

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

KENYA INSTITUTE
OF SPECIAL EDUCATION

FOR THE YEAR ENDED
30 JUNE, 2024



KENYA INSTITUTE OF SPECIAL EDUCATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE, 2024

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

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Kenya Institute of Special Education Annual Report and Financial Statements for the Period ended June 30, 2024.

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Acronyms and Glossary of Terms

1. CEO	Chief Executive Officer
2. CBK	Central Bank of Kenya
3. ICPAK	Institute of Certified Public Accountants of Kenya
4. IPSAS	International Public Sector Accounting Standards
5. NT	National Treasury
6. OCOB	Office of the Controller of Budget
7. OAG	Office of the Auditor General
8. OSHA	Occupational Safety and Health Act of 2007
9. PFM	Public Finance Management Act
10. PPE	Property Plant & Equipment
11. PSASB	Public Sector Accounting Standards Board
12. SAGAs	Semi-Autonomous Government Agencies
13. SC	State Corporations



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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;

- 1) Conduct teacher training courses for teachers in various fields of education for children with special needs.
- 2) Conduct in-service courses for personnel working in all fields of Special Needs Education.
- 3) Prepare and conduct correspondence courses for personnel in the field of Special Needs Education.
- 4) Run an Educational Assessment and Functional Centre for the training of teachers of children with special needs.
- 5) Run an Orientation and Mobility (O & M) centre for training and demonstration purposes.
- 6) Run a model training unit for the integration of children with special needs into regular schools.
- 7) 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.
- 8) Act as a resource centre for the production and dissemination of information to the general public on special needs and disabilities.
- 9) Run a documentation and resource centre on special needs and disabilities.
- 10) Conduct research on Special Needs Education.
- 11) Maintain, repair, design, produce and assemble educational resources and assistive devices for persons with special needs.

Vision

An inclusive society that provides opportunities and services to persons with special needs and disabilities for improved quality of life.

Mission

To facilitate service provision for persons with special needs and disabilities through human capital development, research, functional assessment, rehabilitation, Inclusive education practices, technology and production of learning and assistive materials

Core Values

KISE upholds the following core values;

- Integrity
- Equity
- Respect



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- Empathy

(c) Key Management

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

- Director KISE
- 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	Mr. Anthony Charles Mwangi
3.	Deputy Director – Programmes	Mr. Daniel Sanoe
4.	Finance Manager	Mr. Charles Mungai Mburu
5.	Senior Human Resource Management Officer	Mrs. Sarah Ouma
6.	Academic Registrar	Dr. Joshua Odhiambo
7.	Dean of Students	Mr. Christopher Lenguris
8.	Coordinator - Assessment Center	Ms. Elizabeth Kimani
9.	Research and Innovation Coordinator	Dr. Lynett Ong'era
10.	Deputy Academic Registrar - Examinations	Ms. Grace Njambi
11.	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) Key Entity Information and Management

Entity Headquarters

Kasarani, Thika Superhighway Exit 8

Off Kasarani - Mwiki Road

P. O. Box 48413 - 00100

Nairobi, KENYA

Institute Contacts

Telephone: 020- 8007977

Cell: 0734-801 - 860

Website: www.kise.ac.ke



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Email: info@kise.ac.ke.

Entity 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

Independent Auditor

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

Principal Legal Adviser

Directorate of Legal Services
Ministry of Education
Nairobi, Kenya



2. The KISE 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.

Mr. Habat Sheikh Abdi, OGW ***Chairman – KISE Council***



Mr. Habat is an accomplished educational administrator who has been honoured with the Order of Grand Warrior (OGW) for his four decades of distinguished service in education. He holds a Masters of Education from Moi University, a Bachelor of Education (Honours) from the University of Nairobi, and a Diploma in Anti-Corruption from the International Institute of Education and Planning. He has also undertaken additional training in the Strategic Leadership Development Programme (SLDP) at the Kenya School of Government, as well as management, corporate governance, leadership, finance, and strategy courses both locally and internationally.

Mr. Fredrick Haga



Head, Directorate of Special Needs Education **Ministry of Education**

Mr. Haga, a career educator with over 25 years of experience, is the Head of Directorate, Special Needs Education and Alternate to the Principal Secretary, State Department for Basic Education. He currently serves on the KISE Council's Academic and Audit and Risk Committees. He has previously worked as a curriculum specialist at the Kenya Institute of Education (now the Kenya Institute of Curriculum Development) as well as a teacher at numerous Kenyan secondary schools. He is passionate about disability rights and played a key role in the development of the Kenya Union of the Blind and the United Disabled Persons of Kenya. On the other hand, he served on the Board of Trustees of Kenya's National Development Fund for the Disabled (NFDK). and as Executive Director of the African Union of the Blind (AFUB). His interests include education for students with special needs and disabilities, functional assessment for learners with disability and, and the use of assistive technology in education and everyday life.



Mr. Waithaka Ng'ang'a
Deputy Director Financial and Sectoral Affairs
National Treasury



Mr. Waithaka Ng'ang'a, Deputy Director of Financial and Sectoral Affairs in the National Treasury, serves as the Permanent Secretary's Alternate. He is a member of the Audit and Risk and Finance committees of the KISE Council. Mr Ng'ang'a has extensive expertise in policy formulation, sectoral and strategic planning, monitoring and evaluation, finance, and budgeting at both the national and county levels. He holds a Master of Development Policy (Public Finance and Social Policy) from the KDI School of Public Policy and Management (South Korea), a Post Graduate Diploma in Project Management from Jomo Kenyatta University of Science and Technology, and the Prince Practitioner Certificate in Project Management. He is a member of the Institute of Certified Investment Financial Analyst (ICIFA) and the Economist Society of Kenya (ESK).

Dr. Peter Mbugua Kinyua,
Assistant Director, Special Needs Education
Kenya Institute of Curriculum Development



Dr. Kinyua is a seasoned educationist with a wealth of experience in specialised and regular curriculum development for both regular learners and Learners with disabilities cutting across Early Childhood, Primary, Secondary and Tertiary levels. Additionally, he has expertise in development of curriculum support resources print and electronic formats. Dr. Kinyua is also a practising counsellor registered with the Kenya Counselling and Psychological Association.

