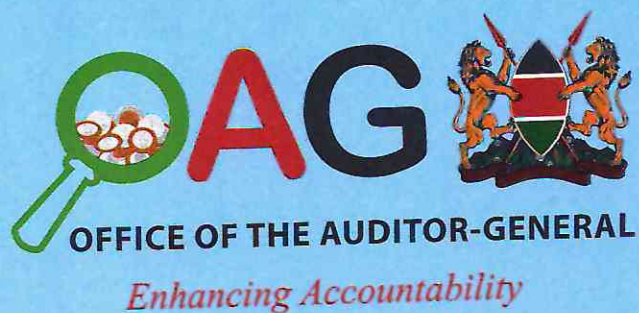


REPUBLIC OF KENYA



REPORT

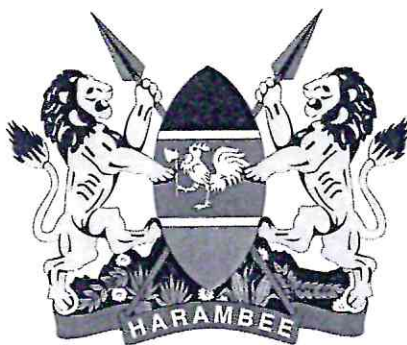
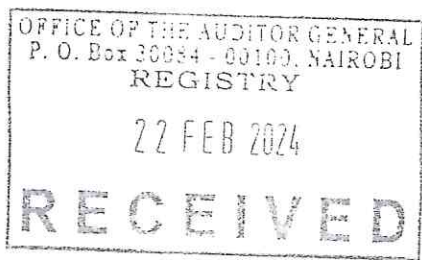
OF

THE AUDITOR-GENERAL

ON

KENYA INSTITUTE OF SPECIAL EDUCATION

FOR THE YEAR ENDED
30 JUNE, 2023



KENYA INSTITUTE OF SPECIAL EDUCATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

**Kenya Institute of Special Education
Annual Report and Financial Statements
For the year ended June 30, 2023.**

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1. Key Entity Information and Management

(a) Background information

Kenya Institute of Special Education (KISE) is a Semi-Autonomous Government Agency of the Ministry of Education, Kenya. It was established through Legal Notice No. 17 of 14th February 1986. The Institute is currently run by a Council appointed by the Cabinet Secretary for Education. The Chief Executive Officer of the Institute is the Director.

(b) Principal Activities

The principle functions of KISE are;

- (i) Conduct teacher training courses for teachers in various fields of education for children with special needs.
- (ii) Conduct in-service courses for personnel working in all fields of Special Needs Education.
- (iii) Prepare and conduct correspondence courses for personnel in the field of Special Needs Education.
- (iv) Run an Educational Assessment and Functional Centre for the training of teachers of children with special needs.
- (v) Run an Orientation and Mobility (O & M) centre for training and demonstration purposes.
- (vi) Run a model training unit for the integration of children with special needs into regular schools.
- (vii) Run a pre-school department where training and stimulation of young children with special needs can be carried out for the purpose of teacher training.
- (viii) Act as a resource centre for the production and dissemination of information to the general public on special needs and disabilities.
- (ix) Run a documentation and resource centre on special needs and disabilities.
- (x) Conduct research on Special Needs Education.
- (xi) Maintain, repair, design, produce and assemble educational resources and assistive devices for persons with special needs.

(c) Key Management

The KISE day-to-day management is under the following key organs:

- o Director KISE
- o Senior Management

(d) Fiduciary Management

In the year under review, this key role was vested as follows:

No.	Designation	Name
1.	Director	Dr. Norman Kiogora
2.	Deputy Director – Finance & Administration	Mrs. Margaret Githang'a
3.	Deputy Director – Programmes	Mr. Daniel Sanoe
4.	Finance Manager	Mr. Anthony Mwangi
5.	Corporate Communication Manager	Ms. Lucy Maina
6.	Human Resource Management Manager	Mrs. Sarah Ouma
7.	Academic Registrar	Mr. Johanna Mweu
8.	Dean of Students	Mr. Christopher Lenguris
9.	Coordinator - Assessment Center	Ms. Elizabeth Kimani
10.	Research and Innovation Coordinator	Dr. Lynett Ong'era
11.	Deputy Academic Registrar - Examinations	Ms. Grace Njambi
12.	Deputy Academic Registrar - Training	Mrs. Flora Malasi

(e) Fiduciary Oversight Arrangements

The Full KISE-Council meets quarterly to receive reports from the Director as well as from Committees of the Council. The Council has three committees that meet as necessary and deliberate on reports of progress and affairs of the Institute. These are:

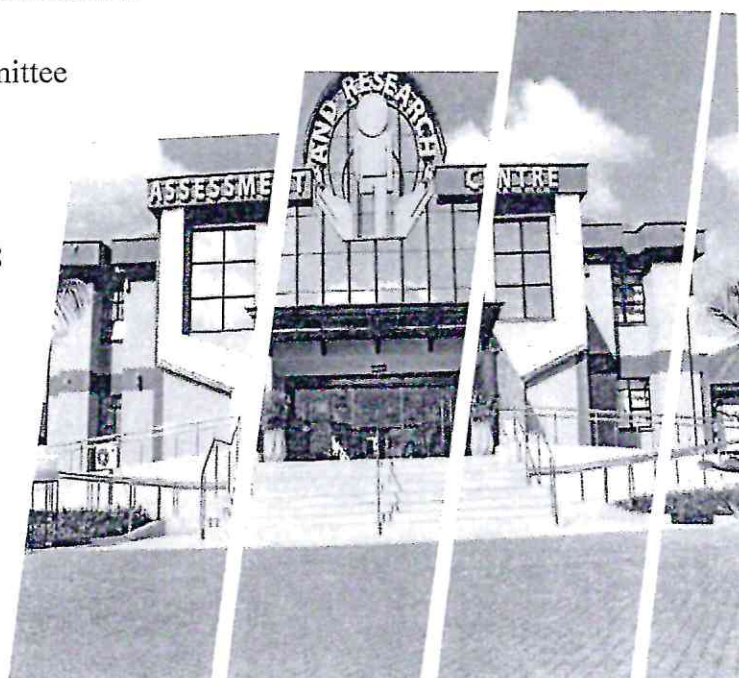
- Finance and General-Purpose Committee
- Audit and Risk Committee
- Academic and Research Committee
- Senior Management

(f) Institute Headquarters

Kasarani, Thika Superhighway Exit 8
Off Kasarani - Mwiki Rd
P. O. Box 48413 - 00100
Nairobi, KENYA

(g) Institute Contacts

Telephone: 020- 8007977
Cell: 0734-801 - 860
Website: www.kise.ac.ke
Email: info@kise.ac.ke



(h) Institute Bankers

1. Kenya Commercial Bank
Ngara Branch and TRM Branch
P.O. Box 60000 City Square 00200
NAIROBI, KENYA

2. National Bank of Kenya
Harambee Avenue
P.O. Box 60000 City Square 00200
Nairobi, Kenya

(i) Independent Auditors

Auditor-General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(j) Principal Legal Adviser

Directorate of Legal Services
Ministry of Education
Nairobi, Kenya

2. The KISE Council

Governing Council

The KISE Council, appointed on 26/08/2022, oversees the Institute's day-to-day operations and is dedicated to making sure everything the Institute does is ethical and in line with the law, international standards and best practices in educational management

Dr. Habat Sheikh Abdi OGW

Chairman



Mr. Habat holds a Master of Education from Moi University, B. Ed (Hons) from University of Nairobi and a diploma in Anti-Corruption from International Institute of Education and Planning. He has over the years taken short courses on corporate governance. Specifically, has attended Strategic Leadership Development Programme (SLDP) at Kenya School of Government and several other courses in Management, Leadership, Finance and Strategy both locally and abroad.

Mr. Fred Haga

Director Special Needs Education
Directorate-Ministry of Education



Mr. Haga is the Alternate to the Principal Secretary, Ministry of Education. He is the Director, Directorate of Special Needs Education, Ministry of Education. At KISE Council, he is a member of the Finance and General Committee. With a career spanning over 25 years, he has worked as a secondary school teacher in various schools prior to working as a curriculum specialist at the Kenya Institute of Education (currently Kenya Institute of Curriculum Development). He is engaged in leadership of disability rights movements both locally and internationally. Locally he led the formation of Kenya Union of the Blind and the United Disabled Persons of Kenya. He is also a member of the Board of Trustees of the National Development Fund for Persons with Disabilities.

Internationally, he was the Executive Director of the African Union of the Blind (AFUB). His key interests include education for learners with disability, evaluation and assessment of functional disability in addition to utilization of assistive technology in education and daily lives of persons with disabilities. Fredrick, holds a Master's Degree in Inclusive Education and Special Education from University of Monash, Australia and a Bachelor of Education Degree from Kenyatta University.

Mr. Waithaka Ng'ang'a

Member



Mr. Waithaka Ng'ang'a is Alternate to the Permanent Secretary, National Treasury. He is a member of the Audit and Risk Committee of the KISE Council. As an economist at the National Treasury, Mr Ng'ang'a has vast experience in policy formulation, Sectoral and Strategic Planning, Monitoring & Evaluation, Finance and Budgeting both at the national and county levels. He holds a Master of Development Policy (Public Finance and Social Policy) from KDI School of Public Policy and Management (South Korea), Post Graduate Diploma in Project Management from Jomo Kenyatta University of Science and Technology and Prince Practitioner Certificate in Project Management.

Grace Ngugi Maina
Member



Ms. Ngugi represents Kenya Institute of Curriculum Development (KICD) and sits in the Academic and Research Committee of the KISE Council. She is the Deputy Director in charge of Special Programmes at KICD. She has 21 years' experience as a curriculum specialist and is a member of the KICD Management. She is a member of several professional bodies and a council member in various other institutions. She is an accredited Counsellor Supervisor with Kenya Counsellors and Psychologist Association and a member of the Salzburg Global Seminar Social Emotional Learning Committee (KARANGA) among other committees. She is also an Author, Counsellor, Educator/Facilitator in: Life Skills Education, Values Education, Parental Empowerment, Child Development, Care and Protection, Career Guidance, Psychometric, Social Emotional Learning, Disaster Risk Reduction Education, HIV and AIDS Prevention and Education, Social Cohesion, Alcohol and Drug Abuse Prevention, and Education in Emergency, among others. She has a wealth of knowledge and experience on matters of education and has facilitated in many educational related engagements/forums nationally and internationally. Ms. Ngugi holds a Master's degree in Education and a Diploma in Counselling Psychology. She is currently pursuing PhD in Educational Psychology at the University of Nairobi.

Saida Ali Aden
Member

Saida Ali Aden is a Finance Coordinator at Primus Consultancy. A skilled and talented finance major with extensive knowledge of data analytics. Currently pursuing a Doctorate in Business Administration (Finance) at the United States International University (USIU). A holder of an MBA (Finance) and BSc. International Business Administration (Management and Finance). A Diploma holder of Arabic and Islamic Studies from the Islamic University of Kenya. (IUK)



Member

Peter Muchiri Mwangi

Mr. Peter Muchiri Mwangi is the Director of Marriots Group of Companies Ltd and the National Chairman of the League of Persons with Disabilities. He holds a Diploma in Business Management from Utalii College, a Diploma in Community Development from St. John's College and a certificate in Leadership and Integrity from the National Democratic Institute. He is currently pursuing undergraduate studies, Community Development at Africa Nazarene University.



Mr. Gichia Njau

Member



from Kenya Education Management Institute (KEMI)

Patrick Gichia Njau sits on the Council as an alternate member to the CEO Teacher Service Commission. He has served in various capacities in teacher service including appointment as a Deputy Head and later Head of a learning institution. He joined TSC secretariat in 2019 as a Sub County Director. He is currently serving at TSC headquarters, Staffing Directorate as an Assistant Director (SNE). He holds a Master of Education (M.Ed.) degree, Special Needs Education and Bachelor of Education (B. Ed), Special Needs Education, both from Kenyatta University. In addition, he holds a Diploma in Education, and a Diploma in Educational Administration

Ms. Augusta Muthigani
Member



Ms. Muthigani represents the religious fraternity in the KISE Council. She is the National Executive Secretary, Commission of Education and Religious Studies, Kenya Conference of Catholic Bishops-General Secretariat. In this role she coordinates education activities for over 8000 Catholic Private and sponsored public schools in Kenya. Her significant experience in education policy development, engagement, improving quality access, retention and transition and innovative, evidence-based interventions and research has seen her serve unconditionally, as member of the KISE Council for more than twenty years. She also coordinates and supervises various skills building and values development programmes targeting youth in Kenyan schools. She is also the

President of the Board International Catholic Education Association and a member of the National Steering Committee Coordinating Curriculum reforms in Kenya. At the KISE Council, she is a member of both the Finance and General Committee, and Audit and Risk Committee. Ms. Muthigani holds a Master's Degree in Religious Education from Catholic University of East Africa and a Bachelor of Education degree from Kenyatta University. She is currently enrolled with the International Leadership University-Nairobi for her Doctorate studies in Education Leadership.

