



KENYA ACCREDITATION SERVICE

(A STATUTORY ORGANIZATION OF GOVERNMENT)

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Our Ref: **KENAS/CEO/26(5)**

15th November 2021

CIRCULAR No. 02/2021

TO ALL ACCREDITED BODIES AND APPLICANTS

CIRCULAR No. 02 of 2021 – ALIGNMENT OF ANNUAL ACCREDITATION FEES TO THE FISCAL YEAR OF THE SERVICE

1. Introduction

The purpose of this Circular is to notify all accredited bodies, applicants, and potential Clients of the change introduced due to aligning the variable anniversaries for the payment of the Annual Accreditation Fee to the fiscal year of the Service.

Over the last two years, the Service has been undertaking several transitional actions from the *Kenya Accreditation Service Order 2009* (Legal Notice No. 55 of 2009) to align and comply with the new legal statute, the *Kenya Accreditation Service Act 2019* (Act No. 17 of 2019).

All accredited bodies and applicants are required to take note of the change contained in this Circular, which describes the administrative arrangements for the invoicing and payment of the Annual Accreditation Fee.

2. Background

The enactment of the *Kenya Accreditation Service Act, 2019* (hereafter referred to as the “the Act”) reinforced several administrative provisions and operational policy changes. Among them is the provisions of Section 29 of the Act, which defines the fiscal calendar (the financial budgeting and reporting year) of the Service as twelve months ending 30th June (i.e., from 1st July to 30th June).

The consequence of the provisions of Section 29 of the Act means that the Service aligns the payment of the Annual Accreditation Fee to its fiscal calendar. Since the establishment of the Service in 2009, the Service has operated variable anniversaries for the invoicing of the Annual Accreditation Fee.

A key outcome of the second Client Dialogue Forum held in December 2020 was the need for clear visibility and predictability of the invoicing and payment of the Annual Accreditation Fee. To address this, and improve the transparency on the billing of the Annual Accreditation Fee, the Board, at its recent meeting, approved the alignment of the Accreditation Fee invoicing to coincide with the fiscal year of the Service.

3. Annual Accreditation Fee

The current Schedule of Fees for Accreditation and assessment-related services is set out in Gazette Notice No. 11785 (LN 11785) dated 23rd August 2012 of the repealed *Kenya Accreditation Service Order 2009* (Legal Notice No 55 of 2009) under the *State Corporation Act, Cap. 446*.

The First Schedule of LN 11785 covers assessment-related charges, including application and document review fees. The Second Schedule specifies fees for the minimum scope of Accreditation, pre-assessments, the extension of scope charges and additional Assessor Day fees. And the Third Schedule covers the Annual Accreditation Fee for all accredited bodies for whatever scope of Accreditation. All fees specified in LN 11785 are subject to Value Added Tax (VAT) at the prevailing rates.

The Accreditation Fee is a yearly fee payable upon Accreditation and annually over the four-year accreditation cycle. The Annual Fee is charged at the rate of KES 192,500 (exclusive of VAT) and covers expenses incurred related to administration charge for maintaining Accreditation.

4. Alignment of Annual Accreditation Fee for FY 2021/2022

Commencing 1st November 2021, for the current fiscal year (FY 2021/2022) ending on 30th June 2022, the Service will issue **Pro-rata Invoices** for the Annual Accreditation Fee covering the remainder period up to **30th June 2022**. All accredited bodies will be receiving the Annual Accreditation invoices shortly, payable by **15th January 2022**. The credit period for this change is exceptionally assigned as **sixty (60) days**.

For the current fiscal year (FY 2021/2022), all Accredited bodies whose annual accreditation anniversaries are between 1st July 2021 and 31 October 2021 received invoices for the period up to their next accreditation anniversary month in 2022. Consequently, accredited bodies who have paid up their Annual Accreditation Fee will receive a **pro-rata Credit Note** covering the same period in the next fiscal year, i.e., **1st July 2022 to 31st October 2022**, depending on the anniversary month of their Accreditation.

The revised structure for the alignment of the invoicing and payment of the Annual Accreditation Fee is designed to be revenue-neutral for all accredited bodies. That means, the Service is not seeking to increase its total revenue due to the change. However, the change will reduce the Service income for the current fiscal year ending 30th June 2022.

5. Annual Accreditation Fee for new accredited bodies

The invoicing and payment arrangement of the Annual Accreditation Fee by newly accredited bodies will be effective from the month of Accreditation (commencing 1st October 2021).



All newly accredited bodies after October 2021 will receive a pro-rata Invoice for the remainder of the current fiscal year (FY 2021/2022) ending 30th June 2022. The payment terms remain thirty (30) days from the date of the invoice.

6. Invoicing and payment of Annual Accreditation Fee for FY 2022/2023

The invoicing and payment arrangements of the Annual Accreditation Fee for the next fiscal year (FY 2022/2023) commencing 1st July 2022 through to 30th June 2023 and subsequent future fiscal years is as follows:

- Invoices for all accredited bodies will be sent out before **the end of April each year**, and in the case of FY 2022/2023, **no later than 30th April 2022**.
- All invoices will fall due on 1st July each year (i.e., for FY 2022/2023 this means on **1st July 2022**).
- The terms of payment as set out in the Accreditation Agreement is thirty (30) days from the date of the invoice. Therefore, all Clients are required to pay their Annual Accreditation Fee no later than 31st July each year (or **31st July 2022** in the case of FY 2022/2023)

Finally, applicants and accredited bodies should take note that non-payment is a non-conformity in accordance with Section 15 of the Act, consequences for which is suspension and withdrawal as provided under Article 11 of the Accreditation Agreement, and thereafter termination of Accreditation as provided under Article 13 of the Agreement.

As always, please contact us for any clarifications through our Finance Helpdesk (phone: 0725 227 640 or email: fin@kenyaaccreditation.org) or you can discuss any issues with your Accreditation Scheme Manager.



Martin Chesire
CHIEF EXECUTIVE OFFICER