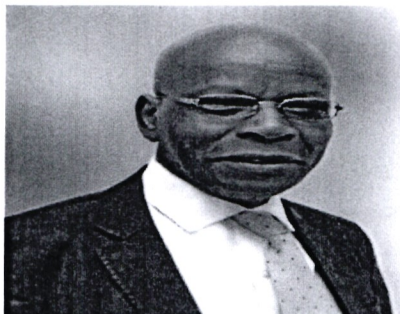
Director- Matuga Campus

Dr. John Bii holds a Doctor of Philosophy (Ph.D.) in Business Administration (strategic management and e-commerce) from Kabarak University Kenya and Master of Business Administration majoring in strategic management from Mt. Kenya University. He has wide experience in the Public Sector.

KENYA SCHOOL OF GOVERNMENT

Annual Report and Financial Statements
FOR THE YEAR ENDED 30 JUNE 2021

IV CHAIRMAN'S REPORT



Introduction

It gives me great pleasure to present Kenya School of Government 2020/2021 Annual report. We are immensely grateful to our staff, participants, suppliers, donors, sponsors and collaborators for their continued commitment to and support for our brand, despite the challenges encountered during the year. Their support motivates us and gives us the impetus to drive the institution forward, to build on and consolidate KSG's strong profile, good reputation and positive impact in the region.

These are unprecedented times – the extent of the COVID-19 challenge is not something any of us would have imagined. Unlike in the past when we have faced election-related volatility, the pandemic arrived with high uncertainty and unpredictability. The effects are not limited to public health; they affect all spheres of Kenyan society. Globally, the economy is experiencing a colossal negative impact with the International Monetary Fund projecting severely impacted growth across all regions.

Strategic Focus

Our strategic plan remains a key reference blueprint for the school, coming in the second year since we started implementing the 2018-2022 Strategic Plans. We have aligned our strategic-focused initiatives to all core areas of our operations within the school. This Integrated Annual Report outlines some of the achievements attained in the year in review.

We have put in place strategies to take advantage of opportunities in the markets we operate in. We firmly believe that implementation of the strategy will enable the corporation increase its financial strength and yield targeted profits in the coming years.

Business Environment

The school put in place sustainable plans of action premised on our strategic plan. We also believe that our core values of responsiveness, creativity and innovation, integrity, inclusivity, commitment and excellence shall guide us through. These values remain at the nerve center of our strategy going forward. Our stakeholders can, therefore, look forward to the future with confidence.

Financial performance

During the year 2020-2021, the School incurred a deficit of Kshs. 327M against the previous year

KENYA SCHOOL OF GOVERNMENT

Annual Report and Financial Statements FOR THE YEAR ENDED 30 JUNE 2021

IV CHAIRMAN'S REPORT

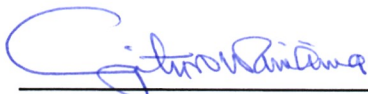
deficit of Kshs. 490M. The performance improved due to grants received to finance salaries for staff as well as increase in the number of online programs ran from quarter two of the financial year. On the other hand the Ultra modern complex in Mombasa Campus was completed and furnishing will be done in the subsequent year.

Sustainability reporting areas of focus

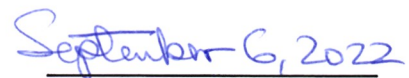
Our sustainability is anchored on our vision, mission and core values which determine the strategic objectives of the school. Our role and aim is to create value for stakeholders and the society. This is through tax remittance, corporate social responsibility and socio-economic empowerment of marginalized groups and environmental conservation. The Council and management ensure that all operations of the school are anchored on tenets of integrity, fairness and good corporate governance. Various policies have been established by the council as a guiding framework and oversight of the Corporation operations.

Future outlook

The rapid pace of life at the school reflects the challenge we all face of keeping KSG as a preferred institution for many in the region and beyond. Every year brings new challenges. We must now focus on the future to sustain excellence and maintain our position. We will continue to build on our connections and partnerships across training, consultancy, research and advisory services to grow our capacity and influence and firmly establish our place in the world.



Prof. Gituro Wainaina, Ph.D.
CHAIRMAN OF THE COUNCIL



Date

KENYA SCHOOL OF GOVERNMENT
Annual Report and Financial Statements
FOR THE YEAR ENDED 30 JUNE 2021

V DIRECTOR GENERAL'S REPORT



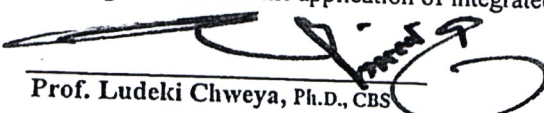
During the year, the School did carry out a number of activities which includes mounting real-time virtual Graduation Ceremony for the Award of Diplomas and certificates to graduands who were largely government officers. A total of 232 officers graduated with Diploma in Social Work. The School encountered challenges of reduction in number of participants who seek for face to face training due to the COVID 19 pandemic. However, the School has continued to market its courses online as well as in the print media to create awareness of the courses offered in our campuses and the number of participants has continued to increase.

During the period under review, the School realized revenue amounting to Kshs. 1.5 billion against a target of Kshs.1.2 billion which is above the target by 16%. The School also incurred a deficit of Kshs. 327M. The decline in revenue and operational expenditure is as a result of emergence of COVID 19 where the School discontinued its operations in quarter one of the financial year. However, the School introduced online courses from quarter two and a few face to face programs which improved the revenue performance during the year.

Management appreciates financial support received from the Government of Kenya of Kshs. 408.8 million to finance salaries and also received a further Kshs.80 million as development grant to complete construction of administration block in Baringo and Matuga as well as hostel in Embu campuses.

The School also completed construction of Ultra modern complex in Mombasa and is expected to be financed by the Government of Kenya to finish the building in the subsequent year. This will in return increase revenue to the School and thus ensure self sustenance in future.

Lastly, the School has invested substantially in building a strong culture of common purpose and dedication to the mission and ideals of the School through development of leadership competencies, sharing of ideas and the application of integrated operating systems across the School.


Prof. Ludeki Chweya, Ph.D., CBS
DIRECTOR GENERAL AND C.E.O

6/9/2022
Date

KENYA SCHOOL OF GOVERNMENT

Annual Report and Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

VI REVIEW OF THE SCHOOL'S PERFORMANCE

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.

In line with KSG's Vision and Mission, four key result areas, which reflect KSG's mandate and responsibilities in the realization of Kenya Vision 2030 have been identified and will be the pillars of this Strategic Plan FY 2018/2019- 2022/2023. The Key Result Areas are:

1. Capacity Building of the Public Service
2. Consultancy
3. Research and Advisory services
4. Institutional Transformation and Positioning

KSG will deliver on the Key Result Areas by implementing the following Strategic Objectives:

- 1 Develop and implement relevant training programs
- 2 Promote research, scholarship and innovation
- 3 Enhance evidence-based research advisory services
- 4 Expand consultancy services to support delivery of quality services
- 5 Develop suitable infrastructure
- 6 Enhance corporate visibility and positioning of the School
- 7 Enhance good corporate governance and management in the School
- 8 Strengthen the human resource capacity of the School
- 9 Ensure financial sustainability of the School

KENYA SCHOOL OF GOVERNMENT
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FOR THE YEAR ENDED 30 JUNE 2021

KEY RESULT AREA (STRATEGIC PILLAR)	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	ACTIVITIES	ACHIEVEMENT S
1. Training	Develop and implement appropriate training programs	Number of new training programs developed	Develop and roll out new programs	<p>1. Developed Curriculum outline on:</p> <ul style="list-style-type: none"> a. Business Process Re-engineering and Transformative Leadership Program in the Health Sector was developed in Quarter one; b. Transformative Leadership program for County Women Executive; c. Green growth and circular economy; d. Leadership in times of crisis; e. Entrepreneurship for Youth engaged in Small and Medium Enterprises; f. County Social Protection Services; <p>2. Rolled out:</p> <ul style="list-style-type: none"> a. Business Process Re-engineering and Transformative Leadership Program in the Health Sector program: Trained and certified seventy (70) officers by 30 June, 2021; b. Transformative Leadership program for County Women Executive: Trained and certified thirty eight (38) Women executives by 30 June, 2021; c. County Social Protection Services program: Trained and certified thirty two (32) officers;

KENYA SCHOOL OF GOVERNMENT
Annual Report and Financial Statements
FOR THE YEAR ENDED 30 JUNE 2021

	KEY RESULT AREA (STRATEGIC PILLAR)	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	ACTIVITIES	ACHIEVEMENTS
					<p>d. Leadership in times of crisis: Thirty two (32) officers trained and certified.</p> <p>e. Green growth and circular economy and Entrepreneurship for Youth engaged in Small and Medium Enterprises programs have been scheduled to run in FY 2021/2022.</p>
W	Research and Advisory services	Promote research, scholarship and innovation	Number of research undertaken	Undertake research in areas aligned to national development priorities, including the 'Big 4' Agenda	<p>a. Completed research on Role of ICT in CVE and Terrorism: A case study of Kenya;</p> <p>b. Draft manuscript on exemplary public service were developed; and</p> <p>c. Developed case Study reports on emerging issues in the Public Sector.</p>
			Number of policy briefs developed and submitted	Develop policy briefs in strategic priority areas of public services, including the Big 4 Agenda	<p>The School developed four policy briefs and submitted to Government:</p> <ol style="list-style-type: none"> 1. Accelerating universal health coverage (UHC) through institutionalization of community health volunteers completed; 2. Perception on the adoption and diffusion capacity of eLearning amidst the Corona Virus Disease 19 Pandemic in Kenya; 3. Situational Analysis on mental health among employees in the Public Service in Kenya during the Covid-19 Pandemic;

KENYA SCHOOL OF GOVERNMENT
Annual Report and Financial Statements
FOR THE YEAR ENDED 30 JUNE 2021

	KEY RESULT AREA (STRATEGIC PILLAR)	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	ACTIVITIES	ACHIEVEMENT S
3	Consultancy	Expand consultancy services to support delivery of quality service	Number of consultancies undertaken	Undertake consultancy in strategic priority areas of public service, including the 'Big 4' Agenda	<p>4. Recasting gender perspectives in combating Covid-19 in Kenya's Urban Slums.</p> <p>Undertook forty one (41) consultancies mainly in the following key areas:</p> <ul style="list-style-type: none"> a. Development of Risk Management frameworks; b. Development of consultancy proposals; c. Development of County Staff Establishment; d. Development of Assorted HR Documents; e. Development of Strategic Plans; f. Human Resource Research & Consultancies; g. Executive Recruitments; and h. Surveys among others.
			Number of linkages and collaborations	Deepen linkages and collaborations for consultancy services	<p>Collaborations with:</p> <ul style="list-style-type: none"> a. Information Systems Audit and Control Association ISACA (An international professional association focused on IT (information technology) governance; and b. Institute of Human Resource Management (IHRM); c. National School of Government, South Africa established.
4	Institutional capacity	Develop suitable infrastructure	Annual implementation report	Improve physical Planning and development of the	<ul style="list-style-type: none"> a. Finalised Ultra-Modern Complex in Mombasa Campus; b. Construction of a Convention Centre in Embu campus 10% completed

KENYA SCHOOL OF GOVERNMENT
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FOR THE YEAR ENDED 30 JUNE 2021

KEY RESULT AREA (STRATEGIC PILLAR)	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	ACTIVITIES	ACHIEVEMENTS
			School's infrastructure	c. Construction of Tuition in Baringo campus 17% completed; d. Construction of Tuition in Matuga campus 10% completed.
		Integrate ICT in the business operations of the school.	Implementation of ERP for selected modules	KSG successfully extended ERP for: a. Human Resource; b. Procurement; c. Finance; d. Housekeeping; and e. Admissions to its campuses in Baringo, Embu, Matuga and Mombasa.
		No. of innovative software, supportive infrastructure implemented, and staff trained	Develop innovative software, supportive infrastructure implemented, and staff trained	In 2020/2021, KSG developed and rolled out an automated performance management system and trained all Performance Contracting champions in the School.
	Enhance good corporate governance in the School	Strengthen Quality Management System	Maintain ISO 9001:2015 certification	KSG successfully maintained this prestigious certification

KENYA SCHOOL OF GOVERNMENT
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FOR THE YEAR ENDED 30 JUNE 2021

	KEY RESULT AREA (STRATEGIC PILLAR)	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	ACTIVITIES	ACHIEVEMENT S
		Strengthen the human resource capacity of the school	Strengthen Performance management system	Review and implement the performance appraisal and staff recognition guidelines	In 2020/2021, KSG rolled out a new performance appraisal system and launched an automated staff recognition system for reward.
		Ensure financial sustainability	Strengthen Internal controls	% of increase in revenue	Developed a Resource Mobilization Strategy for the School

KENYA SCHOOL OF GOVERNMENT

Annual Report and Financial Statements FOR THE YEAR ENDED 30 JUNE 2021

VII CORPORATE GOVERNANCE STATEMENT

Good corporate governance is a fundamental part of the culture and practices by which an organization is operated, regulated and controlled so as to fulfill its goals and objectives in a manner that adds value and benefits all its stakeholders.