Elizabeth A. Obade
Member



Ms. Obade represents Kenya National Examination Council (KNEC) in the KISE Council. She is the Ag. Deputy Director, Test Development School Examinations, and a Head of Section, Teacher Education at Kenya National Examination Council (KNEC). She also serves in the Technical Committees for Special Needs Education (TC 180) and Early Childhood

Development and Education (TC 181) at the Kenya Bureau of Standards (KEBS). She is a Principal, master trainer in the Curriculum Reforms in Competency Based Curriculum and Assessment. She has coordinated the development of Assessment Tools for learners at Grade 4 and

Intermediate levels following the Stage Based Pathway of the education system. Elizabeth spearheaded the Curriculum review process at the Parliamentary Service Commission and made presentations on Competency Based Testing Skills. Elizabeth holds a Master of Education (Early Childhood Studies), Bachelor of Education (Early Childhood Studies) from Kenyatta University and a Diploma in Education (Humanities) from Siriba Teachers Training College, Maseno.

3. Management

The Institute Director works in conjunction with twelve senior management officers. This team has the primary responsibility to ensure implementation of the mandate, compliance with legislative and regulatory obligations, and adherence to internal policies and practices. The Director convenes meetings as required to review financial performance, review, develop and implement strategies, as well as address policy issues.

Dr. Norman Kiogora

Director: Chief Executive & Secretary to the Council



Dr. Norman Kiogora was appointed Director of Kenya Institute of Special Education in 2020 and also serves as the Council Secretary. He began his teaching career in 1993 and has been an Administrator for 17 years. He has served as Chief Principal in various secondary schools. In addition to serving as Chairman of the Nairobi Principals Association between 2017 and 2021, he has contributed towards initiatives for curriculum and educational reforms as well as ICT integration in education. Additionally, he is committed to grassroots development and has served as a local community leader. He has published journal articles on education and administration and special needs education as a result of his remarkable dedication to learning and knowledge sharing. He holds

a PhD in Administration from the university of Masai Mara University and Bachelors of Education and Administration from University of Nairobi. His great commitment to knowledge has seen he publish articles around Education and Administration and Special Needs Education.

Mrs. Margaret Githang'a

Deputy Director Finance & Administration



Born 1964, Margaret is the Deputy Director -Finance & Administration. She has vast knowledge in organizational standards, administrative processes and regulations in the education sector. Her experience spans over 30 years in which she has served as a teacher, a teacher trainer and manager. She is committed to the educational transition of learners and persons with visual impairment, Margaret holds a Bachelor of Education degree from Kenyatta University, Nairobi. She attained her Master of Philosophy in Special Needs Education, from University of Oslo (UiO), Norway.

Mr. Daniel Sanoe

Deputy Director Programmes



Born in 1966, Daniel is Deputy Director -Programmes. He is vastly experienced in special needs education. He worked previously in Educational Assessment and Resource Centre. An alumnus of KISE, He holds a Bachelor of Education degree in Special Needs Education from Kenyatta University. He is trained in Advanced Monitoring and Evaluation of Projects at ESAMI. His extensive experience has made significant contributions in development of several special needs policies including having served as a member of the secretariate for the Presidential Working Party on Education Reform.

Mr. Christopher Lenguris

Dean of Students



Primary Teacher Education and is a student pursuing Post-graduate Studies in Research and Evaluation.

He was born in 1965 and has over 30 years of teaching service experience across various Educational Institutional including Primary, Educational Assessment and Resource Centre and Teacher Training at KISE. He has a wide range of knowledge and experience in institutional management, assessment of learners with special needs and quality management. He has attended various courses organised by the Ministry of Education, Kenya Education Staff Institute, Kenya School of Government and National Quality Institute. He has represented the Institute in various fora within and outside Kenya. He holds a Bachelor's Degree in Special Education, two Diploma Certificates in Special Education and a Certificate in

Mr. Antony Mwangi

Head of Finance, Accounts and Planning



Antony Mwangi was born in 1978. He joined the Institute in 2004 and has held the position since 2013. He has over 20 years of progressive experience in the finance and accounting field having worked in both private and public sectors. Antony a certified public accountant CPA (K), holds a Bachelor degree in International Business Management from Mount Kenya University and a Master Degree in Business Management KCA University. He has undertaken the Senior Management and Public Finance Management Courses at Kenya School of Government.

Mr. Johannah Mweu
Academic Registrar



Born in 1964, Johannah is the Academic Registrar. He has served in various management positions at different institutions of learning. His keen interest in special needs education has seen him offer advisory and advocacy services in several forums. Johannah's experience spans teaching in regular primary schools, teacher training, curriculum development, research, examination, and management. He holds a Master's in Education Degree in Professional Development from The University of Leeds (UK).

Ms. Flora Malasi
Deputy Academic Registrar -Fulltime Programmes



Flora Maghuwa Nyali Malasi is the Deputy Academic Registrar and a lecturer at Kenya Institute of Special Education (KISE). She is currently collaborating with Jyväskylä University and Niilo-Mäki Institute in Finland on classroom research on eTALE Africa project which targets teacher professional development. She is also a member of the national technical team, TUSOME on early grade reading literacy programme of the ministry of education (MoE). Her research interests center on Special Needs Education with a bias on Autism, learning disabilities, reflective practice, special need teacher education and early literacy, assessment, intervention for children with disability and special needs. Flora trained as a primary school teacher and holds a Diploma in Special Needs Education, B.Ed. (Special Needs) from Kenyatta University, and MSc in Autism Spectrum Disorders – Queens University Belfast, Diploma in Learning Disabilities- Niilo Mäki Institute, Finland and currently undertaking a PhD in Special Needs Education at Maseno University.

Ms. Grace Njambi
Deputy Academic Registrar Examinations

Grace Njambi is the Deputy Academic Registrar Exams. She has worked in special needs education for over 20 years and has been instrumental in the development of Special Needs Curriculum, Functional Assessment tools. In addition, she is a Master Trainer of the competency-based curriculum. She holds a Master of Arts in Counselling Psychology and a Bachelor of Education in Special Needs Education.



Dr. Lynett Ong'era
Research Coordinator



She has over 27 years of experience in teacher training in Special Needs Education. She has authored, co-authored and edited several training modules for training Diploma in Special Needs Education through distance learning. She has held different leadership positions in the Institute. She holds a PhD in Education-Special Needs Education from Kenyatta University, a master's degree in Professional Studies-Emotional and Behaviour Difficulties from the University of Birmingham, UK, a BA degree in Economics and Education from the University of Lucknow, India and a post graduate Diploma in Mental Retardation from the National Institute for the Mentally Handicapped-Secunderabad, India besides other

management and leadership courses.

Ms Bevaline Nyantika
Internal Auditor

Ms. Nyantika works as KISE's Internal Auditor and is a member of The Institute of Internal Auditors Kenya (IIA). She has been working in the audit and accounting fields for more than 14 years. Bevaline has a Bachelor of Commerce degree from the Technical University of Kenya, a CPA part Three section 5, and an Accounting Technicians Certificate. Additionally, Bevaline is an ISO 9001:2015 Lead Auditor for the Quality Management System.



Mrs. Sarah A. Ouma
Human Resource Manager



Sarah, a member of the Institute of Human Resource Management is the Human Resource Manager. She has an extensive experience in managing people, fostering effective workplace relationships and performance management. As a trained Counsellor she ensures on employees' wellness. She also advocates that KISE grows an effective organizational culture that embraces procedures in addition to prudent risk management. Besides working in the education sector, she has also worked in the manufacturing sector, non-governmental organization and a multinational organization. Sarah holds a Bachelor of Arts degree in Human Resource Management from Kenyatta University and is pursuing postgraduate studies in Human Resource Management at Jomo Kenyatta University.

Mrs. Elizabeth Kimani

Head of Department Functional Assessment



The Coordinator of the KISE National Assessment and Rehabilitation Centre is Ms. Elizabeth Chege. In her career spanning over 31 years, she has served as a special education teacher, the Nakuru County EARC Coordinator and Curriculum Support Officer. On the other hand, she has been instrumental in curriculum development, implementation of strategic early childhood programmes such as TUSOME and Competence Based Curriculum. She has experience working and supporting children and youth with visual and neural developmental disabilities in vocational centres in Austria and South Africa. She has a Master's Degree in Education, Planning Management and Administration from Mount Kenya University, a Bachelors of Education from Moi University and Diploma in Special Needs Education from Kenya Institute of Special Education. She is an alumna of University of South Africa, UNISA having qualified as Hearing Impairment and Audiology specialist. She is certified Professional Mediator. Elizabeth holds KISE

Ms. Lucy Muthoni

Corporate Communications Manager



Born 1975, Lucy is the Corporate Communication Manager. Previously she served as an Administrative Assistant to the Executive Officers at KISE and Kambui School for the Deaf. Lucy is a member of the Board of Management at various secondary schools. She is also a Certified Trustee and a member of the Public Relations Society of Kenya (PRSK). She holds a master's degree in communication and public relations from the University of Nairobi and a bachelor's degree in communication and public relations from Moi University.

4. Chairman's Statement

On behalf of the Council of Kenya Institute of Special Education, I am glad to present the annual report and financial statements for the financial year ended June 30, 2023. During the year, KISE continued to execute its functions in the areas of Training, Research, Functional Assessment of children with special needs and disabilities, modelling inclusive education and rehabilitation and habitation of persons with disabilities. In order to perform the above functions, the council witnessed the implementation of the Strategic Plan (2023-2027), Performance Contracts, Council Charter and work plan for the year.

The Council acknowledges the threats posed by uncertainty surrounding Institute's strategic objectives. In order to manage the risk, the council has ensured compliance with statutory obligations, increased reputation through increased visibility and planning and provision of relevant technical equipment for quality service provision in all areas of operation including the materials production workshop.

During the year, expanded facilities and services points required a commensurate addition of staff. This was realized through offering attachments and internships to youth with requisite skills. As a measure for continued improvement, the council committed to partnering with like-minded individuals and institutions in the areas of special needs education and disability. Going forward, the council will focus on areas of mandate that have not been fully exploited with a view to fulfil the aspirations of Kenyans and the global community.

Let me take opportunity also to thank the council members and staff for their commitment in doing their duties and responsibilities assigned both at individual and the Institute level



Habat Sheikh Abdi OGW
KISE Council Chairman

5. Report of the Director


The 2022-2023 period has been a year of great achievements for the institute in its areas of mandate. We have continued to claim our position as the Centre of excellence in the matter of special needs and its related services.

During the period under review, assessment staff undertook outreach activities in the counties of Nandi, Lamu and Mombasa. A total of 3,425 personnel with special needs and disabilities were assessed. This was possible because the Institute acquired an assessment mobile truck with assessment equipment. There is need to reach more counties to assess such learners.

The Institute continued with equipping Assessment and Research Centre, our model facility for functional assessment, habilitation and rehabilitation services within the region. The psycho-educational assessment centre is critical in realization of the SDG on inclusive education a value enshrined in the Constitution of Kenya 2010, and the social pillar of the vision 2030. We are confident that in the next financial year the Government will extend more resources for equipping to attain capacity for optimal operationalisation.

We have continued to fund research activities as part of our core mandate. The Institute conducted a baseline survey on gifted and talented, data collected was analysed and disseminated to stakeholders. Thereafter, the gifted and talented team developed the diagnostic tool for Gifted and Talented after visiting three counties Kilifi, Uasin Gishu and Kisumu. The first pretest (Piloting) has successfully been done.