Ms. Saida Ali Aden
Finance Coordinator, Primus Consultancy
Member



Ms. Saida Ali Aden is a Finance Coordinator at Primus Consultancy and is the Chairperson of the Risk and Audit Committee of the KISE. She has extensive knowledge of data analytics and holds an MBA (Finance) and BSc. International Business Administration (Management and Finance), Diploma in Arabic and Islamic Studies from the Islamic University of Kenya. (IUK). She is currently pursuing a doctorate in Business Administration (Finance) at the United States International University (USIU).



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Peter Muchiri Mwangi

National Chairman of the League of Persons with Disabilities

Member



Mr. Peter Muchiri Mwangi is the National Chairman of the League of Persons with Disabilities and the immediate former Chairperson of National Council for Persons with Disabilities. He is also an Entrepreneur and Director of the Marriott Investment Company Ltd. 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 a Bachelor of Arts in Community Development Studies at Africa Nazarene University.

Mr. Gichia Njau

Assistant Director at the TSC Staffing Directorate (SNE)

Member



Gichia Njau is the Assistant Director at the TSC Staffing Directorate (SNE) a position he transitioned to after serving as a Sub County Director since 2019. Previously, but still under the employ of TSC which he joined in 1993, he taught in various schools in Kenya. He is a member of the Academic Committee of the KISE Council and holds a Master of Education (M.Ed.) degree, Special Needs Education and Bachelor of Education (B. Ed), Special Needs Education, both from Kenyatta University. He also holds a Diploma in Education, and a Diploma in Educational Administration from Kenya Education Management Institute (KEMI)

Ms. Augusta Muthigani

Independent Member



Ms. Muthigani is an independent member of the KISE Council. She is the chair of the Audit and Risk Committee and also a member of the Finance and General Committee of the KISE Council. She formerly worked as National Executive Secretary, for the Commission of Education and Religious Studies, Kenya Conference of Catholic Bishops-General Secretariat. In this capacity, she oversaw educational activities for approximately 8000 Catholic Private and Sponsored Public schools in Kenya and coordinated and supervised various skill building and values development programs targeting youth in Kenyan schools, in addition to serving as President of the Board International



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Catholic Education Association and a member of the National Steering Committee, coordinating Curriculum Reforms in Kenya. Her extensive experience in education policy development and management has enabled contribute immensely to KISE's growth. Ms. Muthigani holds a Master's Degree in Religious Education from Catholic University of East Africa and Bachelor of Education degree from Kenyatta University. She is currently pursuing her Doctoral studies in Education Leadership at International Leadership University-Nairobi.

Elizabeth A. Obade

Assistant Director, School Examinations Teacher Education, Test Development Directorate (KNEC)

Member



Ms. Obade, is an Assistant Director, School Examinations-Teacher Education, Test Development Directorate, Kenya National Examinations Council (KNEC). She is a member of the Finance and General-Purpose Committee of the KISE Council. She also serves in the Technical Committee for Special Needs Education (TC 180) at the Kenya Bureau of Standards as well as a Principal and Master trainer for Competency Based Curriculum in Kenya. She has presented papers at the international, regional and national Conferences. Ms. Obade. holds a Master of Education (Early Childhood Studies) and Bachelor of Education (Early Childhood Studies) from Kenyatta University and a Diploma in Education (Humanities) from Siriba Teachers Training College, Maseno. She also received additional training in Public Examinations: Development and Administration from Cambridge University in the United Kingdom, as well as Strategic Leadership Development, Senior Management, and Supervisory Skills from the Kenya School of Government in Nairobi, Kenya.



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3. Management Team

The Institute Director collaborates with twelve senior management officers to ensure mandate implementation, compliance with regulations, and policy adherence. The Director convenes meetings as required to review financial performance and address policy issues.

Dr. Norman Kiogora

Director & Secretary to the KISE Council



Dr. Kiogora is currently the Director of the Kenya Institute of Special Education and serves as the Council Secretary. He began his teaching career in 1993 and later transitioned into administrative roles. Mr. Kiogora, an outstanding educationist, has authored scholarly works on educational issues. He has not only been instrumental in Curriculum and educational reform programmes but also ICT Integration programmes in the education sector in Kenya. His other leadership roles include a five-year term as Chairman of the Nairobi Principals Association, as well as continued engagement in his local community.

He holds a Bachelors of Education (Arts) and Masters of Education in Educational Administration from University of Nairobi. He also holds a PhD in Education and Administration from Maasai Mara University.

Mr. Anthony Mwangi,

Deputy Director Finance & Administration



Mr. Anthony Mwangi is an accomplished Finance and Administration professional with expertise in coordinating and managing various functions including finance, accounts, planning and administration, human resource management, strategy development, ICT, and business development. His career at the Kenya Institute of Special Education has been characterised by active participation in development and reviewing of policies, strategies, standards, procedures, and regulations across multiple areas. He has

expertise in planning, budgeting, and implementing fiscal guidelines. He has participated in the budget making process with the Education Sector and has impressive exposure to Special Needs Education and disability affairs. He currently holds the role of Deputy Director, Finance and Administration at the Kenya Institute of Special Education (KISE). He holds a Bachelor's degree in International Business Management from Mount Kenya University, CPAK and a Master's degree in Business Administration- Corporate Management from KCA University



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Mr. Daniel Sanoe
Deputy Director Programmes



Daniel is Deputy Director –Programmes and a specialist in special needs education. He worked formally in Educational Assessment and has since moved onto administrative roles in the Special Education Sector. An alumnus of KISE, he is qualified in Advanced Monitoring and Evaluation of Projects from ESAMI and holds a Bachelor of Education degree in Special Needs Education from Kenyatta University.

Mr. Christopher Lenguris
Dean of Students



Mr. Christopher Lenguris served as Dean of Students during the period under review. He has now transitioned to serve as Head Teacher of a Secondary School. He has more than 30 years of expertise in Special Education teaching, institutional management, and quality management. He holds a Bachelor's Degree in Special Education, two Diploma Certificates in Special Education, and a Certificate in Primary Teacher Education.