The Council of the Kenya School of Government is responsible for School's governance. Both the Council and senior management of the School are committed to the highest levels of corporate governance, which it considers critical in achieving the School's mandate. Accordingly, the School therefore fosters a culture that values and rewards the highest ethical standards and personal and corporate integrity. The Council also has a charter that is reviewed from time to time within a period not exceeding five years.

The Role of the Council

The Council's responsibilities are broadly set out in the State Corporations Act, Cap.446 Laws of Kenya as well as The Kenya School of Government Act, 2012 that constitutes the School as a state corporation. Specifically, the Council defines the School's strategies, objectives and values and ensures that its procedures and practices are in tandem to ensure effective control over strategic, financial, operational and compliance issues.

The Directors bring a wealth of experience and knowledge to the Council's deliberations. Except for direction and guidance on general policy, the Council delegates authority of its day-to-day activities to the Management through the Director General. The Council nonetheless is responsible for the overall stewardship of the School and assumes responsibility for effective direction and control.

Composition and removal of the Council

The Council comprises nine members including the Director General. Four of the Council members are independent non-executive members including the Chairman. All non-executive council members retire after a term of three (3) years from the date of appointment and are eligible for re- appointment for one more term. With the exception of Director General, the remaining four Council members are institutional representatives bringing on board closely-knit interests, experiences and balance from and by key School stakeholders.

The Council members above shall cease to be members if they become bankrupt, incapacitated, resigns in writing or is criminally convicted.

Council Meetings

The Council schedule of meetings is prepared annually in advance. The Council holds its regular meetings at least once every three months and special meetings may be called when necessary.

Below is the attendance of the meetings by the Council Members:

KENYA SCHOOL OF GOVERNMENT

Annual Report and Financial Statements
FOR THE YEAR ENDED 30 JUNE 2021

VII CORPORATE GOVERNANCE STATEMENT

	Council Member	No. of meetings held in the year	No. of meetings attended	% of attendance
1	Prof. Gituro Wainaina	2	2	100%
2	Prof. Peter Ngatia	2	2	100%
3	Mr. Joseph Musyoki	2	1	50%
4	Mr. Micah Origa	2	2	100%
5	Mr. Denis Mutahi	2	2	100%
6	Ms. Gatwiri Kirimi	2	2	100%
7	Rachael Musitia	2	1	50%
8	Dr. Ruth Agesa	2	1	50%
9	Prof Adams Oloo	2	2	100%

COMMITTEES OF THE COUNCIL

The Council has the following Committees that meet under defined terms of reference set by the Council. This is intended to facilitate efficient decision-making of the Council in discharging its duties and responsibilities.

(a) Risk and Audit Committee

The Committee assists the Council in fulfilling its corporate governance responsibilities and in particular to strengthen the effectiveness of the internal audit function; maintaining oversight on internal control systems; provision of general oversight in risk and compliance matters; and ensuring quality, integrity, effectiveness and reliability of the School's risk management framework.

Below is the attendance of meetings by the Committee

	Council Member	No. of meetings held in the year	No. of meetings attended	% of attendance
1	Prof. Peter Ngatia	4	4	100%
2	Denis Mutahi	4	4	100%
3	Micah Origa	4	4	100%
4	Charles Tirok (Co-opted)	4	4	100%
5	Prof. Adams Oloo	4	4	100%

(b) Learning and Development Committee

The Committee's mandate is to ensure the Learning and Development in general is functional. Specifically, the Committee's responsibilities include identifying learning service challenges and opportunities in the School and ensuring that they are resolved; review any changes on policy issues on standards, quality assurance and research; liaise with the stake holders on matters of quality of training

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VII CORPORATE GOVERNANCE STATEMENT

curriculum; and undertake comprehensive quarterly evaluation of standards, quality assurance programs in the School.

Below is the attendance of the committee members in the meetings:

	Council Member	No. of meetings held in the year	No. of meetings attended	% of attendance
1	Prof. Adams Oloo	5	5	100%
2	Prof Peter Ngatia	5	5	100%
3	Mr. Denis Mutahi	5	5	100%
4	Mr. Joseph Musyoki	5	5	100%
5	Rachael Musitia	5	1	20%

c) Human Resource Committee

The Committee reviews and provides recommendations on issues relating to all human resource matters including career progression, performance management, training needs, staff recruitment, staff placement, promotions, demotions, discipline, and staff welfare.

Below is the attendance of the committee members in the meetings:

	Council Member	No. of meetings held in the year	No. of meetings attended	% of attendance
1	Gatwiri Kirimi	7	7	100%
2	Prof. Adams Oloo	7	6	86%
3	Mr. Denis Mutahi	7	7	100%
4	Prof. Michael Lokuruka	7	4	57%
5	Prof. Peter Ngatia	7	6	86%

(d) Finance and General Purpose Committee

The Committee assists the Council to fulfill its oversight responsibilities relating to the School's finance, information and technology, procurement and related activities.

Below is the attendance of the committee members in the meetings:

	Council Member	No. of meetings held in the year	No. of meetings attended	% of attendance
1	Mr. Joseph Musyoki	7	7	100%
2	Mr. Micah Origa	7	7	100%
3	Mr. Denis Mutahi	7	7	100%
4	Ms. Gatwiri Kirimi	7	7	100%
5	Charles Tirok (Co-opted)	7	7	100%

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VII CORPORATE GOVERNANCE STATEMENT

Succession Plan

In order to ensure succession planning and management in the Council, the School has a mechanism of ensuring a staggered appointment or rotation of Council members so as to ensure proper skills mix and infusion of skills and experience from time to time.

Induction and Training

The School recognizes the importance of having a well informed and fully empowered Council and Management. In this regard, relevant training and capacity development opportunities are organized to equip Council Members and staff with skills and knowledge necessary to effectively perform their responsibilities.

Conflict of Interest and Ethics

The Council Members and management are required to make disclosures of any transaction in which they have interest and which would constitute a conflict of interest and abstain from voting for the case of Council members when such matters are being considered. Further, the Council and the management are required to adhere to ethical standards that govern the School's activities. In order to ensure compliance each council member is required to declare in writing before commencement of each meeting whether he or she has any conflict on any of the agenda before them. This is documented in the minutes as well.

Council Remuneration

The Council members are entitled to sitting and other allowances (where applicable) for every meeting attended, within the set Government guidelines. The aggregate amount of emoluments paid to the Council Members during the financial year for services rendered are disclosed in the financial statements.

Council Performance

The Council invites State Corporations Advisory Committee to carry out evaluation of the Council on an annual basis. The Council also carry's out self evaluation annually to review and audit its role and success or otherwise to meet the challenges envisaged at the beginning of each year as guided by the Council Charter.

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VIII MANAGEMENT DISCUSSION AND ANALYSIS

1 Operational and financial performance

Since emergence of COVID 19 pandemic in March 2020, the School has continued to offer online courses to ensure sustainance and adopt to the changes in the industry. However, the first online Strategic Leadership Development Program commenced during the year. During the period also the School in collaboration with SRC, rolled out training for the Ministries, Departments, Agencies, State Corporations and County Governments on the best practice in development of job descriptions and job analysis in order to address remuneration disparities in the public service.

The Kenya School of Government Council in line with its mandate of ensuring public service transformation, approved additional thirty two new training programs. These new training programs were occasioned by the rapidly evolving work environment having been conceptualized through a rigorous stakeholder validation process during the curricula development period.

The School also rolled out Social Protection Program and the first cohort practitioners graduated in June 2021. The School also assists other Countries in the area of governance. For instance, during the year, the School signed a contract with Puntland Institute of Public Administration and Management (IPAM) to establish a governance system capable of triggering development for the Government of the Puntland State of Somalia

One of the mandate of the School is to carry out research. During the year, a research titled Attitudinal Individualities Affecting Youth Participation in Agriculture was carried out. The paper addresses real issues that affect our society today and it will published in a series based on thematic areas as one of the contribution to big 4 agenda.

The School on the other hand for the first time mounted real-time virtual Graduation Ceremony for the Award of Diplomas and certificates to graduands who were largely government officers. A total of 232 officers graduated in Diploma in Social Work.

The School has been encountering challenges of reduction in revenue due to non face to face courses that have been the main method of generating income. However, the School has continued to market its courses online as well as in the print media to create awareness of the courses offered in our campuses and the number of participants has continued to increase.

The School also entered into partnership with the United Nations International Labour Organization (UN-ILO) to support the Isiolo Youth Innovation Centre. The Centre, which focuses on the empowerment and development of youth, especially from marginalized areas, encourages them to contribute to the national development agenda. The centre was established in a bid to, among thers; constructively engage the youth thereby keeping them away from social vices in the society such as drug abuse, radicalization, crime, and cattle rustling.

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VIII MANAGEMENT DISCUSSION AND ANALYSIS

2 Compliance with statutory requirements

The School in its business affairs complies with the statutory regulations such as Public Finance Management Act, 2012 and abides by all Government laws accordingly. The School has continued to comply with all statutory requirements on a monthly basis.

3 Major risks facing the School

- i. The School's major risk is operational risk. This is due to emergence of COVID 19 pandemic that led to slowing down of activities until the second quarter of the financial year.
- ii. The School also encountered liquidity risk during the year. However, the management sought financial assistance from the Government to finance salaries.

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IX CORPORATE SOCIAL RESPONSIBILITY/ SUSTAINABILITY REPORTING

Kenya School of Government 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 training, research and advisory services, consultancy services, institutional strengthening and positioning, human capital and talent management and financial growth and sustainability; putting the customer citizens first, delivering relevant services and improving operational excellence. Below is a brief highlight of the School's achievements:

1 Sustainability strategy and profile

Our sustainability is anchored on our vision, statement of purpose and core values which determine the strategic objectives of the School. Our role is to ensure that our business and by extension our various stakeholders are able to grow in a sustainable manner and not in the short term.

Our aim is to create value for shareholders and the society alike and in order to achieve this; we focus on several key areas:

- a. **Economic:** Kenya School of Government continues to contribute to the economy through the remittance of taxes such as a pay as you earn (PAYE), withholding tax, withholding vat excise duty and value added tax (VAT).
- b. **Socio-Economic:** The School has continued to engage AGPO mostly women, youths and persons with disability through request for quotations method of procurement.

2 Environmental performance

KSG invested in indigenous, medicinal and fruit trees that were planted during the rainy season across campuses.