During the year, we undertook a clinical experimental study on Learning Disabilities (LD) and a pilot LD report is ready. We are in the process of coming up with a manual (tool) for testing. The Institute has also continued to support Human resource needs through sustained provision of staff medical cover, capacity building and placement as a result of natural attrition.

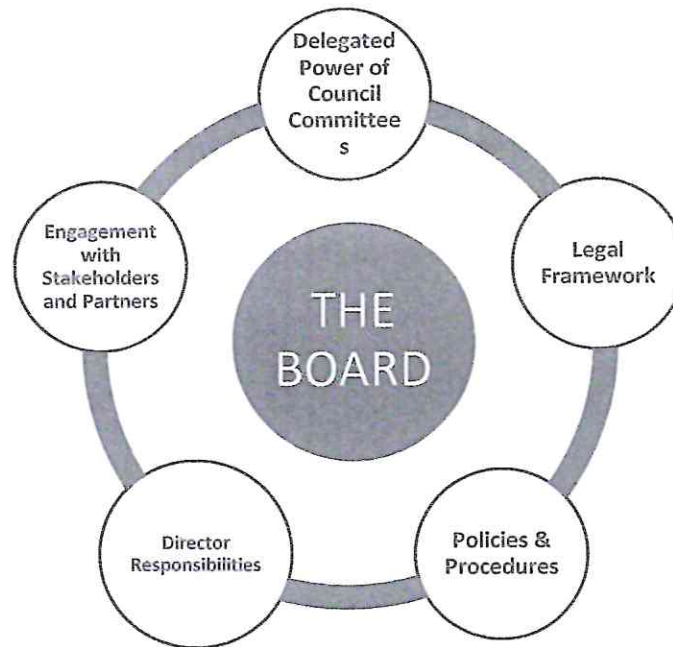

Dr. Norman Kiogora
Director

6. Statement of Performance against Predetermined Objectives for FY 2022/23

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Training and Inclusion	Provides capacity and competence for personnel managing persons with disabilities, especially teachers, on pedagogy for Special Needs Education	Number of SNE personnel trained	<ul style="list-style-type: none"> Set up infrastructure for e learning Develop resources for e-learning platform Induct staff on e-learning platform 	A total 1,705 graduates were release to the market against the target of 1950
Functional Assessment	Enhance assessment and School placement of children with special needs and disabilities.	Number of persons with special needs and disabilities assessed	<ul style="list-style-type: none"> Outreach activities carried out in Mombasa and Lamu county Continue equipping the assessment centre Develop and piloting of Gifted and talented tool 	6,600 clients were assessed against a target of 5600
Habilitation and rehabilitation	Improve the livelihood of persons with special needs and disabilities	Number of persons with special needs and disabilities rehabilitated	<ul style="list-style-type: none"> Orientation and mobility to newly acquired blind clients Hydro, physio, occupational, sensory integration, Auditory speech therapies performed 	7,708 were rehabilitated against the target of 6000

7. Corporate Governance Statement

The strategic objective of the institute is to increase accessibility to high-quality inclusive and special needs education and related services. In order to achieve this strategic objective, the institute Council exerts fiduciary controls and ensures accountability to all stakeholders. The council also engages with partners and stakeholders, complies with legislative requirements, policies and stipulated procedures. Additionally, authority is delegated to council committees that have control over particular areas of current policy, like finance, risk management, and academics.



The Institute is guided by the following legal framework:

The Legal Notice of 14th February 1986 that established the Institute, Legislative and Policy Framework Article 27 of The Constitution of Kenya 2010 which entitles every person to equality and prohibits direct or indirect discrimination on any ground, including disability, Article 28, which guarantees the right to human dignity and the right to have that dignity respected and protected and Article 54 of the Constitution (2010) which specifies entitlements for PWDs including the right to be treated with respect, access to educational institutions, public transport and information.

The national legal and policy documents that uphold the rights of persons with disabilities include; Basic Education Act (2013), The Persons with Disabilities Act (2003), Employment Act (2007), Sector policy for learners and trainees with disabilities (2018), Public Finance Management Act (2012), Public Procurement and Asset Disposal Act (2015), Medium Term Plan 3, Kenya vision (2030), Mwingozo and the National Education Sector Strategic plan (2018-2022).

Council Diversity

The Council is made up of individuals with a range of expertise, including special education specialists, education managers, economists, Persons with disabilities and religious leaders.

The current membership includes four women and six men. Only one of the 10 council members has a disability.

Council Meetings

In accordance with the requirements of the Ministry of Education, the KISE Council convenes meetings quarterly and as business may dictate. At the start of the fiscal year, the Council creates its calendar. The Director and Secretary to the Council then gives adequate notice for each meeting and distributes the agenda within the allotted timelines.

During the year under review, the Full Council meetings were attended as follows:

Name of Council Member	Role	Date of Appointment	No. of Eligible Meetings	No. of Meetings Attended	Overall % Attended
Mr. Habat Sheikh Abdi, OGW	CHAIR	26/08/2022	6	6	100%
Mr. Fred Haga	Member	29/08/2022	6	5	83%
Mr. Patrick G.Njau	Member	29/08/2022	6	6	100%
Mrs. Saida Ali Aden	Member	29/08/2022	6	4	67%
Ms. Grace Ngugi	Member	29/08/2022	6	6	100%
Mr. Peter Muchiri	Member	29/08/2022	6	6	100%
Mr. Ng'ang'a Waithaka	Member	29/08/2022	6	6	100%
Ms. Elizabeth Obade	Member	29/08/2022	6	3	50%
Ms. Augusta Muthigani	Member	29/08/2022	6	3	50%
Dr. Norman Kiogora	Director/Secretary	01/01/2021	6	6	100%

Council Committees

The Council Committees were established and their formal terms of reference specify specific responsibilities. The Finance and General-Purpose Committee, the Academic and Research Committee as well as the Audit, Risk, and Governance Committee, were established in the year under review.

The Council Committees are established with written terms of reference detailing their respective functions. In the year under review, the institute council constituted the mandatory Finance and General-Purpose Committee and two others which include Academic and Research Committee and the Audit, Risk and Governance Committee.

Kenya Institute of Special Education
Annual Report and Financial Statements
For the year ended June 30, 2023.

FINANCE AND GENERAL-PURPOSE COMMITTEE	ACADEMIC AND RESEARCH COMMITTEE	AUDIT & RISK COMMITTEE
Mr. Peter Muchiri	Ms. Augusta Muthigani	Mrs. Saida Ali Aden
Mr. Ng'ang'a Waithaka	Ms. Grace Ngugi	Mr. Fred Haga
Ms. Elizabeth Obade	Mr. Patrick Gichia Njau	Ng'ang'a Waithaka
Dr. Norman Kiogora-Director	Mr. Fred Haga	Bevaline Nyantika-Internal Auditor
Mr. Peter Muchiri	Dr. Norman Kiogora-Director	

During the year under review, the Members of Council Committees attended as follows:

Finance & General-Purpose Committee Meeting Attendance Report					
NAME	ROLE	Date of Appointment	No. Of Eligible Meetings	No. of Meetings Attended	Overall %ATTENDANCE
Mr. Peter Muchiri	Chairman	29/08/2022	4	4	100%
Mr. Ng'ang'a Waithaka	Member	29/08/2022	4	2	50%
Ms. Elizabeth Obade	Member	29/08/2022	4	2	50%
Dr. Norman Kiogora	Director/Secretary	01/01/2021	4	4	100%

Academic & Research Committee					
NAME	ROLE	Date of Appointment	No. Of Eligible Meetings	No. of Meetings Attended	Overall %ATTENDANCE
Ms. Augusta Muthigani	Chairperson	29/08/2022	4	4	100%
Ms. Grace Ngugi	Member	29/08/2022	4	2	50%
Mr. Patrick Gichia Njau	Member	29/08/2022	4	2	50%
Mr. Fred Haga	Member	29/08/2022	4	2	50%
Dr. Norman Kiogora	Director/Secretary	01/01/2021	4	4	100%

Audit, Risk & Governance Committee					
NAME	ROLE	Date of Appointment	No. Of Eligible Meetings	No. of Meetings Attended	Overall %Attendance
Mrs. Saida Ali Aden	Chairperson	29/08/2022	4	4	100%
Mr. Fred Haga	Member	29/08/2022	4	2	50%
Ng'ang'a Waithaka	Member	29/08/2022	4	4	100%
Bevaline Nyantika	Internal Auditor/ Secretary		4	4	100%

Conflict of interest

According to the law, the Council members must not have any interests that conflict with those of the institute. Any actual or potential conflict of interest must be disclosed.

In the year under review, every council meeting had an agenda item that asked members to disclose any potential conflicts of interest they may have with the matters being discussed. Throughout the fiscal year, no conflicts of interest were found.

Council Remuneration

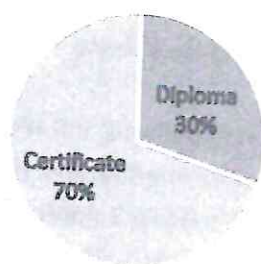
The Council's compensation is determined by current committee allowances, stipulated in Mwongozo, the code of governance for state corporations.

8. Management Discussion and Analysis

a) Education and Training

In the academic year 2022-2023, the institute graduated a total of 212 students at Diploma level and 493 at certificate level making a total of 705 graduands. Training at the Diploma level is in the specializations of visual Impairment, hearing Impairment, Physical and Multiple Disabilities, Emotional and Behavioural Difficulties, Intellectual Impairment, Autism, Deaf blindness, and Gifted and Talented Education.

COURSE LEVEL COMPARISON



ENROLLMENT IN CERTIFICATE COURSES

Kenyan Sign...	184
Learner support...	84
Functional...	71
Early Childhood...	69
Elementary Kenya...	50
Braille Proficiency	20
Special Needs...	15

The Institute runs a pre-school to demonstrate inclusive education as stipulated in the Institute mandate. The number of learners with special needs in education has continued to increase over the years with the period under review recording the highest number.

Year	Total of Learners admitted	Learners with Special Needs in Education	% learners with Special needs
2022-2023	46	19	41.3
2021-2022	52	24	46.2
2020-2021	39	10	25.6
2019-2020	48	12	25
2018-2019	60	14	23.3

In order to enhanced performance management in the training functions, the institute maintained a teaching staff of 47 lecturers of whom 44 are employees of Teachers Service Commission while 3 are Institute council employees. There were also 2 interns from public service in the pre-school unit.

b) Functional Assessment for learners with Special Needs and Disabilities

It is with great pride and enthusiasm that we present the Annual Departmental Report for the Department of Assessment and Rehabilitation Centre at the Kenya Institute of Special Education (KISE) for the year 2022/2023. This report reflects our unwavering commitment to serving individuals with diverse abilities and unique needs, and it highlights the dedication, innovation, and achievements of our department throughout the past year.

The Department of Assessment and Rehabilitation Centre at KISE plays a pivotal role in the inclusive education landscape of Kenya. Our mission is rooted in the belief that every individual, regardless of their physical, intellectual, or sensory challenges, deserves an opportunity to reach their full potential. With this vision, we have embarked on a journey to create a more inclusive and equitable society where no one is left behind.

Kenya Institute of Special Education
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For the year ended June 30, 2023.

This annual report is a testament to our ongoing efforts to advance the field of special education, assessment, and rehabilitation. It provides an in-depth look into our department's activities, achievements, challenges, and future plans. We will explore the impactful initiatives we have undertaken, the remarkable progress we have made, and the ways in which we have contributed to the broader mission of KISE and the special education community in Kenya.

In the pursuit of our department's unwavering commitment to enhancing the lives of individuals with unique abilities, the Annual Targets for the Department of Assessment and Rehabilitation stand as our guiding pillars for the year ahead. These targets are not merely numerical aspirations but a testament to our dedication in fostering inclusivity, promoting growth, and effecting positive change within our community.