CPA Charles Mungai Mburu
Head of Finance, Accounts and Planning



CPA Charles Mungai is a career Accountant. He joined the Institute in 2004 and has previously held the positions of Senior Accountant, Principal Accountant before ascending to the Position of Finance Manager in May 2024. He has over 20 years of progressive experience in finance and accounting. Charles had a short stint at Mobil oil (K) Ltd before joining KISE in 2004. He is a Certified Public Accountant, holds a Bachelor of Commerce degree from KCA University and a Master's Degree in Tax & Customs Administration from MOI University. In addition, he holds a professional Certificate in Credit Management.



Mr. Dr. Joshua Odhiambo
Academic Registrar



Mr. Odhiambo, has since June this year served as the Academic Registrar. He joined KISE in 2001 having served at primary, secondary and pre-school levels. His professional interests include inclusive education, English Braille, Mathematics Braille adaptation and Braille Music Notation, Functional and Psychological assessment of Persons with Disabilities and empowerment of parents of children with disabilities. He holds a Doctoral Degree in Inclusive Education from University of South Africa (UNISA) as well as Master of Special Education degree, from the University of Western Australia (UWA).

Additionally, he is a graduate of Kenyatta University (KU) where he obtained Bachelor of Special Education, diploma in special education obtained from Kenya Institute of Special Education (KISE) as well as Certificate in Teacher Education (CTE)

Ms. Flora Maghuwa Nyali
Deputy Academic Registrar - Training Programmes



Flora Maghuwa Nyali is the Deputy Academic Registrar Training. Her research interests centre on Special Needs Education with a bias on Autism, learning disabilities, Intellectual disabilities, teacher education and early literacy, assessment, intervention and transition for children with disability and special needs. Flora trained as a primary school teacher, holds a Diploma in Special Needs Education, B.Ed. (Special Needs) Kenyatta University, and MSc in Autism Spectrum Disorders – Queen's University Belfast, Diploma in Learning Disabilities- Niilo Maki Institute, Finland.

Ms. Grace Njambi
Deputy Academic Registrar- Examinations



Grace Njambi is the Deputy Academic Registrar Examinations. Her career in special needs education spans over 25 years. She has contributed to the development of Special Needs Curriculum, Functional Assessment tools, administration of National examinations as well as being 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



Dr. Ongera is the Research and Innovation Coordinator. During her 28 years of service, she has served as a teacher trainer in Special Needs Education, co-authored training modules for Diploma in Special Needs Education for the Distance Learning Programme besides conducting targeted research. She holds a doctoral degree in Education-Special Needs Education from Kenyatta University, a postgraduate 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 is the Internal auditor and has over 15 years of experience in government auditing. She is a member of the Institute of Internal Auditors Kenya. She holds a Bachelor of Commerce degree from the Technical University of Kenya, a CPA Part Three Section 6, and an Accounting Technicians Certificate. Furthermore, Bevaline is an ISO 9001:2015 Lead Auditor for the Quality Management System.

Mrs. Sarah A. Ouma
Human Resource Manager



Mrs Sarah Ouma, a member of the Institute of Human Resource Management is the Human Resource Manager. She has extensive experience in talent management, productivity mainstreaming and risk management. Her 35-year career spans roles in the education sector, manufacturing sector, banking sector and a multinational organisation. 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



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Mrs. Elizabeth Kimani

Head of Department Functional Assessment



Ms. Elizabeth Kimani is the Coordinator of the KISE National Assessment and Rehabilitation Centre. Throughout her 31-year career, she has significantly contributed to Functional Assessment programmes, Competence Based Curriculum development and supervision, early childhood programs, and mentoring children and youth with visual and neural developmental disorders in Austria and South Africa. She is an alumna of University of South Africa, UNISA having qualified as Hearing Impairment and Audiology specialist.



4. Chairman's Statement

On behalf of the Council of Kenya Institute of Special Education, I am glad to present the financial statements for the financial year 2023/2024. During this period, the Institute continued to execute its functions in the areas of Training, Research, Functional Assessment and provision of Assistive devices and technologies to children with special needs and disabilities. Furthermore, the institute modelled inclusive education practices in the pre-school centre; and engaged in the rehabilitation and habitation of persons with disabilities. 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 financial year 2023/2024.

The Council acknowledges the threats posed by uncertainty surrounding the Institute's strategic objectives. In order to manage the risks, the council has ensured compliance with statutory obligations, increased reputation through enhanced visibility, planning and provision of relevant technical equipment for quality service provision in all areas of operation including the materials production workshop. Equally, the Institute has adopted enterprise risk management measures by adopting risk registers as primary departmental tracking records of inherent risks.

During this period, the institute commenced the construction of the Parental Empowerment Centre which once completed will be expanded facilities that facilitate the provision of services to parents and caregivers of children with special needs and disabilities. As a measure for continued improvement, the Council is committed to partnering with like-minded individuals and Institutions in the areas of special needs education and disability. During the year under review, the institute collaborated with organisations such as National Council of Persons with Disabilities (NCPWD), Kilimanjaro Blind Trust, Commonwealth of Learning (COL) and others in the execution of its mandates. 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.

I take this opportunity to thank the Ministry of Education (MoE) for continued support through the provision of grants, supervision and quality assurance management of our services. The grants given by the MoE have enabled the Institute to develop and meet operational costs. I thank our partners who have made valuable contributions to the Institute through training, research, and assessment. We look forward to continued cooperation with our partners in the execution of our mandates.

Lastly, I take the opportunity 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



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5. Report of the Director

The financial year 2023/2024 has heralded a share of achievements for the Institute in its areas of mandate. We have continued to claim our position as the Centre of excellence in the area of special needs and other related services.

During the period under review, Functional assessment staff undertook outreach activities in 9 counties (Nandi, Narok, Kajiado, West Pokot, Garissa, Muranga, Busia, Kitui and Nairobi). A total of 8,570 persons with special needs and disabilities were assessed during the period under review. Our mobile assessment compliant truck was very instrumental to the realisation of the outreaches. There is a need to reach more counties to assess such learners.

The Institute has continued to equip the Assessment and Research Centre, our model facility for functional assessment, habilitation and rehabilitation services within the region. This facility is critical in realisation of the SDGs on inclusive education, a value enshrined in the Constitution of Kenya 2010, and the social pillar of the vision 2030. Also, the Institute equipped workshops for production of Assistive Devices and Technology which play a significant role in the education of persons with disabilities. We are confident that in the next financial year we will continue to put into resourceful use the specialised equipment that are now within our facility for optimal performance.