3 Employee welfare

The School has Human Resource Management Policy and Procedure Manual seek to assist the School in implementation of its strategic plan to be consistent with the legal framework governing employer-employee relationship in Kenya and internationally recognized best practice. The purpose of the manual is to facilitate the attraction, development and retention of high performing staff. The policy is reviewed from time to time.

The School has continued to train staff on short courses both held within the School and outside the School such as professional bodies in order to improve skills to staff. Further, the School has continued to reimburse fees for those who out of their own initiative have embarked on a course relevant to their duties in order to manage careers. Appraisals and reward systems were also reviewed in the year 2020-2021 and appraisals carried out accordingly.

4 Market place practices

The School has ensured that:

- a. **Responsible competition practice:** In order to ensure responsible competition practices with issues like anti-corruption, the School has been ensuring that it undertakes all its activities within the laws of Kenya. Also in order to ensure fair competition and respect for competitors

KENYA SCHOOL OF GOVERNMENT

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IX CORPORATE SOCIAL RESPONSIBILITY/ SUSTAINABILITY REPORTING

the School has continued to engage the Government for assistance that they may require.

- b. *Responsible supply chain and supplier relations*** : The School has ensured that it complies with Public Procurement and Asset Disposal Act 2015 while carrying out procurement operations in order to ensure good business practice. Further, the School has a procurement and procedure manual that guides operations in procurement.
- c. *Responsible marketing and advertisement***: The School has been carrying out advertisements on "my Gov" platform as well as on its website for new and existing programs.
- d. *Product stewardship***: In order to protect consumer rights and interests, our customers are provided with information regarding the course requirements before admission and during the commencement of the course. Further, the School ensures confidentiality while interacting with customers.

5 Community engagement

The School participates in many activities in its effort to contribute socially to the society in which it operates

- a. *KSG Ogopa Football Club*** ; the school sponsors a Football club that is in the Nairobi West Regional level of the Kenya Premier League
- b. *Disability Access in buildings***; the school's properties have been modified to be disability friendly and allow for access for persons living with disabilities (PWDs) with minimal inconvenience.

KENYA SCHOOL OF GOVERNMENT

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FOR THE YEAR ENDED 30 JUNE 2021

X REPORT OF THE COUNCIL

The Council submit their report together with the financial statements of Kenyas School of Government for the year ended June 30, 2021 which show the state of the School's affairs.

Principal activities

The Principal activities of the School has continued to be according to Article 5(2) of the KSG Act 2012 which is to provide training, research and consultancy services designed to inform public policy, promote national development and standards of competence and integrity in the public service.

Results

The results of the School for the year ended June 30, 2021 are set out on page 29. Below is a summary of the performance of the School during the year.

	2021	2020
	kshs	kshs
Total Revenue	1,469,093,420	1,540,928,166
Total Expenditure	(1,732,641,576)	(2,012,621,144)
Other gains/ losses	(63,698,279)	6,220,506
Transfer to Treasury	-	(25,000,000)
Deficit for the year	<u>(327,246,435)</u>	<u>(490,472,472)</u>

Council Members

The Council members who served during the year are shown on page 4-5 in accordance with the Kenya School of Government Act 2012.

Auditors

The Auditor General is responsible for the statutory audit of the School in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

KENYA SCHOOL OF GOVERNMENT
Annual Report and Financial Statements
FOR THE YEAR ENDED 30 JUNE 2021

XI STATEMENT OF COUNCIL RESPONSIBILITIES

Under the provisions of Section 81 of the Public Finance Management Act, 2012 and Section 17 of the Kenya School of Government Act 2012, KSG Council is required to prepare financial statements which give a true and fair view of the state of affairs at the end of the financial year and the operating results of the School. The Council is also required to ensure that the School keeps proper accounting records which disclose with reasonable accuracy the financial position of the School. The Council is also responsible for safeguarding the assets of the School.

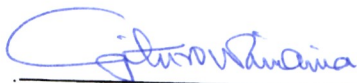
The Council is responsible for the preparation and presentation of the School's financial statements, which give a true and fair view of the state of affairs of the School for and as at the end of the financial year ended on June 30, 2021. The responsibility includes: (i) maintaining adequate financial 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 School; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and ensuring that these are free from material misstatements, whether due to error or fraud; (iv) make accounting estimates that are reasonable in the circumstances (v) safe guarding the assets of the School; (vi) selecting and applying appropriate accounting policies.

The Council accepts responsibility for the School's financial statements which have been prepared using appropriate accounting policies, supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting standards (IPSAS), and in the manner required by Public Finance Management Act 2012 and the Kenya School of Government Act 2012. The Council is of the opinion that the School's financial statements give true and fair view of the state of the School's transactions during the financial year ended June 30, 2021 and of the School's financial position as at that date. The Council further, confirms the completeness of the accounting records maintained for the School which have been relied upon in the preparation of the School's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The School's financial statements were approved by the Council on 2021 and signed on its behalf by:



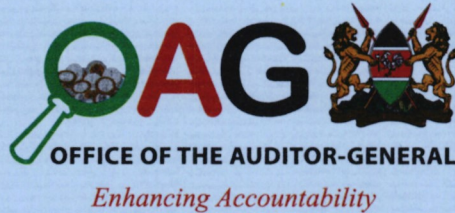
Prof. Gituro Wainaina, PhD.
Chairman of the Council



Prof. Ludeki Chweya, Ph.D., CBS
Director General & Chief Executive Officer

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA SCHOOL OF GOVERNMENT 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.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya School of Government set out on pages 28 to 67, 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 the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting

Report of the Auditor-General on Kenya School of Government for the year ended 30 June, 2021

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 Kenya School of Government as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Kenya School of Government Act, 2012.

Basis for Qualified Opinion

1. Non-Current Assets

1.1 Land without Ownership Documents

The statement of financial position, as disclosed in Note 18 to the financial statements, reflects property, plant and equipment balance of Kshs.6,878,120,315. As previously reported, included in the balance are freehold parcels of land owned by the School at Mombasa and Matuga campuses valued at Kshs.736,200,000 and Kshs.47,500,000 respectively whose title deeds were not provided for audit review. Further, the fixed asset register maintained by the School did not have information detailing the asset description, cost, date of acquisition, location, depreciation charge for the year, the accumulated depreciation and net book value of the assets.

1.2 Excluded Leasehold Land

The statement of financial position, as disclosed in Note 19 to the financial statements, reflects leasehold land balance of Kshs.1,946,543,164. As previously reported, the balance excludes six (6) parcels of land valued at Kshs.1,677,336,407 located at Lower Kabete that were illegally hived off and allocated to private individuals. Although available information indicates that these allocations have since been revoked by a court of law, the School has not taken back possession of the six parcels of land and the respective ownership documents are yet to be obtained.

1.3 Non-Valuation of Fully Depreciated Assets

As reported previously, the School carried in its books, assets which are fully depreciated but accrued benefits from their usage. Although the valuation process has commenced and part of the headquarters assets have been valued, the valuation amounts were not incorporated into the financial statements of the year under review.

In the circumstances, the accuracy, completeness and ownership of the property, plant and equipment balance of Kshs.6,878,120,315 could not be confirmed.

2.0 Long Outstanding Receivables

The statement of financial position reflects receivables from exchange and non-exchange transactions balance of Kshs.1,282,610,450 which includes an amount of Kshs.1,209,787,094 that has been outstanding for over 90 days. Included in the

balance are amounts due from defunct Institutions of Kshs.29,789,627, staff debtors of Kshs.8,996,267 and foreign customers of Kshs.8,203,437 all totalling to Kshs.46,989,331. Management has not explained why the credit period was extended to the concerned institutions and individuals despite the School's credit policy requirement of advance payment before the commencement of any courses or activities.

In the circumstances, the accuracy and completeness of the receivables balance of Kshs.1,209,787,094 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya School of Government 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 judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final expenditure budget and actual on comparable basis of Kshs.1,961,346,395 and Kshs.1,732,641,576 respectively resulting to an under-expenditure of Kshs.228,704,819 or 12% of the budget.

The under-expenditure affected the planned activities of the school and may have impacted negatively on service delivery to the public.

2. Unresolved Prior Year Audit Matter

In the audit report of previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. Although Management indicated that the matters have been resolved, in the progress on follow-up on prior year auditor's recommendation section of the financial statements, the matters remained unresolved as the issues are yet to be deliberated by the National Assembly's Public Investments Committee.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness

and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Delayed Construction of Tuition Block at Kenya School of Government (KSG) - Baringo Campus

The Kenya School of Government entered into a contract agreement with a local contractor on 14 July, 2020. The contract for the proposed construction of a tuition block at KSG - Baringo campus was at a contract sum of Kshs.623,474,422. The works were to be completed in 130 weeks starting 30 July, 2020 and ending on 29 December, 2022. However, an audit verification exercise of the project carried out in March, 2022 established that certified works amounted to Kshs.55,532,608 or 8.9% of the contract sum against a time lapsed of 87 weeks or 67%, an indication that the construction works were behind schedule. No satisfactory explanation was provided for the delay.

In the circumstances, it remains doubtful whether the outstanding works will be completed within the agreed timeline.

2. Construction of a Convention Centre at KSG - Embu Campus

The construction works for the tuition block at KSG-Embu Campus were awarded on 29 June, 2020 to a local contractor at a contract sum of Kshs.1,129,696,989. The project was to be completed in 130 weeks to end on 29 December, 2022. However, a review of progress reports and physical verification of the project carried out in April, 2022 revealed that payments and certified works stood at Kshs.75,571,128 or 7% completion level against elapsed period being 87 weeks or 67%. Further, the contractor had temporarily left the site due to delayed payment of certified works. This is an indication that the project was significantly behind schedule.

In the circumstances, the value for money paid to the contractor may not be achieved due to construction delays.

3. Delayed Construction of Tuition Block at KSG - Matuga Campus

The contract for the construction of a tuition block at KSG - Matuga campus was awarded to a local contractor at a contract sum of Kshs.745,050,231.33 for a contract period of 156 weeks commencing on 7 July, 2020 and is expected to be completed by 7 July, 2023. A review of the progress report and physical verification exercise carried out in April, 2022, revealed that, 92 weeks after commencement of the works, the value of works done and certified amounted to Kshs.91,805,478 representing only 17% completion level against 59% of time lapsed. The project, therefore, is significantly behind schedule. No satisfactory explanation was provided for the slow progress of works which may lead to cost escalation.

In the circumstances, the value for money for the expenditure incurred on the project may not be achieved due to the delay in completion of the project.

4. Stalled Construction of Deputy Director's House at KSG - Baringo Campus

The contract for the proposed completion works for the Deputy Director's house at Baringo campus referenced No. KSG/BAR/039/2013-2014 was awarded in 2014 to a local contractor at a contract sum of Kshs.4,426,212. According to the contract, the construction was to be completed by September, 2016. However, an audit verification exercise carried out in April, 2022 revealed that the contractor abandoned the site in 2017 due to non-payment of certified works valued at Kshs.2,001,756 as per certificate number 01 of 19 October, 2017. The completed works have since degraded and deteriorated. Management did not provide satisfactory explanations for the failure to complete the project.

In the circumstances, value for money on the project may not be achieved.

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

Composition of the School Council

During the financial year under audit review, the School's Council comprised nine members' including the Director General charged with the responsibility of the governance and overall stewardship of the school. However, the Council did not have two representatives from the Public Service Commission and the Kenya Institute for Public Policy Research and Analysis (KIPPR) as provided in Section 6(1)(h) and (i) of the Kenya School of Government Act, 2012 .

The School's Council was therefore not properly constituted as per the law.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for 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 controls, risk management and overall governance.