The previous annual targets included:

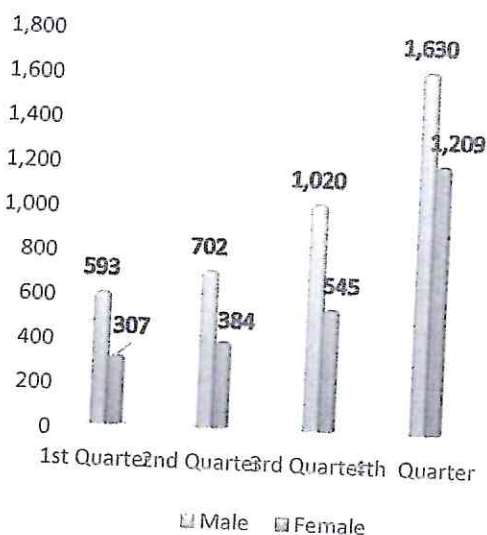
1. Assessment of 5,000 persons with special needs and disabilities nationally in the FY 2022/2023.
2. Rehabilitate 6,500 learners and children with cerebral palsy and speech difficulties.
3. Sensitization of 1,600 of parents, guardians, and care givers of learners and out of school children with special needs and disabilities
4. Conduct 4 outreach services nationwide

We are delighted to announce that, through diligent effort, unwavering commitment, and effective teamwork, we have successfully achieved and, in several instances, surpassed the Annual Targets set for the Department of Assessment and Rehabilitation. This achievement stands as a testament to our department's dedication to making a profound impact on the lives of individuals with diverse abilities and unique needs.

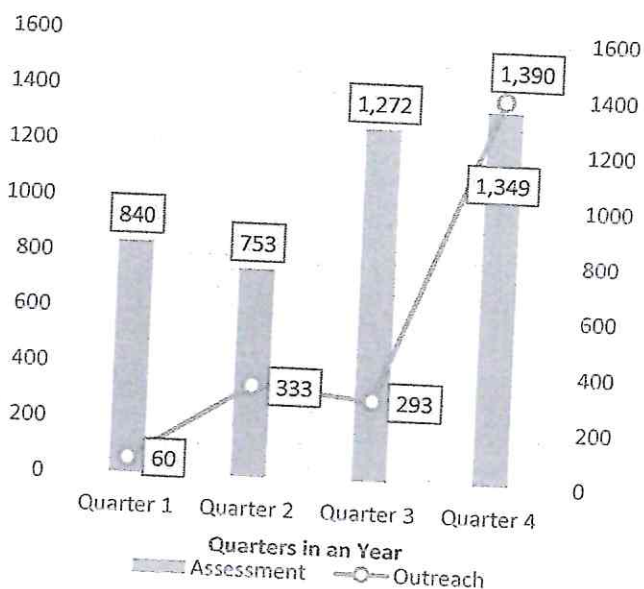
Report on Data of Assessed / Reviewed and Outreach Initiatives

During the year under review, the number of children served in assessment increased from the previous year as indicated below. There were interventions taken after assessment to address the different kind of disabilities. The interventions range from physiotherapy, occupational therapy to medical interventions.

ASSESSED CLIENTS BY GENDER



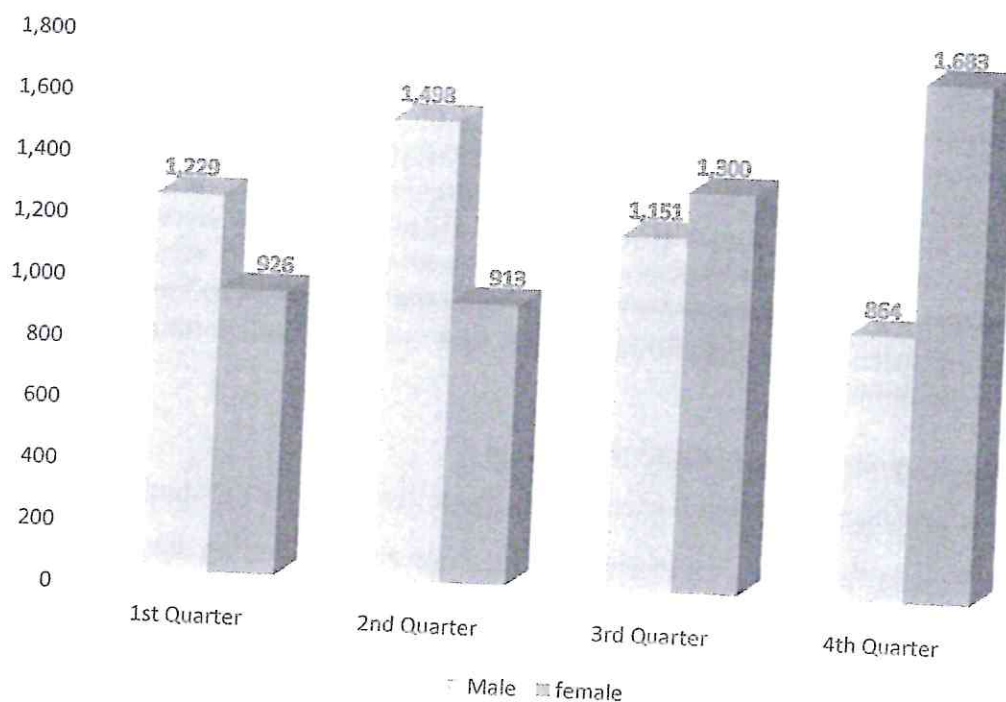
Clients Attended by Quarters



The table above compares clients assessed during our normal operations and those assessed during outreach activities in various parts of the country

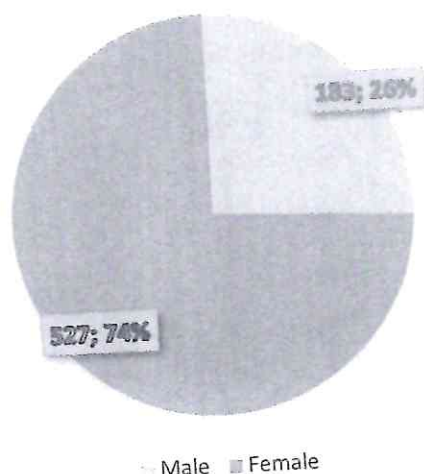
Habilitation and Rehabilitation Section data for the financial year 2022/23

REHABILITATED CLIENTS BY GENDER

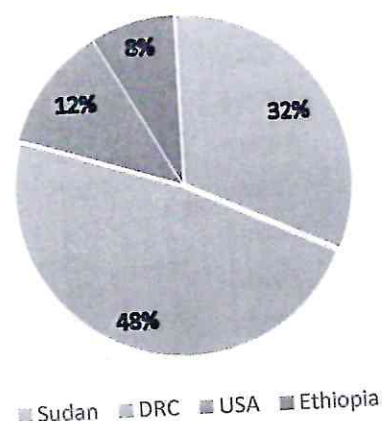


Psycho-social support data for the financial year 2022/23

COUNSELLING NUMBERS BY GENDER



DIASPORA
ASSESSMENT



DATA OF ARC ASSESSED CASES FROM DIASPORA YEAR 2022-2023

S/No	Country	No. of clients
1	Sudan	8
2	DRC	12
3	USA	3
4	Ethiopia	2
	Total	24

C) Partnership and Linkages

We have continued to establish partnership and linkages as part of collaboration to create a niche for ourselves. The Institute engaged among others E-learning teacher training program for literacy learning and teaching in Sub Saharan Africa (ETALE Africa), Voluntary Services Overseas (VSO) Common wealth of Learning, Advantage Africa in the year under review. Afya Africa came on board in provision of assessment services in our Assessment and Research Centre. The Institute acknowledges the synergies created through partnerships and other collaborations and endeavours to sustain this for the future.

9. Environmental and Sustainability Reporting

Kenya Institute of Special Education exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

i) Sustainability strategy and profile

Together with our main theme of providing inclusive quality service, KISE is committed to a conducive, safe and healthy workplace for her employees. Additionally, we are cognisant of potential negative impacts on the environment and consequently we continued in the reporting year to integrate environmental concerns and impacts in all our decisions and activities.

ii) Environmental performance

KISE has over the years committed itself to environmental protection and sustainability. In this regard, as guided by the Institute's Environmental Policy, we participated in activities that positively contributed towards conservation of the ecosystem. Some of the activities the Institute undertook during the year included;

- a) We supported activities that impact on the environment positively for example adopting the idea of paperless office reducing the paper demand. The Institute continued to encourage members of staff to use emails for internal communication and maintained centralisecontrolled printing out of documents.
- b) In the reporting year, KISE encouraged use of renewable affordable and clean energy through measures such as installing solar-powered street lights along the main highways and boulevards within the Institute.
- c) The Institute continued to encourage saving of energy by keeping unnecessary lights off together with replacement of ordinally lighting bulbs with energy saving ones.
- d) In the year under review, we planted grass along the KISE road immediately after the main gate.
- e) Towards the end of the Financial year KISE entered into a partnership with Kenya Forestry Research Institute (KEFRI) to prepare half a million tree seedlings for planting within KISE and without.
- f) Alternative cheaper source of energy

iii) Employee welfare

During the reporting year, the Institute continued to sponsor staff to capacity building trainings and as well as sponsored subscription fees to various staff professional bodies. The Institute renewed staff medical scheme to take care of staff wellbeing. For purposes of promoting national cohesion and integrity, staff were also sensitized.

• Staff Capacity Building

In the Year under review, members of staff were trained as indicated in the table below

COURSE	STAFF TRAINED
Kenyan Sign Language	10
Performance Contracting	1
Accountability and Management of Public Resources	1
Retirement and Insurance Services	3
Conference on Impact of Climate Change on Health and Health Systems	1
Tax Administration	1

• **Staff Insurance**

The Institute continues to provide medical insurance services to her staff as follows:

- The medical scheme for dental and Optical care were reviewed to from Kshs. 10,000 each to KES. 20,000 each while the last expense cover was reviewed from Kshs.50,000 to Kshs. 100,000.00 include a last expense, dental and optical cover.
- The Work Injuries Benefits Act (WIBA) component within the Group personal accident was enhanced to include Kshs. 200,000 medical cover and Kshs. 100,000 for last expense.

iv)Market place practices-

The Institute has embraced market place best practices through:

a) Responsible competition practice.

KISE adheres to the requirements of Public Procurement and Asset Disposal Act, 2015. The Act requires that public entities ensure there is competitive bidding among suppliers and service providers during acquisition of goods and services. Sharing of information is key to fostering responsible competition among bidders. The Institute has endeavoured to have relevant information shared with its suppliers and service providers. The Institute also undertook training of suppliers specifically for persons with disabilities, youth and women during the year under review to sensitize them on how to access government procurement opportunities.

b) Responsible Supply chain and supplier relations

KISE acknowledges that lack of proper supply chain management and supplier relations can affect the achievement of her strategic objectives. In the year under review, the Institute ensured that most of the creditors were settled within the period outlined in the Service Charter. This enhanced the confidence of the creditors on the Institute.

c) Responsible marketing and advertisement

During the year under review, the Institute ensured that marketing and advertisement information that was shared with clients was in the format accessible to all including Persons with Disability. The Institute also assisted other organisation in conversion of their messages into braille and sign language.

d) Product stewardship

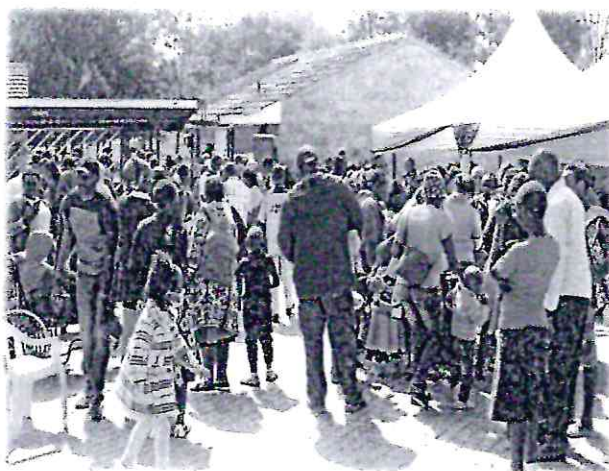
During the year under review, KISE ensured that the services provided to clients remain accessible by bringing them closer to them. This was done through undertaking of outreach services at the county level and having distance learning centres in various parts of the country.

e) Corporate Social Responsibility / Community Engagements

During the year under review, the Institute undertook some activities as part of her Corporate Social Responsibility. Amongst the activities undertaken in the year 2022/23 are:

i. MASS REGISTRATION OF PERSONS WITH DISABILITIES (PWDs)

In an endeavour to create awareness on benefits of National Council of Persons with Disability (NCPWD) card, the Institute undertook mass registration exercise to persons with disabilities (PWD) in Nairobi County. Over 750 PWDs who turned up for the two-day event that took place at KISE on June 2nd 2023 were registered.