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

During the year, we undertook a clinical experimental study on Learning Disabilities (LD) where a pilot study was carried out and a report was duly written on the same. Thereafter, the Institute prepared a manual (tool) for testing learners with LD. Furthermore, the department of Research wrote several research proposals that include: (a) “the effects of hydrotherapy on Behaviour and Speech development among children with Autism” (b) “the effect of inclusive education on regular learners: A Case study of KISE pre-primary school and (c) “The impact of KISE graduates on Special Needs Education”. These research activities are a testimony to how the Institute is committed to research as a mandate.

The Institute supports Human Resource Development through capacity building. During the year under review the institute trained staff members in Customer Service, Leadership, Change Management, and Productivity Mainstreaming among other areas. The institute has continued to improve the welfare of staff members by providing staff medical cover and workmen compensation insurance covers.

Dr. Norman Kiogora
Director



6. Statement of Performance Against Predetermined Objectives for FY 2023/24

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Target	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	· Set up infrastructure for e learning · Develop resources for e-learning platform · Induct staff on e-learning platform	800 trainees were targeted for enrolment	A total 780 trainees were enrolled in Special Needs Education courses 98% achievement
Functional Assessment	Enhance assessment and School placement of children with special needs and disabilities.	Number of persons with special needs and disabilities assessed	· Outreach activities carried out in 9 counties · Equipping Institute workshop to ease the functionality of the assessment centre · Develop and piloting of Gifted and talented tool	Targeted assessment of 6500 Persons with special needs	5252 persons with special needs were assessed in the year under review. 81% achievement



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Habilitation and rehabilitation	Improve the livelihood of persons with special needs and disabilities	Number of persons with special needs and disabilities rehabilitated	· Orientation and mobility to newly acquired blind clients · Hydro, physio, occupational, sensory integration, Auditory speech therapies performed	Targeted 7500 rehabilitation cases in the year under review.	7,300 persons were rehabilitated in the year under review. 97% achievement
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7. Corporate Governance Statement

The Institute's strategic goal is to expand access to high-quality inclusive and special needs education and related services. To achieve this strategic goal, the Institute Council maintains fiduciary controls and assures accountability to all stakeholders as well as ensures compliance to legislative requirements, policies, and procedures. Furthermore, for more efficient finance, risk and academic management, authority is vested in specific council committees.

i. Legal Framework

KISE was established under the Legal Notice No. 17 of February 14, 1986. It adheres to the national legislative framework, thus Article 27 of Kenya's 2010 Constitution, which guarantees equality for all and prohibits direct or indirect discrimination on any basis, including handicap. Additionally, Article 28 of the Constitution provides the right to human dignity, as well as the right to have that dignity recognised and maintained, while Article 54 of the Constitution (2010) defines entitlements for Persons with Disabilities.

Other national legal and policy documents that uphold the rights of people 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), Mwongozo and the National Education Sector Strategic plan (2023-2027).

ii. Council Diversity

The Council is composed of persons with diverse backgrounds, including special education specialists, education managers, economists, people with disabilities, and religious leaders.

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

iii. Council Meetings

The KISE Council meets quarterly, as required by the Ministry of Education, and as business dictates. The Council establishes its calendar at the beginning of each fiscal year. The Director and Secretary of the Council then provides adequate notice for each meeting and distributes the agenda within the specified timescales.

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	5	83%
Mrs. Saida Ali Aden	Member	29/08/2022	6	5	83%
Grace Ngugi	Member	29/08/2022	1	1	100%



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Dr. Peter Kinyua	Member	October 2023	6	5	83%
Mr. Peter Muchiri	Member	29/08/2022	6	6	100%
Mr. Ng'ang'a Waithaka	Member	29/08/2022	6	5	83%
Ms. Elizabeth Obade	Member	29/08/2022	6	4	67%
Ms. Augusta Muthigani	Member	29/08/2022	6	5	83%
Dr. Norman Kiogora	Director/ Secretary	01/01/2021	6	6	100%

Dr. Peter Kinyua took over the role of Ms. Grace Ngugi who retired from service in September 2023

iv. Council Committees

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. Each committee has specific responsibilities.

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	Mr. Fred Haga	Bevaline Nyantika (In Attendance)
	Dr. Norman Kiogora	

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	3	75%
Ms. Elizabeth Obade	Member	29/08/2022	4	4	100%
Ms. Grace Ngugi	Member	29/08/2022	4	1	25%
Dr Peter Kinyua	Member	October 2023		3	100%
Dr. Norman Kiogora	Director/ Secretary	01/01/2021	4	4	100%

Academic & Research Committee



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NAME	Role	Date of Appointment	No. of Eligible Meetings	No. of Meetings Attended	Overall % Attendance
Ms. Augusta Muthigani	Chairman	29/08/2022	4	4	100%
Dr. Peter Kinyua	Member	29/08/2022	4	4	100%
Mr. Patrick Gichia Njau	Member	29/08/2022	4	3	75%
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	Chair	29/08/2023	4	4	100%
Mr. Fred Haga	Member	29/08/2023	4	4	100%
Ng'ang'a Waithaka	Member	29/08/2023	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

The Institute conducted its 29th Graduation in October, 2023 and graduated a total of 664 students at Diploma level and 207 students at KSL certificate level making a total of 871 graduates. The Institute trained students at the Diploma level in areas of specializations; visual Impairment, hearing Impairment, Physical and Multiple Disabilities, Emotional and Behavioural Difficulties, Intellectual Impairment, Autism, Deaf blindness, and Gifted and Talented Education. A total number 502 diploma students are currently on their practical teaching practice activity. The Institute enrolled 1620 students in Diploma in SNE during the period.