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015. In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the School'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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

19 September, 2022

KENYA SCHOOL OF GOVERNMENT

Annual Report and Financial Statements

For the year ended 30 June 2021

XIII STATEMENT OF FINANCIAL PERFORMANCE

	Note	2021 kshs	2020 kshs
REVENUES			
Revenue from Non exchange			
Government grant	11	467,012,210	341,560,927
Revenue from Exchange transactions			
Training fees		544,286,247	483,532,767
Research and consultancy		60,622,552	57,821,881
Catering and Accomodation		231,288,595	307,520,074
Conferences and Workshops		85,002,727	207,555,349
Other income	12	80,881,089	142,937,168
TOTAL REVENUE		1,469,093,420	1,540,928,166
OPERATING EXPENSES			
Council expenses	13	5,537,221	10,942,602
Employee costs	14	1,013,840,647	1,030,293,861
Repairs and maintenance	15	33,446,842	56,496,189
General Expenses	17	432,069,858	669,710,478
Depreciation	18	222,300,997	219,732,003
Amortisation	19	25,446,011	25,446,011
TOTAL OPERATING EXPENSES		1,732,641,576	2,012,621,144
Other gains/ (losses)			
Gain/ (loss) on disposal/ demolition of assets	16	(64,264,582)	-
Gain /(Loss) on foreign exchange transations		566,303	6,220,506
		(63,698,279)	6,220,506
Surplus/ (deficit) before tax		(327,246,435)	(465,472,472)
Taxation		-	-
Surplus/ (deficit) before tax		(327,246,435)	(465,472,472)
Remission to National Treasury		-	(25,000,000)
DEFICIT FOR THE YEAR		(327,246,435)	(490,472,472)

KENYA SCHOOL OF GOVERNMENT

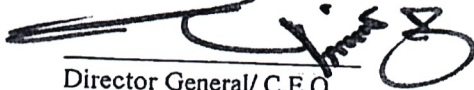
Annual Report and Financial Statements

As at 30 June 2021

XIV STATEMENT OF FINANCIAL POSITION

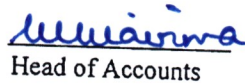
	Note	2021 kshs	2020 kshs
Non- current assets			
Property plant & equipment	18	6,878,120,315	6,640,465,746
Leasehold land	19	1,946,543,164	1,971,989,175
Investments	20	4,490,903	4,474,598
		<u>8,829,154,382</u>	<u>8,616,929,519</u>
Current Assets			
Inventories	21	47,685,441	33,456,352
Receivables from exchange & non exchange	22	1,282,610,450	1,200,186,725
Investments	20	154,859	154,296
Staff car loan & Mortgage	23	145,250,000	101,000,000
Cash and cash equivalent	24	268,165,754	692,293,024
		<u>1,743,866,504</u>	<u>2,027,090,397</u>
Total Assets		<u>10,573,020,886</u>	<u>10,644,019,916</u>
Current Liabilities			
Trade and other payables from exchange	25	1,394,991,877	1,165,137,530
		<u>1,394,991,877</u>	<u>1,165,137,530</u>
Net Assets			
Revaluation reserves		4,539,728,060	4,539,728,060
Accumulated surplus		1,304,360,295	1,631,606,730
Deferred Income		3,333,940,654	3,307,547,596
		<u>9,178,029,009</u>	<u>9,478,882,386</u>
Total net assets and liabilities		<u>10,573,020,886</u>	<u>10,644,019,916</u>

The financial statements as set out on pages 29 to 54 were approved by Council onand signed on its behalf by:



Director General/ C.E.O
Prof. Ludeki Chweya, PhD,CBS,.

Date:

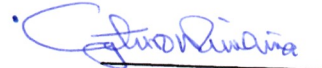


Head of Accounts

ICPAK No. 5099

Date:

5/9/2022



Chairman

Prof. Gituro Wainaina

Date: September 6, 2022

KENYA SCHOOL OF GOVERNMENT

Annual Report and Financial Statements

For the year ended 30 June 2021

XV STATEMENT OF CHANGES IN NET ASSETS

	Revaluation reserves Kshs	Accumulated surplus Kshs	Development Grant Kshs	Total Kshs
Balance as at 30 June 2019	4,539,728,060	2,122,079,202	2,866,622,592	9,528,429,854
Deficit for the year	-	(490,472,472)	-	(490,472,472)
Additions	-	-	518,367,855	518,367,855
Amortisation	-	-	(77,442,851)	(77,442,851)
Balance as at 30 June 2020	4,539,728,060	1,631,606,730	3,307,547,596	9,478,882,386
Balance as at 1 July 2020	4,539,728,060	1,631,606,730	3,307,547,596	9,478,882,386
Deficit for the year		(327,246,435)		(327,246,435)
Additions			80,000,000	80,000,000
Amortisation			(53,606,942)	(53,606,942)
Balance as at 30 June 2021	4,539,728,060	1,304,360,295	3,333,940,654	9,178,029,009

KENYA SCHOOL OF GOVERNMENT

Annual Report and Financial Statements

For the year ended 30 June 2021

XVI STATEMENT OF CASH FLOWS

	Note	2021 Kshs	2020 Kshs
Operating deficit		(327,246,435)	(490,472,472)
Depreciation	18	222,300,997	219,732,003
Amortisation of land	19	25,446,011	25,446,011
Amortisation of deferred income		(53,606,942)	(77,442,851)
Loss on disposal of assets	16	66,790,782	-
Operating surplus before working capital changes		(66,315,587)	(322,737,309)
(Increase)/ decrease in inventories		(14,229,089)	(8,610,412)
(Increase)/ decrease in trade and other receivables		(82,423,725)	168,860,339
Increase/ (decrease) in trade and other payables		229,854,347	163,235,979
Cash generated from operations		66,885,915	748,597
Interest accrued from Treasury bonds	20	(16,868)	(16,868)
		66,869,047	731,729
INVESTING ACTIVITIES			
Purchase of property, plant & equipment	18	(526,746,317)	(536,797,058)
Redemption of Treasury bond	20	-	22,943,320
		(526,746,317)	(513,853,738)
FINANCING ACTIVITIES			
Government grant		80,000,000	510,182,739
Mortgage and Car loan		(44,250,000)	(101,000,000)
Grant from donors		-	8,185,116
Net cash generated from financing activities		35,750,000	417,367,855
Increase/ (decrease) in cash and cash equivalent		(424,127,270)	(95,754,154)
Cash and cash equivalent at the beginning		692,293,024	788,047,178
Cash and cash equivalent at end of the year	23	268,165,754	692,293,024

KENYA SCHOOL OF GOVERNMENT
Annual Report and Financial Statements
For the year ended 30 June 2021

XVII STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Revenue	Original Budget Kshs	Adjustments Kshs	Final Budget Kshs	Actual Ksh	Variance Kshs.	%	NOTE
Government grant	267,223,000	-	267,223,000	419,856,990	152,633,990	57%	1
Grant development partners	16,000,000	(16,000,000)	-	47,155,220	47,155,220	100%	2
Training fees	801,480,191	(302,299,067)	499,181,124	544,286,247	45,105,123	9%	3
Research and consultancy	225,993,459	(170,771,814)	55,221,645	60,622,552	5,400,907	10%	4
Catering & Accomodation	728,734,646	(518,480,694)	210,253,952	231,288,595	21,034,643	10%	5
Hire of facilities	270,818,092	(192,716,933)	78,101,159	85,002,727	6,901,568	9%	6
Other income	141,235,368	(45,773,605)	95,461,763	80,881,089	(14,580,674)	-15%	
Other Gains/(Losses)		-		(63,698,279)	-	0%	
Total Income	2,451,484,756	(1,246,042,113)	1,205,442,643	1,405,395,141	199,952,498		
Expenses							
Council expenses	20,574,000	(14,828,332)	5,745,668	5,537,221	208,447	4%	
Employee costs	1,094,199,469	(46,205,532)	1,047,993,937	1,013,840,647	34,153,290	3%	
General expenses	893,280,130	(346,570,515)	546,709,615	432,069,858	114,639,757	21%	7
Depreciation and amortisation	384,583,157	(58,104,302)	326,478,855	247,747,008	78,731,847	24%	8
Repairs and maintenance	58,848,000	(24,429,681)	34,418,319	33,446,842	971,477	3%	
Total expenditure	2,451,484,756	(490,138,361)	1,961,346,395	1,732,641,576	228,704,819		
Surplus/ (deficit) for the year	-	(755,903,752)	(755,903,752)	(327,246,435)			

NOTES

Difference between actual and budgeted amounts

The budget was revised downwards as a result of emergence of COVID 19 pandemic that led to reduction in activities during the year.

KENYA SCHOOL OF GOVERNMENT
Annual Report and Financial Statements
For the year ended 30 June 2021

Why the budget was varied

- 1.) *Recurrent grant* - The amount increased because the management sought for additional financial assistance from the Government of Kenya to finance salaries in quarter four
- 2.) *Grant from development partners* - This is the amount earned from finalisation of training programs ran by NUWETU funded by USAid.
- 3.) *Training fees*- The School increased face to face trainings from Job evaluation course to meet the SRC deadline of ensuring all jobs in state corporations have been evaluated
- 4.) *Research and consultancy* - The School ran an oracle consultancy program for the National Treasury in quarter 4.
- 5.) *Catering and accommodation* - The increase was attributed by increase in volume of business during the year.
- 6.) *Hire of facilities* - Hire of confrence facilities revenue increased due to increase in number of requests by organisations to carry out their organisational activities.
- 7.) *General expenses* - The expenditure reduced due to reduction in volume of business thus reduction in hiring of casual, food, cleaning and water bottling costs.
- 8.) *Depreciation and amortisation* - The budget wasn't met because the projects/ activities scheduled to be carried out during the year did not take place due to cash flow challenges.

KENYA SCHOOL OF GOVERNMENT

Annual Report and Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

XVIII NOTES TO THE FINANCIAL STATEMENTS

1 General Information

Kenya School of Government is established by and derives its authority and accountability from Kenya School of Government Act 2012. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entities principal activity is to provide training, consultancy, research and advisory services to the Public Service.

2 Statement of Compliance and basis of preparation

The financial statements have been prepared on historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment and financial instruments at fair value, impaired assets at their estimated recoverable amounts and liabilities at their present value where applicable. 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 School's 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 No. 5

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and the 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 for the year ended 30 June 2021.

Standard	Impact
Other improvements to IPSAS	Applicable: 1st January 2021 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. 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.

KENYA SCHOOL OF GOVERNMENT

Annual Report and Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

Standard	Impact
Other improvements to IPSAS (continue)	<p>c) IPSAS 21, Impairment of Non-Cash generating assets and IPSAS 26, Impairment of cash generating assets.</p> <p>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, Tangible Assets</p> <p>d) IPSAS 33, First time adoption of accrual basis international public sector accounting standards (IPSASs)</p> <p>Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the standard.</p> <p><i>This standard is not applicable to the School</i></p>

ii. **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. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <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 standard is not applicable to the School as it does not hedge its financial instruments</i></p>
IPSAS 42: Social benefits	<p>Applicable: 1st January 2023.</p> <p>The objective of this standard is to improve the relevancy, faithful</p>

KENYA SCHOOL OF GOVERNMENT

Annual Report and Financial Statements
FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

	<p>representatives 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 purposes 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;c.) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <p><i>This standard is not applicable to the School as it does not offer social benefit</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 instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

iii. Early adoption of standards

The School did not adopt early any new or amended standards in year 2020-2021.