Mass registration of PWD

ii. TREE PLANTING EXERCISE

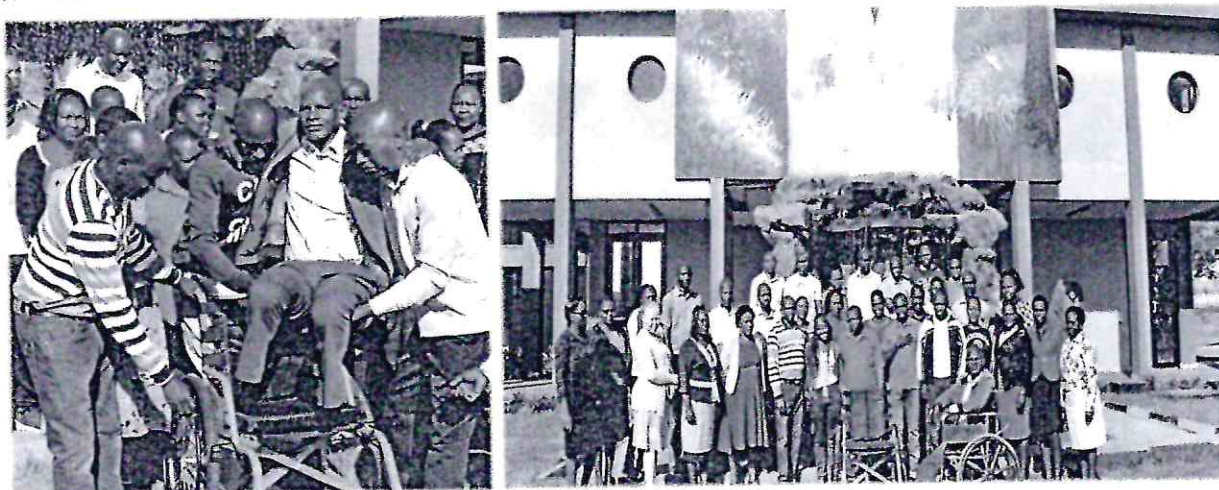
In order to embrace climate change management, the Institute embarked on a tree planting exercise. Over 8,000 trees were planted in the Institute and her environs. The exercise took place in September 13th 2022. The trees planted were indigenous trees and fruits. The trees will provide shade and fresh air while the fruits will provide fruits to the community.



Tree planting exercise in the Institute and its environs

iii. DONATION OF WHEEL CHAIRS TO STUDENTS WITH DISABILITIES.

As part of CSR, KISE donated wheel chairs to students who joined the Institute with disability. Students are part of KISE Community and internal clients, as such the Institute considered the students and donated wheel chairs to them in order to ease their movement within and outside the Institute.



Students receiving wheel chairs

iv. CLEAN UP EXERCISE

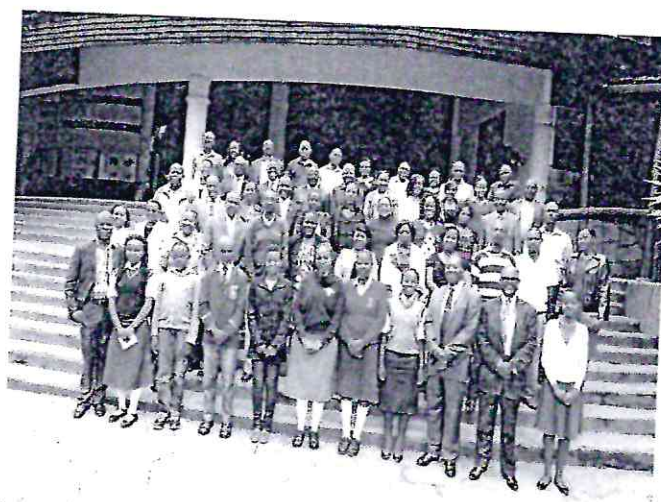
The Institute in partnership with Kasarani Sub-county conducted a clean-up exercise at KISE. The exercise took place in June 19th 2023.



KISE Community participating in a clean-up exercise

v. SPONSORSHIP OF NEEDY STUDENTS IN THE NEIGHBOURHOOD

As part of her Corporate Social Responsibility, KISE undertakes sponsorship of needy but bright students in the neighbourhood. In the year under review, the Institute paid fees for a student at Thika Road Baptist Secondary School currently in form 4.



Beneficiaries of needy but bright secondary school sponsorship

10. Report of the Board of Directors

The Council submits its report together with the audited financial statements for the year ended June 30, 2023 which disclose the state of affairs of Institute.

i) Principal activities

The principal activities of KISE are to provide advisory services in formulation and implementation government policies in the areas of special needs and disabilities, review and research on practices

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addressing special needs education and related services and provide support and interventions to persons with special needs and disabilities within its mandate

ii) Results

The results of the Institute for the year ended June 30, 2023 are set out on page 1 of the Institute's financial statements. The report indicated a stable financial base having grown by 2.75% from the previous financial year.

iii) Council Members

The members who served in the Institute Council during the year under review were appointed for three-year term on 29th August 2022. Their activities were guided by the Council Charter and adequately guided the management of the Institute towards the performance reported in the year under review. The Institute reported a surplus of 20 million up from a deficit of 40 million the previous year.

iv) Auditors

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

By Order of the Board



.....
Dr. Kiogora Norman

Council Secretary/Secretary to the Council

11. Statement of Council Member's Responsibilities

The Public Finance Management Act, 2012 and the State Corporations Act, require the Council Members to prepare financial statements in respect of that Institute, which give a true and fair view of the state of affairs of the Institute at the end of the financial year/period and the operating results of the Institute for that year/period. The Members are also required to ensure that the Institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the Institute. They are also responsible for safeguarding the assets of the Institute.

The Council Members are responsible for the preparation and presentation of the Institute's financial statements which give a true and fair view of the state of affairs for year ending June 30, 2019. 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 Institute;
- iii. Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- iv. Safeguarding the assets of the Institute;
- v. Selecting and applying appropriate accounting policies; and
- vi. Making budget estimates that are reasonable in the circumstances.

The Council Members accept responsibility for the Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Council Members are of the opinion that the Institute's financial statements give a true and fair view of the state of Institute's transactions during the financial year ended June 30, 2021, and of the Institute's financial position as at that date. The Members further confirm the completeness of the accounting records maintained for the Institute, which have been relied upon in the preparation of the

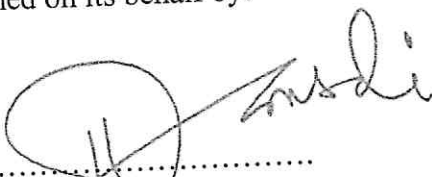
Institute's financial statements as well as the adequacy of the systems of internal financial control.

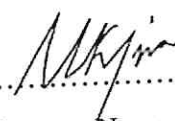
**Kenya Institute of Special Education
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Nothing has come to the attention of the Council Members to indicate that the Institute will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Institute financial statements were discussed and approved by the Council in August 30, 2023 and signed on its behalf by:


.....
Habat Sheikh Abdi OGW
Chairperson of the Council


.....
Dr. Kiogora Norman
Accounting Officer

REPUBLIC OF KENYA

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Enhancing Accountability

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA INSTITUTE OF SPECIAL EDUCATION FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

- A. Report on the Financial Statements that consider whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards, and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines, and manuals and whether public resources are applied in a prudent, efficient, economic, transparent, and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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 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

Opinion

I have audited the accompanying financial statements of Kenya Institute of Special Education set out on pages 1 to 30, which comprise of the statement of financial position

as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows, statement of comparison of budget and actual amounts for the year ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Institute of Special Education as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Education (Kenya Institute of Special Education) Order, 1986 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Institute of Special Education Management in accordance with ISSAI 130 on the 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 opinion.

Emphasis of Matter

Long Outstanding Receivables

The statement of financial position reflects a balance of Kshs.2,292,418 in respect of receivable deposits as disclosed in Note 22 to the financial statements. Included in the balance is an amount of Kshs.492,418 that has been outstanding for over three (3) years. Further, aging analysis for the deposits was not provided for audit.

In addition, the statement reflects a balance of Kshs.71,051,817 in respect of accounts receivables from exchange transactions as disclosed in Note 20 to the financial statements. Included in the balance are amounts of Kshs.125,668,109, Kshs.22,009,812 and Kshs.10,996,563 due from student debtors, trade debtors, general debtors and Kshs.81,817 in respect of staff debtors, all totaling Kshs.158,756,301 which have been outstanding for over three (3) years.

No explanation has been provided on measures the Management is taking to collect the receivables.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE 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. Non-Remittance of Excess AIA Collection

The statement of comparison of budget and actual amounts reflects revenue from fees and students' contribution budget and actual amount on comparable basis of Kshs.78,640,000 and Kshs.97,274,796, respectively resulting to a surplus collection of Kshs.18,634,796 or 24% of the budget. However, the over collection on revenue from exchange transactions (Appropriations-In-Aid) amounting to Kshs.18,634,796 was not surrendered to the exchequer contrary to Regulation 84 of the Public Finance Management (National Government) Regulations, 2015.

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

2. Non-Compliance with law on Accessibility of Special Needs Services

Review of the operations of Kenya Institute of Special Education revealed that the Institution has its main office in Nairobi City County with only four (4) regional training centres in Migori Teachers Training College(TTC), Eregi TTC, Kericho TTC and Shimo La Tewa High School, thus limiting nationwide access to its services, contrary to the provisions of Section 3(2) of the Education (Kenya Institute of Special Education) Order, 1986.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements, 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 THE 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 matters 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 governance were not effective.

Basis for Conclusion

1. Incomplete Assets Register

The statement of financial position reflects a balance of Kshs.3,898,420,386 in respect of property, plant and equipment as disclosed in Note 23 to the financial statements. Review of the fixed assets register revealed that the register lacked important details such as identification number, location, depreciation charge for the year and accumulated depreciation. Further, the assets were not tagged.

In the circumstances, the effectiveness of internal controls over management of assets could not be confirmed.

2. Understaffing of the Institute

Review of KISE Human Resource records revealed that the entity had two hundred and one (201) employees comprising one hundred and seventy-one (171) permanent and pensionable employees and thirty (30) short contracts employees in-post against authorized establishment of two hundred and fifty-seven (257), resulting to an understaffing of fifty-six (56). Further, it was noted that the teaching department also had an acute shortage of lecturers with only forty-seven (47) employees against the approved capacity of eighty-two (82) lecturers, resulting to a shortfall of thirty-five (35) lecturers.

In the circumstances, the effectiveness of the school to deliver quality special education could not be confirmed.

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 controls, risk management, and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Governing Council

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 Institute's ability to continue to sustain its services, disclosing as applicable, matters related to the sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Institute or to cease operations.

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

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

The Governing Council is responsible for overseeing the Institute's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to 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 overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the components of the internal control 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness in future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgment 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 Institute's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit

report. However, future events or conditions may cause the Institute 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 Institute 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.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


25 March, 2024


13. Statement of Financial Performance for the year ended 30 June 2023

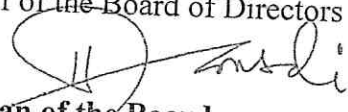
	Note	2023 KSH	2022 KSH
Revenue from non-exchange transactions			
Donations and Other Grants	5	48,000	23,082,701
GoK-Recurrent Grants	6	294,877,138	279,562,554
Total Revenue From Non-Exchange Transactions		294,925,138	302,645,255
Revenue From Exchange Transactions			
Fees and Student Contribution	7	97,274,796	74,482,301
Hire of Facilities and Services	8	14,779,234	13,066,214
Other Incomes	9	8,287,613	8,550,495
Sale of Learning Materials	10	80,603	281,778
Deferred income		-	-
Total Revenue from Exchange Transactions		120,422,246	96,380,788
Total Revenue		415,347,384	399,026,043
Expenses			
Staff Expenses	11	134,019,687	113,306,145
Operations and Maintenance	12	191,591,218	174,986,554
KISE Council Expenses	13	8,939,162	3,351,875
Donations and Other Grant Expenses	14	48,000	9,069,353
Audit Fees	15	650,000	650,000
Provision for Depreciation	16	66,511,952	56,432,816
Provision for Bad and Doubtful Debts	17	7,408,716	19,900,074
Total Expenses		409,168,735	377,696,817
Surplus for the Period		6,178,649	21,329,226
Corporation Tax applicable	18	3,852,704	4,330,134
Surplus after Tax		2,325,945	16,999,092

The notes set out on pages 8 form an integral part of these Financial Statements.