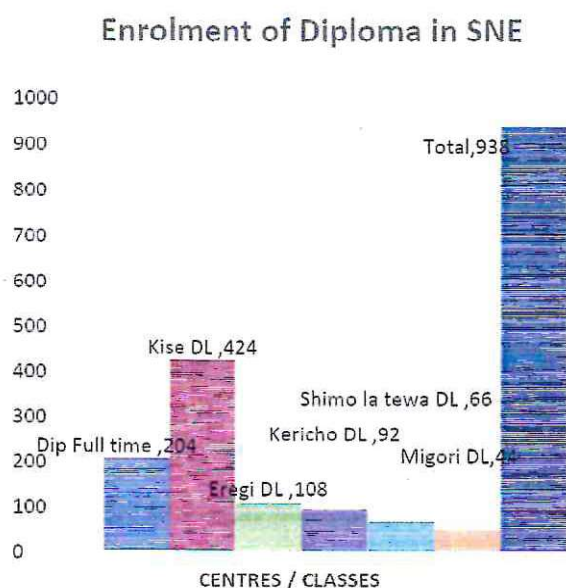


Figure 1: Enrolment of Diploma in SNE

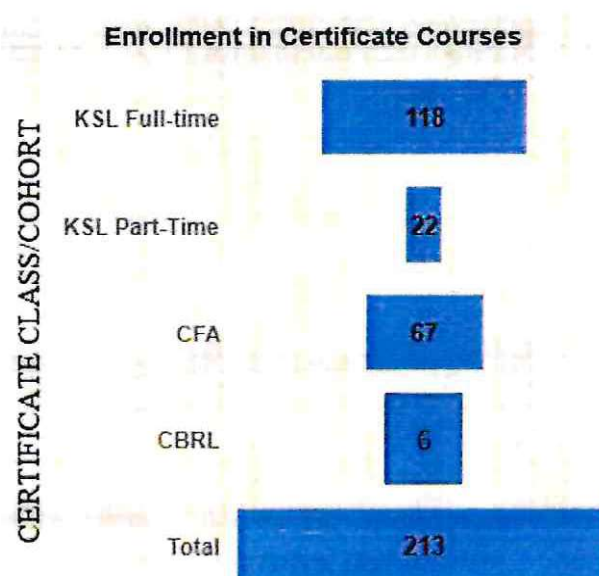


Figure 2: Enrolment of Certificate Courses

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 within the period under review recording the highest number.

Year	Total of Learners admitted	Learners with Special Needs in Education	Learners with Special needs
2023-2024(Q1&Q2)	49	26	53%
2022-2023	46	19	41%
2021-2022	52	24	46%
2020-2021	39	10	26%
2019-2020	48	12	25%
2018-2019	60	14	23%

b) Functional Assessment for learners with Special Needs and Disabilities

It is with great pride and enthusiasm that we present the report for the Department of Assessment and Rehabilitation Centre at the Institute for the period ended 30 June 2024. 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 year.

The Functional Assessment and Rehabilitation Centre 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.

The report is a testament to our ongoing efforts to advance in 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 the Institute and the special education community in Kenya.

In the pursuit of our department's unwavering commitment to enhancing the lives of individuals with various needs we successfully assessed 8,570 persons as at the time of this report. Equally, the Department provided rehabilitation services to 10,885 personnel in the same period. We undertook outreach services in the counties of Nandi, Narok, Kajiado, West Pokot, Garissa, Muranga and Busia.

Number of Clients in Assessment Centre

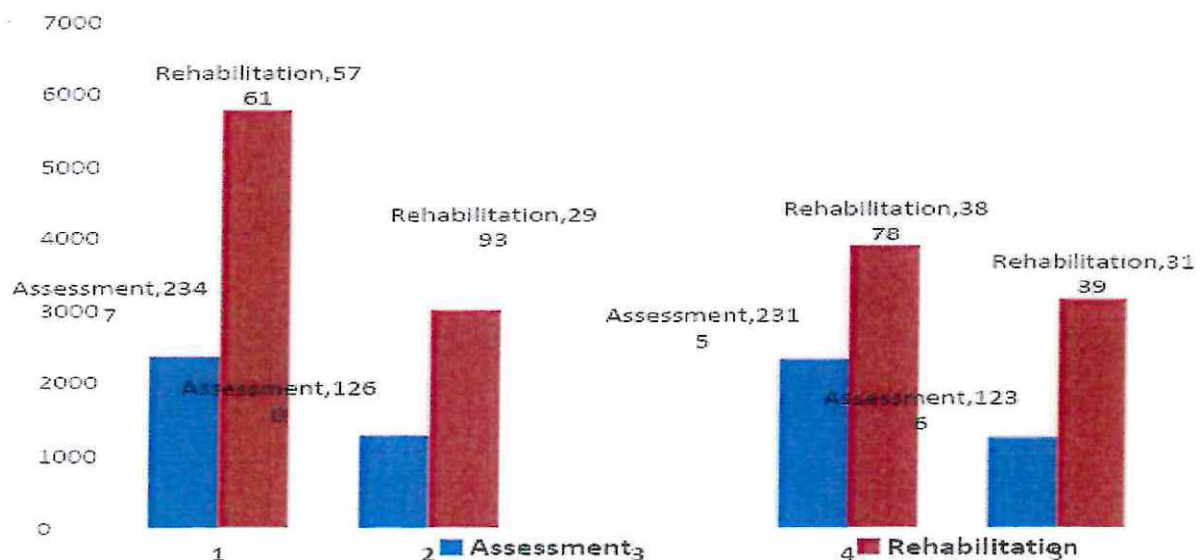


Figure 2: *Number of Clients assessed*

C) Partnership and Linkages

KISE signed several agreements and collaborated with other organisations in the execution of its mandate. During the period under review, the Institute collaborated with Thomas More University of Applied Science to train personnel in audiology and speech therapy. The University placed their students studying speech therapy and audiology in the Institute's Functional Assessment Centre. Also, the Institute collaborated with the National Council of Persons with Disabilities (NCPWD) to train



Kenya Institute of Special Education Annual Report and Financial Statements for the Period ended June 30, 2024.

738 Persons from all the republic in Kenya Sign Language during the period under review. In addition, the Institute collaborated with UNICEF, ANDY Speak and Loreto Sisters in creating awareness and assessment of persons with disabilities in the outreach programs. Furthermore, the Institute began working with Sight Savers International on Schools 2030, a project that aims at strengthening tools and guidance to support learners with disabilities in Homabay and Mombasa counties. The Institute acknowledges the synergies created through partnerships and other collaborations and endeavours to sustain this for the future.

SECTION F

During the period of reporting, there were neither financial probity nor any governance issues affecting our entity.