KENYA SCHOOL OF GOVERNMENT

Annual Report and Financial Statements FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a. Revenue recognition

i. Revenue from non-exchange transactions

The entity recognises revenues from fees when the event occurs to the extent that would give rise to a liability to repay the amount. Other non-exchange revenues are recognised 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 the 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 recognised 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 entity and can be measured reliably. Recurrent grants are recognised in the statement of comprehensive income. Development/ capital grants are recognised in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

Deferred income

This relates to grants received from the Government of Kenya and development partners for purposes of capital expenditure. This amount is amortised gradually and the amortised amount recognised in the statement of financial performance at the same rate as depreciation on an annual basis.

ii. Revenue from exchange transactions

1) Rendering of services

The sale of services is recognised in the year in which the School delivers the service to the customer, the customer has accepted the service and collectability of the related receivables is reasonably assured.

2) Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

KENYA SCHOOL OF GOVERNMENT

Annual Report and Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

3.) Interest Income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method is applied to the principal outstanding amount to determine interest income each period.

4.) Rental Income

This is income arising from letting out the School's houses to mostly its staff.

b. Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Costs 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 entity recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised 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 recognised in statement of financial performance 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.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds from the disposal with the net carrying amount of the items, and are recognised in the statement of financial performance.

Freehold land and capital work in progress are not depreciated. Capital work in progress relates mainly to the costs of incomplete works on buildings, other civil works and installations.

Depreciation is provided on the cost/valuation of the assets on straight line basis at rates designed to write down the cost of each asset or revalued amount to its residual values over their estimated useful life. The annual rates in use are:

	Rate
Buildings	2.00%
Plant & equipment	12.50%
Furniture & fittings	12.50%
Linen & beddings	12.50%
Motor vehicles	25.00%
Computers	30.00%
Softwares	20.00%
Library books	5.00%
Leasehold land	Over the period of the lease

A full year's depreciation is recognised in the year of purchase and none in the year of disposal.

KENYA SCHOOL OF GOVERNMENT

Annual Report and Financial Statements FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

c. Leases

Finance lease are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the School. Assets held under a finance lease are capitalised 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 School also recognises the associated lease liability at the inception of the lease. The liability recognised is measured as the present value of the future minimum lease payments at initial recognition.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the School will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

d. Inventories

Inventories 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:

Raw materials: purchase cost using the weighted average cost method;

Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity.

After initial recognition, inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises purchase price, import duties, transportation and handling charges and is determined on weighted average price method. Inventories are recognised as an expense when deployed for utilisation or consumption in the ordinary course of operations of the School.

e. Financial Instruments

1.) Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: recognition and measurements are classified as financial assets at fair value through surplus or deficit, loans and receivables, held to maturity investments or available for sale financial assets as appropriate. The School determines the classification of its financial assets at initial recognition.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Losses arising from impairment are recognized in the surplus or deficit.

KENYA SCHOOL OF GOVERNMENT

Annual Report and Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

Held to maturity

Non derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the School has the positive intention and ability to hold it to maturity. After initial measurement, held to maturity investments are measured at amortised cost using the effective interest method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognised in surplus or deficit.

Impairment of financial assets

The School assesses at each reporting date whether there is objective evidence that a financial asset is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include the following indicators:

- i.) The debtors are experiencing significant financial difficulty;
- ii.) Default or delinquency in interest or principal payments;
- iii.) The probability that debtors will enter bankruptcy or other financial reorganisation;
- iv.) Observable data indicates a measurable decrease in estimated future cash flows.

2.) Initial recognition and measurement of financial liabilities

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit as appropriate. The School determines the classification of its financial liabilities at initial recognition. The School determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus directly attributable transactions costs.

f. Nature and purpose of reserves

The School creates and maintains reserves in terms of revaluation reserves. This reserve is a non cash reserves created to reflect the true value of the asset when the market value of the assets is higher or lower than the book value. Any increase or decrease as a result of revaluation of the asset is posted in this account as per the International Public Sector Accounting Standards.

KENYA SCHOOL OF GOVERNMENT

Annual Report and Financial Statements FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

g. Cash and cash equivalent

Cash and cash equivalents comprise cash on hand and cash at bank, short term deposits, on call deposits and highly liquid investments within 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.

h. Retirement benefit obligation

The School operates a defined contribution retirement benefits plan for its employees, The assets are held in a separate trustee administered scheme. The scheme is funded by contributions from both the employees at 7.5% and employer at a rate of 15% of employees basic pay.

The School and the employees also contribute to the National Social Security Fund (NSSF), a national defined contribution scheme. The School's contributions obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 200 per employee per month.

i. Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised as income or expenses in the period in which they arise.

j. Budget information

The original budget for the FY 2020-2021 was approved by the Council in January 2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget is presented in the statement of comparison of budget and actual amounts. The adjustments to amounts in the financial statements are made 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 as per the statement of financial performance has been presented on page 33-34 of these financial statements.

KENYA SCHOOL OF GOVERNMENT

Annual Report and Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

k. Intangible asset

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in statement of financial performance in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

l. Provisions

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

Where the School expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

1.) Contingent liabilities

The School does not recognise a 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.

2.) Contingent assets

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

m. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year June 30, 2021.

n. Currency

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

KENYA SCHOOL OF GOVERNMENT

Annual Report and Financial Statements FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

o. Taxes

Current income tax

The School has not provided for taxation as it has applied for exemption under the income tax act through the Cabinet Secretary for the National Treasury.

Sales tax

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

- i.) 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 recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- ii.) When receivables 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.

p. Comparative figures

Comparative figures for water bottling sales have been amended to separate between income and expenditure in compliance with IPSAS 1(S.48). Further, other expenses reflected in note 16 have been clarified further by disclosing library expenses separately from other income.

5 Significant Judgement and Sources of Estimation uncertainty

The preparation of the School's financial statements in conformity with IPSAS requires management to make judgements, 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 year. 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.

a.) Estimates and assumptions

The School 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 School. Such changes are reflected in the assumptions when they occur.

b.) 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;

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

c.) Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material. The School has made a general provision for bad debts at the rate of 11%.

7 Retained Earnings

The retained earnings represent net income left over to finance the School's activities mainly capital expenses.

8 Related party disclosures

Nature of related party relationships

The School 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 School or vice versa. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the School, holding 100% of the School's equity interest. Other related parties include:

- i. The parent ministry- Ministry of Public Service & Gender
- ii. The National Treasury
- iii. County Government
- iv. Key Management

9 FINANCIAL RISK MANAGEMENT

The School's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The School's overall risk management policies are set out by the Council and implemented by the management, and focus on the unpredictability of changes in the business environment and seeks to minimise the potential adverse effects of such risks on its performance by setting acceptable levels of risk. The School however, does not hedge any risks and that credit is only extended to customers with an established credit history.

The School's financial risk management objectives and policies are detailed below:

i. Market risk

The Council has put in place an internal audit function to assist in assessing the risk faced by the School on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

i. Market risk (Continue..)

Market risk is the risk arising from the changes in market prices, such as interest rate and foreign exchange rates which will affect the School's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing the risk rests with the Audit and Risk Committee.

The School's finance department is responsible for development of detailed risk management policies and for the day to day implementation of those policies.

During the year 2019-2020 from the month of March 2020, the Government of Kenya discontinued activities and closed down all training institutions due to the emergence of COVID 19. This affected the performance of the School since admissions of participants could not take place.

ii. Credit Risk

The School has exposure to credit risk, which is the risk that a customer will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables.

Management assesses the credit quality of each customer taking into account its past experience and other factors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the School's management based on prior experience and their assessment of the current and economic environment.

The carrying amount of financial assets recorded in the financial statements representing the School's maximum exposure to credit risk is made up as follows:

	Total amount Kshs. Kshs	Fully performing Kshs. Kshs	Past due Kshs. Kshs	Impaired Kshs. Kshs
At 30 June 2021				
Receivables from exchange transactions	1,406,003,008	1,406,003,008		-
Receivables from non exchange transactions	31,267,553	31,267,553		-
Bank balances	268,165,754	268,165,754		-
Total	1,705,436,315	1,705,436,315	-	-
At 30 June 2020				
Receivables from exchange transactions	1,274,746,835	1,247,933,143	26,813,692	
Receivables from non exchange transactions	10,703,908	10,703,908	-	
Bank balances	692,293,024	692,293,024	-	
Total	1,977,743,767	1,950,930,075	26,813,692	-

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NOTES TO THE FINANCIAL STATEMENTS (continued)

The customers under the fully performing category are paying their debts as they continue transacting with the School. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the School has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The School has significant concentration of credit risk on amounts due from the National and County Governments.

iii. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the School's council. The School manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the School. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 month Kshs	Between 1-3 months Kshs	Over 3 months Kshs	Total Kshs
At 30 June 2021				
Trade payables	-	-	428,344,169	428,344,169
Payments received in advance	-	476,465,465	-	476,465,465
Third party payments	-	56,296,580	-	56,296,580
Retentions	-	149,275,046	-	149,275,046
VAT payable	-	36,438,031	-	36,438,031
Audit fees	2,000,000	-	3,500,000	5,500,000
Service Gratuity	-	-	59,322,199	59,322,199
Other payables	133,107,667	50,242,720	-	183,350,387
Total	135,107,667	768,717,842	491,166,368	1,394,991,877
At 30 June 2020				
Trade payables	-	-	289,595,791	289,595,791
Payments received in advance	-	520,284,970	-	520,284,970
Third party payments	-	51,277,180	-	51,277,180
Retentions	-	122,167,729	-	122,167,729
VAT payable	-	25,634,424	-	25,634,424
Audit fees	3,500,000	-	-	3,500,000
Service Gratuity	-	47,692,420	-	47,692,420
Other payables	49,856,921	55,128,095	-	104,985,016
Total	53,356,921	822,184,818	289,595,791	1,165,137,530

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NOTES TO THE FINANCIAL STATEMENTS (continued)

iv. Foreign Currency Risk

The school has transactional currency exposures which arises through purchase of goods and services that are done in currencies other than local currency. Transactions made in foreign currency are converted to Kenya Shilling at the time of transaction using the prevailing exchange rate.

v. Interest rate risk

Interest rate risk is the risk that the School's financial condition may be adversely affected as a result of changes in interest rate levels. The School's interest rate risk arises from bank deposits. This exposes the School's cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the School's deposits.

vi. Capital Risk Management

The objective of the School's capital risk management is to safeguard the Council's ability to continue as a going concern. The capital structure comprises of the following funds:

	2021	2020
	Kshs	kshs
Revaluation Reserve	4,539,728,060	4,539,728,060
Accumulated surplus	1,304,360,295	1,631,606,730
Deferred Income	3,333,940,654	3,307,547,596
	<u>9,178,029,009</u>	<u>9,478,882,386</u>

10 Transfer from Ministries, departments and agencies

Name	Amount recognised to statement of comprehensive income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund Kshs	Total grant income during the year Kshs	2020-2021 Kshs
Ministry of Public Service & Gender	408,834,990	80,000,000	-	488,834,990	845,678,601

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NOTES TO THE FINANCIAL STATEMENTS (continued)

	2021 kshs	2020 kshs
11 Government grants		
Recurrent grant- development partners	47,155,220	28,337,600
Recurrent grant-G.O.K	419,856,990	313,223,327
	<u>467,012,210</u>	<u>341,560,927</u>
12 Other Income		
Deferred Income	53,606,942	77,442,851
Rent	14,671,559	14,532,798
Interest from investments	7,176,521	14,202,423
Miscellaneous receipts	2,151,504	15,310,515
Water Bottling sales	3,274,563	21,448,581
	<u>80,881,089</u>	<u>142,937,168</u>
13 Council expenses		
Chairman Honoraria	1,020,000	1,020,000
Sitting allowances	2,420,000	5,638,000
Other expenses	2,097,221	4,284,602
	<u>5,537,221</u>	<u>10,942,602</u>
14 Employee costs		
Salaries and wages	951,467,949	901,279,542
Gratuity	29,486,017	24,001,828
Bonus	-	33,276,179
Staff training	3,216,910	5,509,647
Staff medical	27,430,333	39,329,151
Staff welfare	1,780,182	22,695,749
Staff uniform	459,256	4,201,765
	<u>1,013,840,647</u>	<u>1,030,293,861</u>
15 Repairs and maintenance		
Maintenance of building and grounds	19,517,769	34,384,993
Maintenance of borehole	792,726	-
Maintenance of equipment	4,910,100	9,689,169
Motor vehicle repairs	8,226,247	12,422,027
	<u>33,446,842</u>	<u>56,496,189</u>
16 Disposal of assets		
Gain on disposal of motor vehicle through write off	2,526,200	-
Loss on demolition of buildings to pave way for construction	(66,790,782)	-
Loss on disposal/ demolition	<u>(64,264,582)</u>	<u>-</u>