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


Accounting Officer
Name: Dr. N. Kiogora


Head of Finance
Name: Anthony C. Mwangi
ICPAK Member Number: 13996
Date: 30/09/2023


Chairman of the Board
Name: Habat Sheikh Abdi OGW
Date: 30/09/2023

**Kenya Institute of Special Education
Annual Report and Financial Statements
for the year ended June 30, 2023.**

14. Statement of Financial Position as at 30 June 2023

Assets	Note	2023 Kshs	2022 Kshs
Current assets			
Cash and cash equivalents	19	198,041,111	175,451,621
Receivables from Exchange Transactions	20	71,051,817	63,974,926
Receivables from Non-Exchange Transactions	21	87,896,104	0
Receivable Deposits	22	2,292,418	492,418
Total Current assets		359,281,450	239,918,965
Non-current assets			
Property Plant and Equipment	23	3,898,420,386	3,788,488,033
Investment Property	24(b)	36,382,560	37,125,061
Intangible Assets	24(c)	6,072,492	5,115,615
Total Non-current assets		3,940,875,438	3,830,728,709
Total assets		4,300,156,888	4,070,647,674
Liabilities			
Current liabilities			
Trade & Other Payables from Exchange Transactions	25	4,117,920	10,170,456
Deferred Tax Liability	18	2,532,260	10,472,790
Deferred Income	26	901,800	48,000
Refundable Deposits from Customers	27	172,774,658	22,409,854
Prepaid Fees and Other Charges	28	3,385,820	13,428,089
Total liabilities		183,712,458	56,529,189
Net Assets		4,116,444,430	4,014,118,485
Reserves			
Revenue Reserves	29	147,494,433	145,168,488
Revaluation Reserves	30	2,068,963,405	2,068,963,405
Capital Reserves	31	1,899,986,592	1,799,986,592
Total Capital Reserves & Surplus		4,116,444,430	4,014,118,485
Total net assets and liabilities		4,300,156,888	4,070,647,674

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

Accounting Officer
Name: Dr. N. Kiogora

Date: 30/09/2023

Head of Finance
Name: Anthony C. Mwangi

ICPAK Member Number: 13996
Date: 30/09/2023

Chairman of the Board
Name: Habat Sheikh Abdi OGW

Date: 30/09/2023

15. Statement of Changes in Net Assets for the year ended 30 June 2023

**Kenya Institute of Special Education
Annual Report and Financial Statements
for the year ended June 30, 2023.**

	Note	Revenue Reserves KES	Capital/ Dev. Grants/Fund KES	Revaluation Reserves KES	Total KES
Balance at July, 01 2021		128,169,396	1,669,486,592	2,068,963,405	3,866,619,393
Additions in the Year		-	-	-	-
Development Fund		-	130,500,000	-	130,500,000
Adjustments		-	-	-	-
Surplus for the year		16,999,092	-	-	16,999,092
Balance at June, 30 2022		145,168,488	1,799,986,592	2,068,963,405	4,014,118,485
Balance at July, 01 2022		145,168,488	1,799,986,592	2,068,963,405	4,014,118,485
Additions in the Year		-	-	-	-
Development Fund	31	-	100,000,000	-	100,000,000
Adjustments		-	-	-	-
Surplus for the year	29	2,325,945	-	-	2,325,945
Balance at June, 30 2023		147,494,433	1,899,986,592	2,068,963,405	4,116,444,430

**Kenya Institute of Special Education
Annual Report and Financial Statements
for the year ended June 30, 2023.**

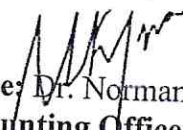
16. Statement of Cash Flows for the year ended 30 June 2023

	Notes	2023 Kshs	2022 Kshs
Cash flows from operating activities			
Receipts			
Donations and Other Grants	5	48,000	13,319,585
GoK-Recurrent Grants	6(b)	281,981,034	289,801,915
Fees and Student Contribution	7(b)	80,022,375	53,577,120
Hire of Facilities and Services	8(b)	12,729,803	15,056,912
Other Incomes	9(b)	2,698,805	(742,315)
Sale of Learning Materials	10	80,603	281,778
Total Receipts		377,560,620	371,294,995
Payments			
Staff Expenses	11(b)	(133,656,903)	(113,634,785)
Operations and Maintenance	12(b)	(197,643,754)	(185,057,177)
KISE Council Expenses	13	(8,939,162)	(3,351,875)
Donations and Other Grant Expenses	14	(48,000)	(9,069,353)
Audit Fees	15	(650,000)	-
Corporation Tax applicable	18(b)	(11,793,234)	(5,000,000)
Total Payments		(352,731,053)	(316,113,190)
Net cash flows from operating activities		24,829,567	55,181,805
Net cash flows used in investing activities			
Receivable Deposits	22(b)	(1,800,000)	1,000,000
Property Plant and Equipment	23	(174,183,681)	(126,248,873)
Investment Property	24	-	(9,950,265)
Intangible Assets		(2,475,000)	-
Change in Differed Income	26(b)	853,800	-
Refundable Deposits from Customers	27(b)	150,364,804	-
Net cash flows used in investing activities		(27,240,077)	(135,199,138)
Cash flows from financing activities			
Development Grant received	31(b)	25,000,000	130,500,000
Net cash flows used in financing activities		25,000,000	130,500,000
Net increase/(decrease) in cash and cash equivalents		22,589,490	50,482,667
Cash and cash equivalents at period Start	19	175,451,621	124,968,954

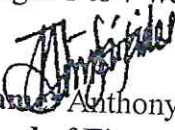
**Kenya Institute of Special Education
Annual Report and Financial Statements
for the year ended June 30, 2023.**

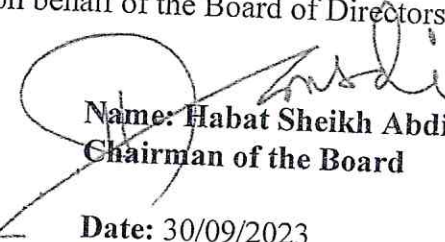
	Notes	2023 Kshs	2022 Kshs
Cash and cash equivalents at Period end	19	198,041,111	175,451,621

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


Name: Dr. Norman Kiogora
Accounting Officer

Date: 30/09/2023


Name: Anthony Mwangi
Head of Finance
ICPAK M/No: 13996
Date: 30/09/2023


Name: Habat Sheikh Abdi
Chairman of the Board
Date: 30/09/2023

Kenya Institute of Special Education
Annual Report and Financial Statements
for the year ended June 30, 2023.

17. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2023

Description	Original budget 2022-2023 KES	Adjustments 2022-2023 KES	Final budget 2022-2023 KES	Actual on comparable basis 2022-2023 KES	Performance difference 2022-2023 KES	%age f=d/c*100
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue	1,000,000		1,000,000	-	1,000,000	0%
DONATIONS AND OTHER GRANTS	281,563,620	13,313,518	294,877,138	294,877,138	0	100%
GoK-Recurrent Grants	100,000,000	-	100,000,000	100,000,000	-	100%
GOK DEVELOPMENT GRANT	56,200,000	22,440,000	78,640,000	97,274,796	(18,634,796)	124%
FEES AND STUDENT CONTRIBUTION	9,500,000	5,300,000	14,800,000	14,779,234	20,766	100%
HIKE OF FACILITIES AND SERVICES	2,800,000	5,550,000	8,350,000	8,287,613	62,387	99%
OTHER INCOMES	500,000	-	500,000	80,603	419,397	16%
SALE OF LEARNING MATERIALS	451,563,620	46,603,518	498,167,138	515,299,384	(17,132,246)	103%
Total income						
Expenses	100,000,000	-	100,000,000	100,000,000	-	100%
GOK DEVELOPMENT GRANT	650,000	-	650,000	650,000	-	100%
Audit Fees	69,103,009	4,000,000	73,103,009	71,146,297	1,956,712	97%
Basic Salary - Permanent Employees	8,890,000	(1,500,000)	7,390,000	7,383,214	6,786	100%
Communication Supplies and Services	1,000,000	-	1,000,000	-	1,000,000	0%
Donations and other Grant Expenses	13,550,462	400,000	13,950,462	13,734,458	216,004	98%
Employer contribution to Health Schemes	13,085,432	800,000	13,885,432	13,834,524	50,908	100%
Employer contribution to Pensions Schemes	3,000,000	2,870,000	5,870,000	5,731,877	138,123	98%
Fuel, Oil & Lubricants	1,540,000	1,429,280	2,969,280	2,624,174	345,106	88%
Hospitality Supplies and Services	2,750,000	-	2,750,000	2,511,371	238,629	91%
Insurance Expenses	6,000,000	3,000,000	9,000,000	8,939,162	60,838	99%
KISE Council Expenses	8,787,400	3,000,000	11,787,400	11,136,468	650,932	94%
Office and General Supplies and Services	21,860,200	(4,500,000)	17,360,200	15,054,842	2,305,358	87%
Other Operating Expenses						

**Kenya Institute of Special Education
Annual Report and Financial Statements
for the year ended June 30, 2023.**

Description	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference		%age
	2022-2023	KES	2022-2023	KES	2022-2023	KES	2022-2023	KES	2022-2023	KES	
Outsourced and Contractual Services	10,837,908		1,717,000		12,554,908		12,502,594		52,314		100%
Personal Emoluments (Part of Salary)	32,906,000		3,012,000		35,918,000		35,304,409		613,592		98%
Printing, Advertising and Information Supplies and Services	3,912,432		-		3,912,432		3,505,668		406,764		90%
Provision for Bad and Doubtful Debts	6,000,000		1,500,000		7,500,000		7,408,716		91,284		99%
Provision for Depreciation	23,844,539		16,752,419		40,596,958		66,511,952		(25,914,994)		164%
Research	13,100,000		2,830,000		15,930,000		15,878,911		51,089		100%
Routine Maintenance - Other Assets	20,469,460		(15,000,000)		5,469,460		5,087,120		382,340		93%
Routine Maintenance - Vehicles & Other Transport Equipment	3,820,321		(300,000)		3,520,321		3,381,646		138,675		96%
Specialized Materials and Supplies	16,713,478		(3,000,000)		13,713,478		12,202,117		1,511,361		89%
Training Expenses	50,542,890		23,524,490		74,067,380		71,580,845		2,486,535		97%
Traveling & Accommodation: - Foreign Travel	2,000,000		472,129		2,472,129		1,673,066		799,063		68%
Traveling & Accommodation: - Local Travel	7,080,000		1,896,200		8,976,200		8,946,518		29,682		100%
Utilities Supplies and Services	10,000,000		2,000,000		12,000,000		10,678,829		1,321,171		89%
Wellness Expenses	120,089		1,700,000		1,820,089		1,711,958		108,131		94%
Total	451,563,620		46,603,518		498,167,138		509,120,734				
Surplus											
<i>Budget notes</i>											

1. Fees and Student Contribution growth resulted from the increase in enrollment due to government's requirement on Teachers to upgrade
2. Sale of Learning Materials: There was a low uptake due to low capitation at client schools
3. Provision for Bad and Doubtful Debts: The growth in costs resulted from new equipment procured.
4. Other Operating Expenses reduced following austerity measures
5. Utilities Supplies and Services: There was lower consumption as staff and students were sensitized on rising cost of energy
6. Traveling & Accommodation: - Foreign Travel: due to government's directive on cost cutting.
7. Specialized Materials and Supplies: There was reduced meal provision for meeting as well as other austerity measures

18. Notes to the Financial Statement

1. General Information

Kenya Institute of Special Education is established by and derives its authority and accountability from Legal Notice No. 17 of 14th February 1986. The Institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The Institute's principal activity is training of personnel in Special Needs Education and Disability and assessment and placement of children.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Institute'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 4 of these financial statements.

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The Institute recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Institute 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 recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Institute and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The Institute recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized 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 Institute.