9. Environmental and Sustainability Reporting

Kenya Institute of Special Education was established to transform lives, this being our purpose, it has over years become our driving force in everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services to the ever-changing client demands. The following are organisation 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. In recognising the potential negative impacts by environmental non-friendly decisions, we have continued year in year out 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. The Introduction of electronic document managements system is a deliberate effort towards a paperless office.
- b) Installation of solar panels as a renewable affordable and clean energy in our accommodation wings has relaxed the use of national grid power in supporting our operations.
- 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, tree growing exercised was harnessed with employee's individual target of thirty trees in the Financial year.

iii) Gender equality and inclusivity

Staff Report for 2023-2024 shows that the Institute had 235 staff; 26 teaching staff, and 209 non-teaching staff.

In the year under review, KISE upheld its commitment to gender equality by ensuring equal opportunities in employment and leadership roles. KISE was awarded by the National Gender Equality Commission (NGEC) for meeting the gender equality requirement.

Male 131 and Female 111. Senior management comprises; 5 males and 7 females.



Kenya Institute of Special Education Annual Report and Financial Statements for the Period ended June 30, 2024.

As part of its commitment to inclusivity, KISE adhered to the Persons with Disability Act of 2003 and surpassed the 5% constitutional requirement by employing 7% of its staff as Persons with Disabilities. Our facilities are modified to accommodate staff and students with disabilities and regularly conduct disability awareness and sensitization programs to maintain a supportive and inclusive environment for everyone.

iv)STAFF TRAINING

In the year under review, staff were trained in Customer Service, Leadership, Change Management, and Productivity Mainstreaming. We offered staff opportunities for continuous professional development (CPD); Supply Chain Management, Finance HR & Administration. We also provided our staff training opportunities focused on special needs education; Autism, Kenya sign language, and audiology to ensure our staff are familiar with best practices. Additionally, the Institute facilitated 13 staff in the hospitality department to benchmark six hotels in North Coast, Mombasa as part of capacity building,

The table below indicates the training undertaken and the number of staffs trained;

S/No.	TRAINING UNDERTAKEN	No. TRAINED
1.	Kenya Sign language	10
2.	Ear Mould	5
3.	Road safety	17
4.	Mental Health Champion	2
5.	Customer Service	58
6.	Leadership Change Management and Productivity mainstreaming	29
7.	Productivity Mainstreaming	17
8.	Continuous professional development training program (CPD)	9
9.	Pension training	All staff

INTERNSHIP, INDUSTRIAL ATTACHMENT, AND APPRENTICE PROGRAMME;

In Compliance with the National Employment Authority Act 2016, KISE offered youth opportunities through internship and attachment for hands-on experience for mentorship and practical exposure in collaboration with local universities. In the year of the evaluation, we engaged a total of 38 interns and attachees.

S/No.	PROGRAMME	No.
1.	Interns	23
2.	Attaches	14
3.	Apprentice	1



v) STAFF WELFARE

During the year, KISE prioritised staff well-being by providing Staff Medical Cover and Group Personal Accident cover. The Institute offered psychosocial support by raising mental health awareness, providing counselling services, and supporting staff during periods of illness. Staff were provided personal protective equipment for safety at the workplace. Additionally, the institute renovated staff quarters to improve living conditions. KISE encourages a healthy work-life balance, and during the year, we organised KISE Sports Day, which allowed staff and students to engage and interact outside of the work environment.

- **Staff Insurance**

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

- The medical scheme for dental and Optical care is currently available at Kshs. 10,000 and 20,000 respectively while the last expense cover is at Kshs. 100,000.00.
- The Work Injuries Benefits Act (WIBA) component within the Group personal accident is available to staff and it includes Kshs. 200,000 medical cover and Kshs. 100,000 last expense cover.

vi) 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.

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



Kenya Institute of Special Education Annual Report and Financial Statements for the Period ended June 30, 2024.

Institute also assisted in translation of important information to our clients to foster communication not to mention making an extra shilling through this endeavour.

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 centers in various parts of the country.

vii) Tree Growing exercise

In September 2023, an ambitious tree growing Initiative was established with a target for each staff member growing 30 trees annually translating to an annual target of 30,000 trees for the Institute. By the end of the financial year 2023-2024, a total of 19,494 trees had been planted, with an additional 1,856 seedlings available in our nursery.



Staff members led by Our Director in tree growing exercise



KISE tree Nursery



Kenya Institute of Special Education Annual Report and Financial Statements for the Period ended June 30, 2024.

10. Report of the Board of Directors

The Council submits its report together with the audited financial statements for the year ended June 30, 2024 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 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, 2024 are set out on page 1 of the Institute's financial statements. The report indicates financial base growth of 11.8% that is attributed to growth in funding in the year under review towards equipping the Assessment and Research Centre.

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. The Governing Council's activities were guided by the Council Charter, they offered their fiduciary strategic direction and oversight in operations of the Institute performance reported in the year under review. The Institute reported a surplus of 8.6 million before tax as compared to 6.1million 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



Kenya Institute of Special Education Annual Report and Financial Statements for the Period ended June 30, 2024.

11. Statement of Council Members Responsibilities

The Public Finance Management Act, 2012 and the State Corporations Act Cap 446, require the Council Members to prepare financial statements in respect of the Institute, which give a true and fair view of the position of the Institute at the end of financial 2023/2024 and the operating results of the Institute for that 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.