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	2021	2020
	kshs	kshs
17 General expenses		
Advertising and publicity	1,947,949	11,207,479
Bank charges	1,224,108	1,437,513
Casual wages	61,227,491	93,258,065
Cleaning and sanitation	14,193,122	33,571,822
Conference committees and seminars	742,907	6,711,387
Domestic travel	44,737,536	75,066,504
Electricity	25,370,748	25,498,443
External travel costs	144,169	6,487,453
Food and ration	93,712,480	201,944,098
Gas and fuel	10,032,994	14,973,532
Field study trips	251,060	2,170,735
Hire of accomodation	3,873,310	13,467,402
Hire of transport	230,097	3,681,744
Hire of consultancy	2,832,000	4,753,455
ICT costs	30,898,174	28,539,512
Insurance	19,011,125	13,431,224
ISO Certification	-	501,386
Legal fees	1,160,844	-
Marketing	288,711	5,098,285
Performance contracting expenses	1,301,600	305,570
Printing & publishing	-	941,772
Provision for bad debts	14,508,259	(9,958,904)
Refined fuels	14,117,261	14,344,506
Research expenses	293,817	1,303,489
Security expenses	5,731,421	6,816,689
Stationery for participants	17,196,146	16,958,520
Stationery for staff	644,287	8,423,221
Sundry expense	509,626	3,046,198
Telephone and fax	4,420,294	12,973,413
Training and consultancy	41,039,553	44,594,205
Water and conservancy	2,996,372	1,823,741
Hospitality expense	4,956,522	6,348,901
Audit fees	2,000,000	2,000,000
Water bottling costs	8,508,829	13,889,456
Corporate Social Responsibility	41,271	185,852
Library expenses	521,387	1,286,276
Other expenses	1,404,388	2,627,534
	<u>432,069,858</u>	<u>669,710,478</u>

**KENYA SCHOOL OF GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

18 Property, plant & Equipment													
	Land Kshs	Buildings Kshs	Work in progress Kshs	Plant & equipment Kshs	Kitchen equipment Kshs	Office equipment Kshs	Motor vehicles Kshs	Furniture & fittings Kshs	Linens & beddings Kshs	Computers & networking Kshs	Library Kshs	Softwares Kshs	Total Kshs
2020													
Carry over situation													
At 1 July 2019	783,700,000	5,093,579,630	572,390,688	141,282,519	41,674,546	69,558,274	141,128,869	234,837,629	107,799,771	239,703,588	34,126,571	16,394,374	7,476,176,459
Additions	-	9,390,528	442,049,886	3,179,919	10,925,340	5,976,298	-	11,367,309	11,716,830	39,763,907	76,200	2,350,841	536,797,038
Transfer from W-I-P	-	158,427,128	(180,280,630)	10,833,000	-	-	-	-	-	11,020,502	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2020	783,700,000	5,261,397,286	834,159,944	155,295,438	52,599,886	75,534,572	141,128,869	246,204,938	119,516,601	290,487,997	34,202,771	18,745,215	8,012,973,517
Additions													
Transfer from W-I-P		1,041,728	461,856,178	898,355	1,587,326	4,328,667	10,348,448	18,752,419	15,182,089	12,751,107	-	-	526,746,317
Disposals		(77,663,700)	-	-	-	-	(3,491,902)	-	-	(10,000)	-	-	(81,165,602)
At 30 June 2021	783,700,000	5,184,775,314	1,296,016,153	156,193,793	54,187,212	79,863,239	147,985,415	264,957,357	134,698,690	303,229,104	34,202,771	18,745,215	8,458,594,263
Depreciation													
At 1 July 2019	-	491,689,064	-	90,243,222	20,883,964	39,986,185	122,364,705	119,444,558	44,511,599	211,355,772	12,296,699	-	1,152,775,768
Disposals													
Charge for the year		105,227,945	-	18,396,336	6,400,759	8,814,515	8,764,514	30,775,617	13,825,607	25,346,404	1,710,138	470,168	219,732,003
At 30 June 2020	-	596,917,009	-	108,639,558	27,284,723	48,800,700	131,129,219	150,220,175	58,337,206	236,702,176	14,006,837	470,168	1,372,507,771
Demolitions/ adjustments		(10,872,918)	-	-	-	-	(3,491,902)	-	-	(10,000)	-	-	(14,374,820)
Charge for the year		103,677,024	-	19,501,477	6,772,704	8,492,738	9,091,087	32,854,753	14,598,650	25,132,238	1,710,138	470,168	222,300,997
At 30 June 2021	-	683,721,115	-	128,141,035	34,057,427	57,293,438	136,728,404	183,074,928	72,935,856	261,824,434	15,716,975	940,336	1,580,433,948
Net book value													
At 30 June 2020	783,700,000	4,495,054,199	1,296,016,153	28,052,758	20,129,785	22,569,801	11,257,011	81,882,429	61,762,834	41,404,670	18,485,796	17,804,879	6,878,120,315
At 30 June 2021	783,700,000	4,664,480,277	834,159,944	46,655,880	25,315,163	26,733,872	9,999,650	95,984,763	61,179,395	53,785,821	20,195,934	18,275,047	6,640,465,746

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	2021	2020
	kshs	kshs
19 Leasehold land		
At 1 July	1,971,989,175	1,997,435,186
Amotisation charge for the year	<u>(25,446,011)</u>	<u>(25,446,011)</u>
At 30th June	<u><u>1,946,543,164</u></u>	<u><u>1,971,989,175</u></u>
<p>The land in Lower Kabete, Baringo and Embu campuses are on a lease issued by Government for a period of 99 years.</p>		
20 Investments		
Treasury bond-30 years @12% P.a-Face value Kshs.5M	4,628,894	4,612,026
Discount amortisation	<u>16,868</u>	<u>16,868</u>
Fair value as at 30th June	<u><u>4,645,762</u></u>	<u><u>4,628,894</u></u>
a. Short term	154,859	154,296
b. Long term	<u>4,490,903</u>	<u>4,474,598</u>
	<u><u>4,645,762</u></u>	<u><u>4,628,894</u></u>
21 Inventories		
Nairobi	17,877,446	21,040,971
Eldi	223,240	992,159
Baringo	10,696,527	2,894,875
Embu	5,856,171	2,707,308
Matuga	5,353,019	2,667,046
Mombasa	<u>7,679,038</u>	<u>3,153,993</u>
	<u><u>47,685,441</u></u>	<u><u>33,456,352</u></u>
22 Receivables		
Trade debtors	1,406,003,008	1,274,746,835
Provision for bad debts	<u>(154,660,111)</u>	<u>(140,329,611)</u>
	<u>1,251,342,897</u>	<u>1,134,417,224</u>
Staff debtors	8,786,880	10,703,908
Other receivables	<u>22,480,673</u>	<u>55,065,593</u>
	<u><u>1,282,610,450</u></u>	<u><u>1,200,186,725</u></u>

KENYA SCHOOL OF GOVERNMENT
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For the year ended 30 June 2021

		2021	2020
		kshs	kshs
23 Cash deposits			
Name of bank			
Kenya Commercial bank- Mortgage lien account		134,250,000	90,000,000
Kenya Commercial bank- Car lien account		11,000,000	11,000,000
		<u>145,250,000</u>	<u>101,000,000</u>
24 Cash and cash equivalent	Note		
Bank	24a	267,496,104	691,347,878
Cash in hand		-	(1)
Petty cash		669,650	945,147
		<u>268,165,754</u>	<u>692,293,024</u>
Detailed analysis of the cash and cash equivalent			
24a Current Account			
Name of bank	Bank account No.	Currency	
KCB Corporate	1145987281	Kshs	86,542,026
KCB Corporate	1145987184	USD	154,670,605
KCB Embu	1146029837	Kshs	599,990
KCB Kwale	1146019173	Kshs	(500,011)
KCB Mombasa	1145993303	Kshs	1,137,990
KCB Baringo	1145978851	Kshs	1,049,990
KCB Nairobi	1107057957	USD	10,772
KCB Eldi	1107050251	USD	(642)
KCB Nairobi	1106972732	Kshs	218,658
KCB Eldi	1106676823	Kshs	99,630
NBK	01003000909500	Kshs	23,667,096
			<u>267,496,104</u>
			<u>691,347,878</u>
25 Trade and other payables			
Trade payables		428,344,169	289,595,791
Payments received in advance		476,465,465	520,284,970
Third party payments		56,296,580	51,277,180
Retentions		149,275,046	122,167,729
VAT payable		36,438,031	25,634,424
Service Gratuity		59,322,199	47,692,420
Audit fees		5,500,000	3,500,000
PAYE		31,901,799	13,987,381
NHIF		3,046,652	1,517,052
Helb		218,857	90,251
Withholding Taxes (VAT & Income)		10,592,963	5,789,801
Staff Remittances		87,347,396	28,472,436
Other payables		50,242,720	55,128,095
		<u>1,394,991,877</u>	<u>1,165,137,530</u>

KENYA SCHOOL OF GOVERNMENT
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FOR THE YEAR ENDED 30 JUNE 2021

25 Contingent liabilities

- i. Julie Nyawira Mathenge sued the Institute over Plot Nos. 11509-11514 Lower Kabete Nairobi. She was allegedly allocated the said plots which stand on the School's plot. She filed a court case HCC No. 679 of 2006 at high court. The titles were revoked through a gazette notice in November 2010 by the Minister of Lands Hon. James Orengo. The School has requested L.G. Kimani & Co. Advocates to pursue the matter and ensure the titles revert back to Kenya School of Government. Evidence of KSG witness concluded in June 2020 and remaining Public service witness evidence is due to be tendered by AG as well as EACC. Next hearing date to be communicated by court.