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 applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Institute's right to receive payments is established. The Institute does not issue dividends.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease period and included in revenue. The Institute charges nominal rent to staff occupants of Institute investment property.

b) Budget information

The original budget for FY 2022-2023 was approved by the National Assembly on *26th June 2023*. 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 Institute upon receiving the respective approvals in order to conclude the final budget.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 17 of these financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Institute operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting

date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable Institute and the same taxation authority.

Sales tax

Expenses and assets are recognized 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 recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable

- ii) When receivables and payables are stated with the amount of sales tax included, The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 50-year period. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Institute. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Institute also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of

the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. 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 Institute 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.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Institute. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

Intangible assets acquired separately are initially recognized 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 amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

h) Research and development costs

The Institute expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Institute can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale
- ii) Its intention to complete and its ability to use or sell the asset
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

a) Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement 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 Institute determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized 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. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity.

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Institute has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized 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 recognized in surplus or deficit.

Impairment of financial assets

The Institute assesses at each reporting date whether there is objective evidence that a financial asset or an Entity of financial assets is impaired. A financial asset or an Entity of financial assets 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 or the Entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- i) The debtors or an Entity of 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 reorganization.

- iv) Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults)

b) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Institute determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized 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.

j) Inventories

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Institute.

k) Provisions

Provisions are recognized when the Institute 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 Institute expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

l) Contingent liabilities

The Institute does not recognize 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.

m) Contingent assets

The Institute does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Institute 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 recognized in the financial statements of the period in which the change occurs.

n) Nature and purpose of reserves

The Institute creates and maintains reserves in terms of specific requirements.

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

The Institute provides retirement benefits for its employees. The Institute provides retirement benefits for its employees under a defined contribution plan which is post-employment benefit plan under which the Institute pays fixed contributions into a separate fund, and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to

pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

q) 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. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

r) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.)

s) Related parties

The Institute 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 Institute, or vice versa. Members of key management are regarded as related parties and comprise the KISE Council, Director, and Senior managers.

t) Service concession arrangements

The Institute analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Institute recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Institute also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) Cash and cash equivalents

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

v) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

w) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

4. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Institute based its assumptions and estimates on parameters available when the consolidated 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 Institute. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

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

- a) The condition of the asset based on the assessment of experts employed by the Institute.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40.

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.

- i. Provision for Depreciation is charged on a reduction balance as per the Institute asset management policy which stipulates rates to be applied as follows:

Description	Rate of Depreciation
1 Building	2.0%
2 Computers & Electronics	30%
3 Furniture & Fittings	10.0%
4 Plant, Property & Equipment	10.0%
5 Motor Vehicles	25%
6 intangible Asset	20%
7 Investment Property	2.0%
8 Farm Implements	33.3%

- ii. Provision for Bad and Doubtful Debts is calculated as per the Institute Credit Management Policy which allows for 100% recognition of Debt aged 0-3years, 50% from debts aged between 4 and 5 years and a full provision for debts 6 years and older.

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		2023 (Kshs)	2022 (Kshs)
Note 5	DONATIONS AND OTHER GRANTS		
	Deferred Graduation Account Income	48,000	1,880,166
	Deferred Norhed-Enable Project income	-	3,479,667
	Partner Contributions	-	17,722,868
	DONATIONS AND OTHER GRANTS TOTAL	48,000	23,082,701
Note 6	GOK-RECURRENT GRANTS		
	Recurrent Expenditure Grant	294,459,724	279,163,620
	EARC Recurrent Grant	417,414	398,934
	GOK-RECURRENT GRANTS TOTAL	294,877,138	279,562,554
6(b)	CASHFLOW ADJUSTMENT		
	GOK-RECURRENT GRANTS TOTAL	294,877,138	279,562,554
	Less amount accrued	12,896,104	
	TOTAL RECEIVED	281,981,034	279,562,554
Note 7	FEES AND STUDENT CONTRIBUTION		
	Accommodation fees	18,898,922	10,300,300
	Activity Fees	1,422,000	494,000
	Administrative Operations Fees	10,545,600	6,188,150
	Clubs and Societies Fees	153,200	59,250
	Library Fees	7,580	13,650
	P.E. Kit Fees	1,278,000	1,470,000
	Registration Fees	1,050,300	2,257,600
	Student Union fees	662,000	246,000
	Tuition fees	62,962,825	53,440,221
	Utility Fees	294,369	13,130
	FEES AND STUDENT CONTRIBUTION TOTAL	97,274,796	74,482,301
7(b)	CASHFLOW ADJUSTMENT		
	FEES AND STUDENT CONTRIBUTION TOTAL	97,274,796	74,482,301
	Less Growth in Due from students	7,210,152	8,397,390
	Less reduction in Student Overpayments	10,042,269	12,507,791
	NET CASHFLOW FROM FEES AND STUDENT CONTRIBUTIONS	80,022,375	53,577,120
Note 8	HIRE OF FACILITIES AND SERVICES		
	Income from Hire of Facilities*	3,458,881	2,472,575
	Hire of Facilities Expenses***	(1,504,093)	(45,932)
	Income from Consultancy	2,234,552	2,236,017
	Consultancy Expenses	(558,345)	(1,244,349)
	Income from Hotel and Conference Centre*	34,649,230	28,847,768
	Hotel and Conference Centre Expenses***	(25,199,914)	(19,895,544)
	Income from Gym	18,966	
	Gym Expenses	(13,490)	
	Income from Therapy Services	1,990,696	695,679
	Therapy Services Expenses	(297,250)	
	HIRE OF FACILITIES AND SERVICES TOTAL	14,779,234	13,066,214
	<i>* Taxable Incomes, *** Allowable Expenses</i>		

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		2023 (Kshs)	2022 (Kshs)
8(b)	CASHFLOW ADJUSTMENT		
	HIRE OF FACILITIES AND SERVICES TOTAL	14,779,234	13,066,214
	Less the growth in General Debtors	2,049,431	(1,990,698)
	NET CASHFLOW FROM FEES AND STUDENT CONTRIBUTIONS	12,729,802	15,056,912
Note 9	OTHER INCOMES		
	Braille Transcription Expenses	(9,283,944)	(11,628,000)
	Gains on Disposal	1,323,320	134,030
	Income from Braille Transcription	12,469,545	15,461,052
	Interest Income*	1,438,243	3,054,913
	Rental Income	2,340,449	1,528,500
	OTHER INCOMES TOTAL	8,287,613	8,550,495
	* Taxable Incomes		
9(b)	CASHFLOW ADJUSTMENT		
	OTHER INCOMES TOTAL	8,287,613	8,550,495
	Less Change in Tenant Debtors	(31,925)	(58,750)
	Less Change in Trade Debtors	5,620,733	9,351,560
	NET CASHFLOW FROM	2,698,805	(742,315)
Note 10	SALE OF LEARNING MATERIALS		
	Sale of Learning materials and resources	80,603	281,778
	Production Unit Expenses	-	-
	SALE OF LEARNING MATERIALS TOTAL	80,603	281,778
Note 11	STAFF EXPENSES		
	Basic Salary - Permanent Employees	71,146,297	55,514,414
	Employer contribution to Health Schemes	13,734,458	12,239,339
	Employer contribution to Pensions Schemes	13,834,524	10,898,008
	Personal Emoluments (Part of Salary)	35,304,409	26,243,128
	STAFF EXPENSES TOTAL	134,019,687	113,306,145
11(b)	CASHFLOW ADJUSTMENT		
	STAFF EXPENSES TOTAL	134,019,687	113,306,145
	Less Change in Staff Debtors	362,784	(328,640)
	NET CASHFLOW FROM	133,656,903	113,634,785
Note 12	OPERATIONS AND MAINTENANCE		
	Communication Supplies and Services	7,383,214	4,509,022
	Fuel, Oil & Lubricants	5,731,877	5,507,248
	Hospitality supplies and Services	2,624,174	3,225,633
	Insurance Expenses	2,511,371	1,323,111
	Office and General Supplies and Services	11,136,468	9,585,959
	Other Operating Expenses	15,054,842	37,075,887
	Outsourced and Contractual Services	12,502,594	8,411,256
	Printing, advertising and information supplies and services	3,505,668	2,325,409
	Research	15,878,911	11,612,610
	Routine Maintenance - Other Assets	5,087,120	5,734,067
	Routine Maintenance - Vehicles & other		
	Transport Equipment	3,381,646	1,663,118
	Specialized Materials and Supplies	12,202,117	6,282,118

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		2023 (Kshs)	2022 (Kshs)
	Training expenses	71,580,845	64,853,919
	Traveling & Accommodation: - Foreign Travel	1,673,066	4,157,198
	Traveling & Accommodation: - Local Travel	8,946,518	6,329,860
	Utilities Supplies and Services	10,678,829	9,916,987
	Wellness Expenses	1,711,958	884,406
	OPERATIONS AND MAINTENANCE TOTAL	191,591,218	174,986,551
12(b)	CASHFLOW ADJUSTMENT		
	OPERATIONS AND MAINTENANCE TOTAL	191,591,218	174,986,551
	Less Change in Trade Payables	6,052,536	10,070,623
	NET CASHFLOW FROM	197,643,754	185,057,174
Note 13	KISE COUNCIL EXPENSES		
	Kise Council Expenses	8,939,162	3,351,875
	KISE COUNCIL EXPENSES TOTAL	8,939,162	3,351,875
Note 14	DONATIONS AND OTHER GRANT EXPENSES		
	Donations and other Grant Expenses	-	3,709,520
	Deferred Graduation Account Expenses	48,000	1,880,166
	Deferred Norhed-Enable Project Expenses	-	3,479,667
	DONATIONS AND OTHER GRANT EXPENSES TOTAL	48,000	9,069,353
Note 15	AUDIT FEES		
	Audit Fees	650,000	650,000
	AUDIT FEES TOTAL	650,000	650,000
Note 16	Provision for Depreciation		
	Provision for Depreciation	66,511,952	56,432,816
	Provision for Depreciation TOTAL	66,511,952	56,432,816
Note 17	Provision for Bad and Doubtful Debts		
	Total Provision for Bad & Doubtful Debts b/f	80,594,029	60,693,955
	Provision for Bad and Doubtful Debts	7,408,716	19,900,074
	Provision for Bad and Doubtful Debts TOTAL	88,002,745	80,594,029
Note 18	CORPORATION TAX		
	Taxable Income	12,842,347	14,433,780
	Corporation Tax for the Year at 30%	3,852,704	4,330,134
	Differed Tax Liability b/f	10,472,790	11,142,656
18(b)	Differed Tax Liability Paid	(11,793,234)	(5,000,000)
	Differed Tax Liability c/f	2,532,260	10,472,790
Note 19	CASH AND CASH EQUIVALENTS		
	CASH IN HAND	345,264	285,860
	KCB Fee Collection Account*	193,251,672	127,723,031
	Director Kenya Institute of Special Education	638,405	18,842,373
	Kise Inst Fund and Other Monies	119,227	1,124,377
	M-Pesa Collections-851201	500	545,750
	M-Pesa Payments-851200	137	137
	NBK Farm Account	660,113	18,984,489
	NBK Institute Fund and other Monies	23,621	3,498,465

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		2023 (Kshs)	2022 (Kshs)
	NBK Investment Account	45,300	45,300
	NBK KISE Distance Learning Project II A/C	2,955,503	4,401,670
	NBK Main Account	1,369	169
	CASH AND CASH EQUIVALENTS TOTAL	198,041,111	175,451,621
	<i>* An amount of KShs. 169,370,000 within this balance was held on call</i>		
Note 20	RECEIVABLES FROM EXCHANGE TRANSACTIONS		
	Due from Students	125,668,109	118,457,957
	General Debtors	10,996,563	8,947,131
	Staff Debtors	193,204	555,988
	Tenants Debtors	186,875	218,800
	Trade Debtors	22,009,812	16,389,078
	Total Provision for Bad & Doubtful Debts	(88,002,745)	(80,594,029)
	RECEIVABLES FROM EXCHANGE TRANSACTIONS TOTAL	71,051,817	63,974,926
Note 21	RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
	Receivables from Non-Exchange Transactions	87,896,104	-
	RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS TOTAL	87,896,104	-
Note 22	Receivable Deposits		
	Receivable Deposits	2,292,418	492,418
	Receivable Deposits TOTAL	2,292,418	492,418