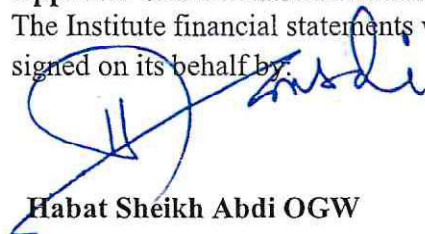
The Council Members are responsible for the preparation and presentation of the Institute's financial statements which give a true and fair view of the state of affairs for the period ending June 30, 2024. The responsibility includes:

- 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 believe the Institute's financial statements give a true and fair view of the state of Institute's transactions during the financial Period ended June 30, 2024, 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. 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 June 30, 2024 and signed on its behalf by:



Habat Sheikh Abdi OGW
Chairperson of the Council



Dr. Norman Kiogora
Accounting Officer

- **Kenya Institute of Special Education Annual Report and Financial Statements for the Period ended June 30, 2024.**

13. Statement of Financial Performance for the Period Ended June 30, 2024

	Note	2024 KES	2023 KES
Revenue from non-exchange transactions			
Donations and Other Grants	5	2,190,090	48,000
GOK-Recurrent Grants	6	851,563,620	294,877,138
Total Revenue from Non-Exchange Transactions		853,753,710	294,925,138
Revenue from Exchange Transactions			
Fees and Student Contribution	7	72,134,651	97,274,796
Hire of Facilities and Services	8	21,389,225	14,779,234
Other Incomes	9	5,025,969	8,287,613
Sale of Learning Materials	10	1,194,656	80,603
Total Revenue from Exchange Transactions		99,744,500	120,422,246
Total Revenue		953,498,210	415,347,384
Expenses			
Staff Expenses	11	174,857,957	134,019,687
Operations and Maintenance	12	640,448,584	191,591,218
KISE Council Expenses	13	12,378,539	8,939,162
Donations and Other Grant Expenses	14	2,190,090	48,000
Audit Fees	15	650,000	650,000
Provision for Depreciation	16	103,019,642	66,511,952
Provision for Bad & Doubtful Debts	17	11,324,364	7,408,716
Total Expenses		944,869,176	409,168,735
Surplus for the Period		8,629,035	6,178,649
Corporation Tax applicable	18	5,203,172	3,852,704
Surplus after Tax		3,425,862	2,325,945

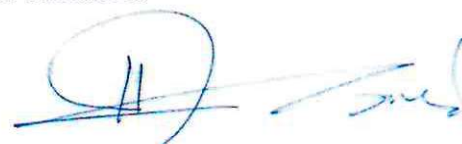
The notes set out on pages 8 to 31 form an integral part of these Financial Statements



Director
Name: Dr. Norman Kiogora



Head of Finance
Name: CPA Charles M. Mburu
ICPAK Member Number:7883



Chairman of the Council
Name: Habat Sheikh Abdi OGW

Date:26/09/2024.....

Date: ...26/09/2024.....

Date: ...26/09/2024.....



Kenya Institute of Special Education Annual Report and Financial Statements for the Period ended June 30, 2024.

14. Statement of Financial Position as at June 30, 2024

Assets	Note	2024 KES	2023 KES
Current assets			
Cash and cash Equivalents	19	440,062,302	198,041,111
Receivables from Exchange Transactions	20	69,101,769	71,051,817
Receivables from Non-Exchange Transactions	21	-	87,896,104
Receivable Deposits	22	2,092,418	2,292,418
Total Current assets		511,256,488	359,281,450
Non-current assets			
Property Plant and Equipment	23(a)	4,221,890,033	3,898,420,386
Investment Property	23(b)	35,654,909	36,382,560
Intangible Assets	23(c)	39,326,971	6,072,492
Total Non-current assets		4,296,871,913	3,940,875,438
Total assets		4,808,128,401	4,300,156,888
Liabilities			
Current liabilities			
Trade & Other Payables from Exchange Transactions	24	20,732,183	4,117,920
Deferred Tax Liability	18	2,093,455	2,532,260
Deferred Income	25	15,058,385	901,800
Refundable Deposits from Customers	26	141,737,854	172,774,658
Prepaid Fees and Other Charges	27	3,337,120	3,385,820
Total liabilities		182,958,996	183,712,458
Net Assets			
Reserves			
Revenue Reserves	28	150,920,294	147,494,433
Revaluation reserves	29	2,068,963,405	2,068,963,405
Capital Reserves	30	2,405,285,706	1,899,986,592
Total Capital Reserves & Surplus		4,625,169,405	4,116,444,430
Total net assets and liabilities		4,808,128,401	4,300,156,888

The Financial Statements set out on pages **10 to 33** were signed on behalf of the Board of Directors by:

Director
Name: Dr. Norman Kiogora

Date: 26/09/2024.....

Head of Finance
Name: CPA Charles M. Mburu
ICPAK Member Number:7883

Date: ...26/09/2024.....

Chairman of the Council
Name: Habat Sheikh Abdi OGW

Date: ...26/09/2024.....



Kenya Institute of Special Education Annual Report and Financial Statements for the Period ended June 30, 2024.

15. Statement of Cash Flows for the period ended June 30, 2024

	Notes	2024	2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Donations and Other Grants	5	2,190,090	48,000
GOK-Recurrent Grants	6(b)	864,459,724	281,981,034
Fees and Student Contribution	7(b)	74,957,850	80,022,375
Hire of Facilities and Services	8(b)	14,466,784	12,729,803
Other Incomes	9(b)	(371,798)	2,698,805
Sale of Learning Materials	10	1,194,656	80,603
Total Receipts		956,897,307	377,560,620
Payments			
Staff Expenses	11(b)	(174,783,965)	(133,656,903)
Operations and Maintenance	12(b)	(273,535,208)	(197,643,754)
KISE Council Expenses	13	(12,378,539)	(8,939,162)
Donations and Other Grant Expenses	14	(2,190,090)	(48,000)
Audit Fees	15	(650,000)	(650,000)
Corporation Tax applicable	18	(5,641,977)	(11,793,234)
Total Payments		(469,179,778)	(352,731,053)
Net cash flows from operating activities		487,717,528	24,829,567
Receivable Deposits	22	200,000	(1,800,000)
Property Plant and Equipment	23	(415,929,897)	(174,183,681)
Investment Property		-	-
Intangible Assets	23(c)	(43,086,222)	(2,475,000)
Change in Deferred Income	25(b)	11,680,906	853,800
Refundable Deposits from Customers	26(b)	(28,561,125)	150,364,804
Net cash flows used in investing activities		(475,696,338)	(27,240,077)
Cash flows from financing activities			
Development Grant received	30	155,000,000	25,000,000
Receivables from Non-Exchange Transactions	21(b)	75,000,000	-
Net cash flows used in financing activities		230,000,000	25,000,000
Net Increase/(decrease) in cash and cash equivalents		242,021,190	22,589,491
Cash and cash equivalents at period Start		198,041,111	175,451,621
Cash and cash equivalents at Period end		440,062,302	198,041,111



Kenya Institute of Special Education Annual Report and Financial Statements for the Period ended June 30, 2024.