(b) Mombasa Env. & Land Ct. No. 94 of 2012 – Kalliste Ltd. –vs- A.G, Tulsi Construction Ltd. & KSG - The A.G. (Mombasa Office) who is also a defendant is representing the Government and KSG in the case. The Plaintiff claims that it was allocated land by Government which is directly opposite KSG Mombasa campus where the Ultra Modern Complex is being built and seeks compensation by Government. The A.G. has prepared witnesses and documents (survey plans and witnesses from the Ministry of Lands, Department of Survey and KSG Mombasa) showing that the allocation to the Plaintiff was illegal. The School's efforts to get EACC to be enjoined due to the fraudulent acquisition of KSG land by the Plaintiff have not been successful. Hearing started on January 28, 2020 and is ongoing.
- iii. Milimani NRB HCCC no. 151 of 2016 ;Fahari Building & Civil Engineering LTD. -vs- the Hon. Attorney General. The Claimant Fahari Building & Civil Engineering Ltd was awarded the contract for construction of the conference facility at the KSG Matuga campus in 2008. Claimant raised issues of re-measurement of the works in 2010 which were dealt with to the satisfaction of the contractor and the client campus in 2011. At the handing over of the building in 2012 Claimant repeated the issue of re-measurements in the hope of a more favourable finding. Remeasurements were done by the Ministry of Public Works in 2013 which Matuga Campus rejected as they were undeserved. Plaintiff claims Kshs 12,554,980 which includes the last moiety retention totaling Kshs 3,416,552. Advocates for the Claimant are seeking settlement through arbitration. The AG will advise on presence of any merit in settlement negotiations.
- iv. Nairobi ELRC Petition No. 135 Of 2016; Obuya Bagaka –Vs- Kenya School Of Government. The Attorney General (Nairobi Litigation Department) is representing KSG with the support of one external counsel. The Petitioner who was a faculty member at KSG Nairobi filed a case challenging his interdiction and termination of service in October 2016. The claim is for salary and allowances from the date of termination of employment and damages for unfair termination. The Employment court ruled that Obuya Bagaka's dismissal was unfair because proper procedures were not followed and awarded him damages. However, the School appealed and hearing date is yet to be issued.
- vi. Employment And Labour Relations Court Nakuru, Cause No. 109 Of 2018; June Chebet –Vs- Director General Kenya School Of Government & Anor. The Claimant June Chebet was a former employee of KSG Baringo Campus who alleges that she was unfairly terminated from employment. She is represented by Sabaya & Associates Advocates of Nakuru. The claim is for compensation for alleged wrongful termination of employment as well as damages. Ruling was

KENYA SCHOOL OF GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
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25 Contingent liabilities

delivered on February 7, 2019 and judgment was for the Claimant. An application by KSG for seeking orders to set aside the judgement of the lower court was made and hearing date is yet to be

- vii. Arbitration Between Teledata Technologies Ltd. –vs- Tulsi Construction Ltd, & KSG. The Attorney General (Nairobi Litigation Department) is representing KSG. Teledata Technologies Ltd is one of the sub-contractors engaged at the ongoing Ultra Modern Centre under construction at Mombasa Campus. The main contractor is Tulsi Construction Limited. Teledata commenced arbitration proceedings pursuant to the terms of its sub-contract with Tulsi Construction Ltd to claim payment of Kshs 14, 024,117.13 for delivery of construction items in 2014 and 2015 which the Main contractor failed to pay for. The Arbitration proceedings commenced in April, 2018 with Colins Odipo as sole Arbitrator. After a challenge to jurisdiction in May, 2018, the Arbitrator withdrew and an Order was duly issued on 7th June 2018. The sub-contractor (Claimant) has not taken steps to appoint another arbitrator or seek resumption of the proceedings. However, the claim was paid and Teledata continues to perform its sub-contract works with the materials for which a claim was made.
- viii Chief Magistrate’s Court Nakuru, Civil Case No. 306 Of 2019 Africa Commercial Motor Group –Vs- Kenya School Of Government & Trident Insurance Company Ltd. - The Attorney General (Nakuru Litigation Department) is representing KSG. The Plaintiff, a motor vehicle repairs company based in Nakuru has filed a claim for payment of the cost of repairs to a KSG motor vehicle in 2017. The claim is for Kshs. 712,765.83 being the cost of repairs one of the School’s official vehicles. The Attorney General entered appearance and is monitoring progress in the case. Trident Insurance Company failed to settle the insurance claim filed by KSG due to its status as an almost insolvent company. Through a Third Party Notice the Attorney General would be able to get orders of court ensuring that the insurance company bears responsibility for the unpaid claim.

Although there can be no assurances on the above litigations, the School believes, based on the information currently available, that the ultimate resolution of these legal proceedings would not likely have material effect on the results of its operations.

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Reference no. on the external audit report	Issue/ Observation from the auditor	Management comment	Focal point person to designate to resolve the issue	Status
1. Unsupported general expenses	The statement of financial performance reflects general expenses totaling Kshs. 850,997,605 as further disclosed in Note 16 to the financial statements. However, payment vouchers for expenses totaling Kshs. 8,842,682 included in the balance were not submitted for audit and as a result the occurrence and validity of the payments could not be confirmed.	Vouchers have been provided	Director General	Resolved
2. Receivables from exchange and non-exchange transactions	The statement of financial position reflects receivables from exchange and non exchange transactions totaling Kshs. 1,369,047,064 as at 30 June 2019, as further disclosed in Note 22 to the financial statements. However, examination of records on the balance indicated the following anomalies: Receivables totaling Kshs. 959,978,522 or 71% of the aggregate balance amounting to Kshs. 1,369,047,064 had been outstanding for at least four months as at 30 June 2019. However, management had not made a specific provision for impairment of any of the long outstanding debts and as a result, the aggregate receivables balance totalling Kshs. 1,369,047,064 may not be fairly stated.	The policy of the School is to make a general provision of 11% on all outstanding receivables. Refer to Note 5 (c) of the financial statement.	Director General	Resolved
2.2 Unsupported receivables	Included in the exchange and non-exchange transactions balance totalling Kshs. 1,369,047,064 are unexplained balances			

totaling Ksh. 104,326,866 as indicated below:

Receivables	Particulars	Amount Kshs.
Trade receivables	Debtors with credit balances	43,778,531
	Unsupported debtors with debit balances	27,127,645
Other receivables	Unsupported opening balance-Embu	20,077,085
	Suppliers with debit balances	13,132,282
	KSG Council members	211,323
TOTAL		104,326,866

In the absence of supporting records for these balances, the accuracy and validity of the balances could not be confirmed.

2.3 Long outstanding receivables

As similarly reported in the previous year, the trade debtors totaling Kshs.1,198,090,894 reflected in Note 22 to the financial statements include receivables totaling Kshs.61,911,342 owed by non-existent or defunct insitutions (Kshs.20,401,731); and private persons local (Kshs8,746,493) and foreign (Kshs 32,763,118) as at 30 June 2019. In spite of their recovery being doubtful, no impairment provision has been made in the financial statements for the said debts totaling Kshs. 61,911,342.

Further, reasons for occurrence of the debts were not clear as the fees policy set by the School requires trainees to pay in advance and organisations that may not do so to obtain the Director's approval before their staff are enrolled for training.

The statement of financial position as at 30 June 2019 reflects trade and other payables from exchange transactions totaling

3.0 Unsupported Trade and Other

Partly resolved

This is an amount that was in the then Embu GTI's bank account that was transferred to Treasury upon incorporation of KSG. The School is proposing to write off

Provision for bad debts of 11% of the outstanding debts.

Payables from	Kshs. 1,001,901,551 as further disclosed in Note 24 to the financial statements. However, examination of records on the balance revealed the following anomalies:			
3.1 Trade Payables	<p>Trade payables totaling Kshs. 306,365,573 include suppliers accounts with debit balances totaling Kshs. 7,336,287 which have as a result distorted the actual balance of debts owed by the School. However, records to explain the debit balances were not provided for audit.</p> <p>The trade payables balance further includes amounts related to wages, allowances and other payments totaling Kshs. 33,181,077 for which no supporting documents or explanations were provided for audit verification.</p> <p>As a result, the validity and accuracy of the trade payables balance totaling Kshs. 306,365,573 reflected in the statement of financial position as at 30 June 2019 could not be confirmed.</p>	The documents are available		
3.2 Third Party payments	<p>Payments received from third parties totaling Kshs. 50,613,201 as at 30 June 2019 included sums totaling Kshs. 25,835,950 whose records were, however, not presented for audit review. As a result, the accuracy, completeness and validity of the third party payments totaling to Kshs.50,613,201 as at 30 June 2019 could not be confirmed.</p>	The third party balances relates to funds received through the banks but the payee are yet to present the payment details to facilitate posting to the correct account.		Resolved
3.3 Other payables	<p>Included in the other payables balance totaling Kshs. 33,095,492 is Kshs.6,147,071 reflected as payments owed to resource persons, contract employees and other personnel. However, the latter balance was not analysed and as a result, the accuracy and validity of the aggregate payables balance totaling Ksh 33,095,495 could not be confirmed.</p>	Reconciliation is ongoing		
3.4 Value Added Tax (VAT) Payables	<p>Unpaid Value Added Tax (VAT) balance totaling Kshs. 46,388,703 as at 30 June 2019 was not supported by monthly VAT returns. In the circumstances, the accuracy of the balance could not be confirmed.</p>	Monthly returns have been provided		

3.5 Withholding Taxes	<p>Included in the aggregate other payables balance are withholding VAT and income tax payables totaling Kshs. 8,123,443. However, the respective tax return certificates were not provided for audit verification and as a result, the accuracy of the withholding taxes totaling Kshs. 8,123,443 as at 30 June 2019 could not be confirmed.</p> <p>In view of these anomalies the accuracy and validity of the other payables balance totaling Kshs1,001,901,551 reflected in the statement of financial position as at 30 June 2019 could not be confirmed.</p>	Tax returns have been provided	Resolved
OTHER MATTERS	<p>1.0 Outstanding Imprests</p> <p>Examination of imprests records indicated that imprests totaling Kshs 9,081,192 were overdue for surrender as at 30 June 2019 with Kshs. 8,985,302 of the amount outstanding for more than one year. Delay in surrender of the imprests contravened regulation 93(5) of the Public Financial Management Regulations, 2012, which requires imprest holders to account for imprests within seven (7) days after returning to the duty station.</p> <p>No satisfactory explanation was provided for the failure to recover the imprests from the salaries of the defaulters as provided for in Regulation 93(6) of the regulations.</p> <p>Further, as previously reported the balance includes imprests totaling Kshs. 8,488,761 (2018-19) and Kshs. 66,123 (2017-18) owed by a person who is no longer in service. Despite the recovery of the imprests being doubtful, no provision for impairment has been made in the financial statements.</p>	Imprest was recovered through the payroll	Resolved
2.0 Long Outstanding House Rent Arrears	<p>Included in the staff debtors balance totaling Kshs. 10,429,771 reflected in Note 22 to the financial statements are rent arrears totaling Kshs. 2,776,183 due from employees occupying the School's houses. A sum of Kshs. 1,450,566 of the balance had</p>	Reconciliation is ongoing	Unresolved
		Most of the staff debtors have not cleared	Resolved

<p>been outstanding for more than one year as at 30 June 2019.</p> <p>The cause of the arrears was not clear given that Section 5 of the School's Human Resource Management Policy and Procedures Manual provides that rental payments for houses occupied by employees are to be offset against the monthly salaries payable to the respective tenants.</p>	<p>Rent is now recovered from the payroll</p>	<p>Resolved</p>
<p>In addition, records at Mombasa Campus indicated that rental income totaling Kshs. 210,000 from one of the School's houses occupied by a former Director had not been collected since October 2017 when the Officer left the School to join the parent Ministry, but retained the house meant for the Campus Director. Management has not provided a satisfactory explanation for its failure to collect the outstanding rent and secure the house for use by the School.</p>	<p>The former Director has been issued with a notice to vacate and pay the arrears.</p>	<p>Unresolved</p>
<p>3.0 Pay As You Earn (PAYE)</p> <p>Included in the trade and other payables balance totaling Ksh. 1,001,901,551 as at 30 June 2019 are statutory deductions for Pay As You Earn (PAYE) tax totaling Kshs. 14,572,646. The deductions include taxes amounting to Kshs. 546,519 which had remained unremitted since 1 July 2018. No explanation was provided for the failure to remit the statutory deductions. Failure to comply with the PAYE law attracts interest and penalties defined in the Income Tax Act and may, therefore, result in wasteful expenditure.</p>	<p>PAYE falls due on 9th of the following month. Documents are available for review indicating submission of payment in the subsequent month.</p>	<p>Resolved</p>