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Note 23: ASSET MOVEMENT SCHEDULE FOR FY 2022/2023

	Land	Buildings	Motor Vehicles	Computer and Electronics	Furniture & Fittings	Plant & Equipment	Totals
		2%	25%	30%	10%	10%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Cost							
At 30 June 2021	2,650,000,000	978,726,536	51,626,312	118,582,827	53,201,453	92,335,184	3,944,472,312
As at 01 July 2021	2,650,000,000	978,726,536	51,626,312	118,582,827	53,201,453	92,335,184	3,944,472,312
Additions 2021/2022	-	32,996,847	-	8,696,857	6,872,770	77,682,399	126,248,873
At 30 June 2022	2,650,000,000	1,011,723,383	51,626,312	127,279,684	60,074,223	170,017,583	4,070,721,185
At 01 July 2022	2,650,000,000	1,011,723,383	51,626,312	127,279,684	60,074,223	170,017,583	4,070,721,185
Additions 2022/2023	-	52,614,604	10,127,819	15,942,487	144,314	95,354,457	174,183,681
Disposals	-	-	3,810,517	-	-	-	3,810,517
At 30 June 2023	2,650,000,000	1,064,337,987	57,943,614	143,222,171	60,218,537	265,372,040	4,241,094,349
Depreciation and Impairment							
At 30 June 2021	-	65,423,875	43,889,907	79,095,388	15,514,709	23,913,015	227,836,894
As at 01 July 2021	-	65,423,875	43,889,907	79,095,388	15,514,709	23,913,015	227,836,894
Depreciation 2021/2022	-	18,925,990	1,934,101	14,469,759	4,455,951	14,610,457	54,396,258
At 30 June 2022	-	84,349,865	45,824,008	93,565,147	19,970,660	38,523,472	282,233,152
As at 01 July 2022	-	84,349,865	45,824,008	93,565,147	19,970,660	38,523,472	282,233,152
Depreciation 2022/2023	-	19,599,762	3,029,902	14,912,019	4,024,788	22,684,857	64,251,328
Disposal	-	-	3,810,517	-	-	-	3,810,517
At 30 June 2023	-	103,949,627	45,043,393	108,477,166	23,995,448	61,208,329	342,673,963
Net Book Values							
At 30 June 2023	2,650,000,000	960,388,361	12,900,221	34,745,005	36,223,089	204,163,711	3,898,420,386
At 30 June 2022	2,650,000,000	927,373,518	5,802,304	33,714,537	40,103,563	131,494,111	3,788,488,033

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Note 24: Amortization Schedule 2022/2023

	Intangible Asset	Investment Property
	20%	2%
Cost	Kshs	Kshs
At 30 June 2021	23,614,153	39,953,875
As at 1 July 2021	23,614,153	39,953,875
Additions 2021/2022	-	9,950,265
At 30 June 2022	23,614,153	49,904,140
As at 01 July 2022	23,614,153	49,904,140
Additions 2022/2023	2,475,000	-
At 30 June 2023	26,089,153	49,904,140
Amortization and impairment		
At 30 June 2021	17,219,634	12,021,425
As at 1 July 2021	17,219,634	12,021,425
Amortization 2021/2022	1,278,904	757,654
At 30 June 2022	18,498,538	12,779,079
As at 1 July 2022	18,498,538	12,779,079
Amortization 2022/2023	1,518,123	742,501
At 30 June 2023	20,016,661	13,521,580
Net book values		
At 30 June 2023	6,072,492	36,382,560
At 30 June 2022	5,115,615	37,125,061

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		2023 (Kshs)	2022 (Kshs)
Note 25	TRADE & OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
	Trade Creditors	3,608,822	8,021,123
	VAT Account	619,635	1,380,540
	VAT Withholding Account-(2%)	(110,537)	768,793
	Total to Commissioner of VAT	509,098	2,149,333
	TRADE & OTHER PAYABLES FROM EXCHANGE TRANSACTIONS TOTAL	4,117,920	10,170,456
Note 26	DEFERRED INCOME		
	Deferred Graduation Account*	-	48,000
	Deferred E-Tale Africa Income	901,800	
	DEFERRED INCOME TOTAL	901,800	48,000
26(b)	CASHFLOW ADJUSTMENT		
	Amount discharged	48,000	-
	Amount Received	901,800	-
	NET CASHFLOW ON DEFERRED INCOME	853,800	-
Note 27	REFUNDABLE DEPOSITS FROM CUSTOMERS		
	Deposits Received	165,783,564	-
	Scholarship Fund*	2,272,493	5,523,516
	Students Accommodation Payable*	116,900	-
	Entrepreneurship Fund*	1,570,000	1,568,000
	Fees by Sponsors	1,510,022	4,187,258
	Key and Caution Money	616,000	404,000
	Examination fee Deposit	905,679	10,727,080
	REFUNDABLE DEPOSITS FROM CUSTOMERS TOTAL	172,774,658	22,409,854
	* 1) <i>Scholarship Fund</i> was created out of previously recognized revenues		
	2) <i>The Student Accommodation Payable</i> are amounts received from students meant to pay colleges where they attend Face to Face sessions, hence never consumed at the Institute		
	3) <i>Examination fee Deposit</i> is created to facilitate registration of exams when the candidates are eligible for presentation		
	4) <i>Entrepreneurship Fund</i> is a fund set aside under a partnership with Twaweza Foundation in aid of business Start-Ups for persons with disabilities		
27(b)	CASHFLOW ADJUSTMENT		
	REFUNDABLE DEPOSITS FROM CUSTOMERS TOTAL	172,774,658	22,409,854
	Less opening balance	22,409,854	23,409,854
	NET CASHFLOW ON DEFERRED INCOME	150,364,805	(1,000,000)

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		2023 (Kshs)	2022 (Kshs)
Note 28	PREPAID FEES AND OTHER CHARGES		
	Students Overpayments Accounts	3,385,820	13,428,089
	PREPAID FEES AND OTHER CHARGES TOTAL	3,385,820	13,428,089
Note 29	Revenue reserves		
	Revenue reserves B/F	145,168,488	128,169,396
	Prior Year Income Tax liability recognition Adjustments	-	-
	Surplus for the Year	2,325,945	16,999,092
	Revenue reserves TOTAL	147,494,433	145,168,488
Note 30	Revaluation Reserves		
	Revaluation Reserve B/F	2,068,963,405	2,068,963,405
	Transfers for the Year	-	-
	Revaluation Reserves TOTAL	2,068,963,405	2,068,963,405
Note 31	Capital Reserves		
	Capital Reserve B/F	1,799,986,592	1,669,486,592
	GoK Development Grant	100,000,000	130,500,000
	Capital Reserves TOTAL	1,899,986,592	1,799,986,592
31(b)	CASHFLOW ADJUSTMENT		
	GoK Development Grant	100,000,000	130,500,000
	Less Amount accrued	75,000,000	-
	NET CASHFLOW ON DEFERRED INCOME	25,000,000	130,500,000
Note 32	CAPITAL RISK MANAGEMENT		
	Revenue earnings	147,494,433	145,168,488
	Capital reserve	1,899,986,592	1,799,986,592
	Total funds	2,047,481,025	1,945,155,080
	Total borrowings	181,180,198	46,056,399
	Cash and bank balances	198,041,111	175,451,621
	Excess cash and cash equivalents/Net debt	16,860,913	129,395,223

Notes to the Financial Statements (Continued)

33 Financial Risk Management

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

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

i) Credit risk

The Institute has exposure to credit risk, which is the risk that a counterparty 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 and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Institute's management based on prior experience and their assessment of the current economic environment.

ii) Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Institute has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Institute has significant concentration of credit risk on amounts due from Students debtors. The KISE Council sets the Institute's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

iii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Entity's directors, who have built an appropriate liquidity risk management framework for the management of the

Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

Notes to the Financial Statements (Continued)

Financial Risk Management

iv) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Institute's income or the value of its holding of financial instruments. 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 market risk rests with the Audit and Risk Management Committee. The Institute's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Institute's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The Institute has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Institute manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

b) Interest rate risk

Interest rate risk is the risk that the Institute's financial condition may be adversely affected as a result of changes in interest rate levels. The Institute's interest rate risk arises from bank

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deposits. This exposes the Institute to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Institute's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

iv) Capital Risk Management

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

	2023-2022	2022-2021 Restated	2021-2022
	Kshs	Kshs	Kshs
Revaluation Reserve	2,068,963,405	2,068,963,405	2,068,963,405
Retained Earnings	146,737,844	145,168,488	117,172,614
Capital Reserve	1,899,986,592	1,799,986,592	1,799,986,592
Total Funds	4,115,687,841	4,014,118,485	3,986,122,611
Total Borrowings	182,514,417	46,056,399	53,344,470
Less: Cash and Bank Balances	198,041,111	175,451,621	175,451,621
Net Debt/ (Excess Cash and Cash Equivalents)	15,526,694	129,395,222	122,107,151

34 Events after the Reporting Period

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

35 Currency

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

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Appendix

Appendix 1: Transfers from Other Government entities


b) Transfers from Ministries, Departments and Agencies (MDAs)

Name of The Entity Sending the Grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total transfers 2022-2023	Prior year 2021-2022
	KShs	KShs	KShs	KShs	KShs
Ministry of Education	294,459,724	-	25,000,000	319,459,724	410,062,554
Total	294,459,724	-	25,000,000	319,459,724	410,062,554

Appendix I1: Implementation Status of Auditor-General's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
N/A	N/A	N/A	N/A	N/A


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Director, Kenya Institute of Special Education

Date: 30/09/2023

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Appendix III: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the IDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Develop ment/Others	Total Amount KSHS	Where Recorded/ recognized	Capital Fund	Deferred Income	Receivables	Others - must be specific	Total Transfers during the Year
Ministry of Education		Recurrent	294,459,724	294,459,724					294,459,724
Ministry of Education		Development	25,000,000		25,000,000				25,000,000
Total			319,459,724	294,459,724	25,000,000				319,459,724

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Appendix IV: Transfers from Other Government Entities

Confirmation of amount received by Kenya Institute of Special Education (KISE) as at 30 th June 2023							
Amount Disbursed [SC/SAGA/Fund] (Kshs) as at 30 th June 2023							
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)	Amount Received by [beneficiary entity] (Kshs) as at 30 th June 2021 (E)	Differences (Kshs)(f)=(D-E)
REC13057	05/08/2022	23,463,635			23,463,635	23,463,635	-
REC13160	12/09/2022	23,463,635			23,463,635	23,463,635	-
REC13685	06/10/2022	23,463,635			23,463,635	23,463,635	-
REC13953	01/11/2022	23,463,635			23,463,635	23,463,635	-
REC13954	01/11/2022		25,000,000		25,000,000	25,000,000	-
REC15528	13/12/2022	23,463,635			23,463,635	23,463,635	-
REC15644	29/12/2022	23,463,635			23,463,635	23,463,635	-
REC16591	06/02/2023	23,463,635			23,463,635	23,463,635	-
REC17178	29/3/2023	23,463,635			23,463,635	23,463,635	-
REC17821	13/4/2023	23,463,635			23,463,635	23,463,635	-

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Confirmation of amount received by Kenya Institute of Special Education (KISE) as at 30th June 2023

Amount Disbursed [SC/SAGA/Fund] (Kshs) as at 30 th June 2023						
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)	Amount Received by [beneficiary entity] (Kshs) as at 30 th June 2021 (E)
REC18455	05/06/2023	23,463,635			23,463,635	23,463,635
REC18513	08/06/2023	23,463,635			23,463,635	23,463,635
REC18588	06/15/2023			168,259,950	168,259,950	168,259,950
REC18726	30/6/2023	23,463,635			23,463,635	23,463,635
REC18851	07/05/2023		75,000,000*		75,000,000	75,000,000
REC18852	07/05/2023	12,896,104*			12,896,104	12,896,104
		294,459,724	100,000,000	168,259,950	562,719,674	562,719,674

In confirm that the amount shown above are correct as of the date indicated and are as included in the financial statements
* These amounts were received outside the financial year but were accrued as receivables from non-exchange.

HEAD OF ACCOUNTS DEPARTMENT OF BENEFICIARY ENTITY:..



Name...Anthony Mwangi.....Sign.....Date.....30th June 2023