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Reference no. on the external audit report	Issue/ Observation from the auditor	Management comment	Focal point person to designated to resolve the issue	Status
1. Land without ownership documents	The statement of financial position and note 17 to the financial statements reflects property, plant and equipment balance of Kshs. 6,640,465,746. Included in the balance are freehold parcels of land owned by the School at Mombasa and Matuga campuses valued at Kshs. 736,200,000 and Kshs. 47,500,000 respectively but whose title deeds were not provided for audit review.	Follow up is being done with the Ministry of Lands	Director General	Unresolved
1.1 Excluded Leasehold land	The statement of financial position and Note 18 to the financial statement reflects leasehold land balance of Kshs. 1,971,989,175. The balance includes six parcels of land valued Kshs. 1,677,336,407 located at Lower Kabete that have been illegally hived off and allocated. Although available information indicates that these allocations have since been revoked by a court of law and the School has taken back possession of the six parcels of land, ownership documents to the parcels are yet to be obtained. Consequently, the completeness and ownership of the leasehold land of Kshs. 1,971,989,175 as at 30 June 2020 could not be confirmed.	Follow up is being done with the Ministry of Lands	Director General	Unresolved
1.2 Lack of a	The fixed asset register maintained by the School is not	Valuation of assets is ongoing and an		

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Reference no. on the external audit report	Issue/ Observation from the auditor	Management comment	Focal point person to designated to resolve the issue	Status
comprehensive fixed assets register	<p>comprehensive and lacks the following aspects: of the assets, date of acquisition, physical location and depreciation charge for the year, the accumulated depreciation and net book value. Further, the School's assets valued at Kshs. 11,070,763 are not tagged for unique identification. The risk of loss due to pilferage or theft is high.</p> <p>Consequently, it was not possible to confirm the completeness and existence of the property, plant and equipment of Kshs. 6,640,465,746 as at 30 June 2020.</p>	<p>asset register will be finalised as soon as the exercise is complete</p>	<p>Director General</p>	<p>Resolved</p>
1.3 Non-valuation of assets	<p>As reported previously, the School continues to carry in its books, assets which are fully depreciated but accrued benefits from their usage. Although the valuation process has commenced with part of the headquarter assets having been valued during the year under review, the valuation amounts have not been incorporated into the financial statements.</p> <p>Consequently, the accuracy and completeness of the property, plant and equipment balances of Kshs. 6,640,465,746 as at 30 June 2020 could not be confirmed.</p>	<p>IPSAS accrual states that the figures can be implemented as soon as a class of assets if fully revalued.</p>	<p>Director General</p>	<p>Resolved</p>
2. Unexplained receivables from	<p>The statement of financial position reflects receivables from exchange and non exchange transactions balances of Kshs.</p>			

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Reference no. on the external audit report	Issue/ Observation from the auditor	Management comment	Focal point person to designated to resolve the issue	Status
<p>exchange and non-exchange transactions balances</p>	<p>1,200,186,725: (2019- Kshs 1,369,047,064) and as disclosed under Note 22 to the financial statements, includes unexplained and unsupported Embu campus debits and credits balances of Kshs. 26,052,224 and Kshs. 5,975,139 respectively resulting in a net of Kshs. 20,077,085. The balance owed by the campus being a related party should have</p>			
<p>2.1 Long outstanding receivables</p>	<p>The receivables balance includes an amount of Kshs. 526,916,141 that have been outstanding for a period exceeding 120days. Included in this balance are amounts due from defunct institutions of Kshs. 20,401,731 and foreign customers of Kshs. 20,295,271 all totaling to Kshs. 40,697,002. Management has not explained how the credits were extended to the concerned institutions and individuals despite the School's credit policy requirement of advance payment prior to commencement of any courses/ activities. No much efforts have been made to recover the balances and no provisions have been made for their doubtful collection.</p> <p>In view of the foregoing, the accuracy and completeness of the receivables from exchange and non exchange transactions balances of Ksh 1,200,186,725 as at 30 June 2020 could not be confirmed.</p>	<p>Debt follow up is being done</p>	<p>Director General</p>	<p>Resolved</p>

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Reference no. on the external audit report	Issue/ Observation from the auditor	Management comment	Focal point person to designated to resolve the issue	Status
3. Unsupported staff remittances	The statement of financial position reflects trade and other payables balance of Kshs. 1,165,137,530 and as disclosed in Note 24 to the financial statements included in the balance of trade and other payables is staff remittances of Kshs. 28,472,436 comprising of bank and Sacco check offs and staff welfare of Kshs. 8,209,755, Kshs 6,340,315 and Kshs. 2,331,392 respectively. However, the documents provided in support amounted to Kshs. 26,381,742 resulting to an unexplained variance of Kshs. 2,360,694.	Reconciliation is ongoing	Director General	Unresolved
3.1 Unsupported VAT payable balance	Included in the payables balance is VAT payable amount of Kshs. 25,634,424. However, the schedule provided in support of the balance amounted to Kshs. 1,107,437 leaving out Kshs. 24,526,987 unsupported.	Reconciliation is ongoing	Director General	Unresolved
3.2 Unsupported withholding taxes (VAT & Income)	Included also in the balance is withholding taxes on VAT and income of Kshs. 5,789,801 whose detailed analysis of the tax return certificates making up the balance was not provided for audit verification. Consequently, the accuracy and completeness of the trade and other payables balance of Kshs. 1,165,137,530 as at 30 June 2020 could not be confirmed.	Details have been provided	Director General	Resolved

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Reference no. on the external audit report	Issue/ Observation from the auditor	Management comment	Focal point person to designated to resolve the issue	Status
4. Un supported expenditures	The statement of financial performance reflects general expenses expenditure of Kshs. 669,710,478 and as disclosed in Note 16 to the financial statements. Included in the expenditure is advertising and publicity, hospitality and hire of accomodation costs of Kshs. 947,146 and Kshs. 872,061 and Kshs. 969,123 respectively all totaling Kshs. 2,788,330. However, documents in support of the payments were not provided for audit review.	Documents are available		Resolved
4.1	Included also in general expenses are repairs and maintenance and security services expenditure of Kshs. 4,624,557 and Kshs. 814,615 respectively totaling Kshs. 5,439,172. However, the supporting documents for procurement process, professional opinions and the contract documents or service agreements were not provided for audit review.			
OTHER MATTERS				
1. Irregular payment of allowances to	Under the circumstances, the accuracy and validity of the general expenditure totaling to Kshs. 669,710,478 could not be confirmed.	Coopted members of Council committees are listed under Sec 7(2) of	Director (General	Resolved

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Reference no. on the external audit report	Issue/ Observation from the auditor	Management comment	Focal point person to designated to resolve the issue	Status
<p>Council Members</p> <p>2. Long outstanding imprests</p>	<p>Included in this figure is Kshs. 400,000 paid by the School in form of sitting allowances to persons who were not gazetted as Council members as provided under Section 7(1) of the Kshs. Act. This is contrary to the requirements of Article 226(5) of the Constitution of Kenya 2010, Section 10(1) of State Corporation Act Cap 446, Paragraph 4 of the Attorney General's advisory letter reference number AG/CONF/6/D/73 VOL 1 of 22 August 2013 and the office of the President Circular number OP/CAB.9/1A of 8 November,</p> <p>Further, the term of the representative of Public Service Commission to the Council expired on 7 January 2019 upon retirement but continued serving without formal authorisation of the extension. The Council, however, in its 51st Special Council meeting of 7 January 2019 resolved to co-opt the person as a member of Council in accordance with Section 6(6) of the KSG Act. The lawfulness of the resolution of the Council could however, not be established.</p> <p>To the extent, the Council is in breach of the law.</p> <p>The statement of financial position reflects receivables of Kshs. 1,200,186,725 as disclosed in Note 22. The balance includes outstanding staff imprests of Kshs. 10,703,908. This</p>	<p>the constitutive statute which is the Kenya School of Government Act no. 9 of 2012. This makes coopted members eligible for payment of sitting allowance for the services rendered and expenditure requirement while on duty outside Nairobi.</p> <p>Sec 7(2) of the KSG Act mandates Council to coopt person to serve on committees where there is need to do so but does not require Council to consult any other authority for this purpose</p> <p>Reconciliation is ongoing</p>	<p>Director General</p>	<p>Resolved</p> <p>Unresolved</p>

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Reference no. on the external audit report	Issue/ Observation from the auditor	Management comment	Focal point person to designated to resolve the issue	Status
3. Unremitted statutory obligations	<p>is contrary to the Public Finance Management Regulation 2012 section 93. Of the amount of Kshs. 9,378,805 were imprests held by three (3) staff which have remained outstanding for more than one year. Although the regulations require that imprest and interest be charged to the officers for any un-surrendered/ unaccounted for monies, no action appears to have been taken against the defaulting officers.</p> <p>To the extent, the Management is in breach of the law.</p>	<p>The PAYE and NHIF balance relates to the month of June 2020 which was remitted on 9th July 2020</p>	DG	Resolved
4 Irregular Staff Recruitment	<p>Included in the trade and other payables balance of Kshs. 1,165,137,530 are statutory deductions on account of PAYE and NHIF of Kshs. 13,987,381 and Kshs. 1,517,052 respectively which are overdue and remained unremitted throughout the year. No explanation has been provided for the continued delay in remitting the deductions despite the risk of penalties and interests.</p> <p>To the extent, the Management is in breach of the law.</p>	<p>The Public Service Commission Human Resources Polices and Procedures Manual for Public Service, 2016 Part B.4(1) which indicates that Ministries/</p>	DG	Resolved

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	<p>of the job vacancies and submit their applications through the School's physical address or email not later than 4 January 2019. As such, the applicants were only allowed a fifteen day (15) window period contrary to the Public Service Commission Human Resources Policies and Procedures Manual for Public Service, 2016. Part B.4(1) which provides that Ministries/ State Departments will advertise all vacant posts in a manner that reaches the widest pool of potential applicants and allow for at least twenty one (21) days before closing the advert.</p>	<p>State Departments are the ones who should comply with this manual. KSG is</p>		

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APPENDIX II

XX Projects

None of the projects undertaken by the School during the year were funded by donors.

Status of Projects completion

Project	Total project cost Kshs.	Total expended to date Kshs.	Completion % to date	Budget Kshs.	Actual Kshs	Sources of funds
1 Ultra modern complex- Mombasa	1,037,763,330	1,037,763,330	100%	-	-	G.O.K
2 Construction of tuition block- Matuga	745,050,231	91,805,478	12%	40,000,000	20,000,000	G.O.K
3 Construction of tuition block- Baringo	623,518,963	118,000,000	19%	40,000,001	20,000,000	G.O.K
4 Construction of convention centre- Embu	1,129,695,090	134,000,000	12%	80,000,000	40,000,000	G.O.K
	3,536,027,614	1,381,568,808		160,000,001	80,000,000	

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APPENDIX III

XXI INTER-ENTITY TRANSFERS

TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Break down of Transfers from the State Department of Public Service Youth & Gender Affairs			
FY 20/21			
a. Recurrent Grants			
	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>FY</u>
	11/09/2020	66,805,831	2020-2021
	01/12/2020	66,805,832	2020-2021
	07/04/2021	66,805,832	2020-2021
	05/05/2021	50,417,495	2020-2021
	05/07/2021	158,000,000	2020-2021
	Total	408,834,990	
b. Development Grants			
	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>FY</u>
	05/05/2021	80,000,000	2020-2021
	Total	80,000,000	
c. Direct Payments			
	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>FY</u>
NONE	-	-	
		-	
		-	
	Total	-	
d. Donor Receipts			
	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>FY</u>
NONE			
	Total	-	

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APPENDIX IV

XXII RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Recurrent/Development/ Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others	
Ministry of Public Service & Gender	2020-2021	Recurrent	408,834,990	408,834,990	-	-	-	-	408,834,990
Ministry of Public Service & Gender	2020-2021	Development	80,000,000	-	-	80,000,000	-	-	80,000,000
Total			488,834,990	408,834,990	-	80,000,000	-	-	488,834,990