Director

Name: Dr. Norman Kiogora

Date: 26/09/2024.....

Head of Finance

Name: CPA Charles M. Mburu
ICPAK Member Number:7883

Date: ...26/09/2024.....

Chairman of the Council

Name: Habat Sheikh Abdi OGW

Date: ...26/09/2024.....



Kenya Institute of Special Education Annual Report and Financial Statements for the Period ended June 30, 2024.

16. Statement of Changes in Net Assets for the period ended June 30, 2024

	Note	Revenue	Capital/ Dev.	Revaluation	Total
		Reserves	Grants/Fund	Reserves	
		KES	KES	KES	KES
Balance at July, 01 2021		128,169,396	1,669,486,592	2,068,963,405	3,866,619,393
Development Fund		-	130,500,000	-	130,500,000
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		-	100,000,000	-	100,000,000
Surplus for the year		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
Balance at July, 01 2023		147,494,433	1,899,986,592	2,068,963,405	4,116,444,430
Capital Fund	30	-	350,299,114	-	350,299,114
Development Fund	30	-	155,000,000	-	155,000,000
Surplus for the year		3,425,861	-	-	3,425,861
Balance at June, 30 2024		150,920,294	2,405,285,706	2,068,963,405	4,625,169,405

● Kenya Institute of Special Education Annual Report and Financial Statements for the Period ended June 30, 2024.

17. Statement of Comparison of Budget & Actual Amounts for Period Ended June 30, 2024

Description	Original budget	Adjustments	Final budget	Actual Cumulative to date	Performance difference	%age
	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	
	KES	KES	KES	KES	KES	f=d/c*100
Revenue	a	b	C=(a+b)	d	e=(c-d)	0
DONATIONS AND OTHER GRANTS	1,000,000	-	1,000,000	2,190,090	(1,190,090)	219%
GOK- Recurrent Grants	581,563,620	270,000,000	851,563,620	851,563,620	-	100%
GOK Development Grant	155,000,000	350,000,000	505,000,000	155,000,000	350,000,000	31%
FEES AND STUDENT CONTRIBUTION	55,928,000	28,800,000	84,728,000	72,134,651	12,593,349	85%
HIRE OF FACILITIES AND SERVICES	8,000,000	-	8,000,000	21,389,225	(13,389,225)	267%
OTHER INCOMES	5,772,000	-	5,772,000	5,025,969	746,031	87%
SALE OF LEARNING MATERIALS	500,000	-	500,000	1,194,656	(694,656)	239%
Total income	807,763,620	648,800,000	1,456,563,620	1,108,498,210	348,065,410	
Expenses						
GOK Development Grant	155,000,000	350,000,000	505,000,000	155,000,000	350,000,000	31%
Basic Salary - Permanent Employees	78,317,000	8,409,776	86,726,776	82,049,374	4,677,402	95%
Employer contribution to Health Schemes	14,690,000	2,735,000	17,425,000	17,170,960	254,040	99%
Employer contribution to Pensions Schemes	15,719,000	1,786,000	17,505,000	17,143,814	361,186	98%
Outsourced and Contractual Services	13,377,000	2,310,000	15,687,000	14,853,620	833,380	95%
Personal Emoluments (Part of Salary)	36,311,000	10,000,000	46,311,000	43,640,189	2,670,812	94%
Office and General Supplies and Services	5,543,000	200,000	5,743,000	5,489,176	253,824	96%
Communication Supplies and Services	8,486,000	50,000,000	58,486,000	12,166,477	46,319,523	21%
Wellness Expenses	1,900,000	400,000	2,300,000	2,237,760	62,240	97%
Traveling & Accommodation: - Local Travel	9,000,000	2,520,000	11,520,000	11,439,076	80,924	99%
Traveling & Accommodation: - Foreign Travel	5,400,000	(4,830,000)	570,000	513,393	56,607	90%
Fuel, Oil & Lubricants	9,008,000	-	9,008,000	8,961,746	46,254	99%
Hospitality supplies and Services	4,895,000	(4,200,000)	695,000	669,353	25,647	96%
Other Operating Expenses	21,800,000	7,000,000	28,800,000	25,040,188	3,759,812	87%
Printing, advertising and information supplies and	19,000,000	(15,100,000)	3,900,000	3,577,776	322,224	92%



Kenya Institute of Special Education Annual Report and Financial Statements for the Period ended June 30, 2024.

Routine Maintenance - Other Assets	7,927,000	465,668,844	473,595,844	421,585,021	52,010,823	89%
Routine Maintenance - Vehicles & other Transport E	4,438,000	1,000,000	5,438,000	5,275,771	162,229	97%
Specialised Materials and Supplies	12,400,000	17,000,000	29,400,000	29,370,997	29,003	100%
Training expenses	72,817,000	19,073,000	91,890,000	83,228,633	8,661,367	91%
Utility Costs: - Electricity	10,268,000	3,000,000	13,268,000	13,240,548	27,452	100%
Insurance Expenses	3,445,000	1,200,000	4,645,000	4,504,778	140,222	97%
Research	17,166,000	(5,800,000)	11,366,000	10,207,720	1,158,280	90%
Utility Costs: - Water and Sewerage	5,134,000	(2,000,000)	3,134,000	2,940,172	193,828	94%
KISE Council Expenses	10,000,000	2,500,000	12,500,000	12,378,539	121,461	99%
Donations and other Grant Expenses	1,000,000	-	1,000,000	2,190,090	(1,190,090)	219%
Audit Fees	650,000	-	650,000	650,000	1,300,000	100%
Provision for Depreciation				103,019,642		
Provision for Bad & Doubtful Debts				11,324,364		
Total	543,691,000	912,872,620	1,456,563,620	1,099,869,176	472,338,451	
Surplus				8,629,035		

Notes

- Donations and other grants Income and expenses – Partnership with Etale Africa Project that supports training in areas of learning disabilities raised the expected grants for the year.*
- GOK development Grant - An amount of 350m GOK development Grant for the Construction of National assistive devices production unit not received.*
- Hire of facilities and services - Growth in uptake of our hire of facilities services*
- Sale of learning materials- Growth in sale of learning materials in the year under review.*
- Communication Supplies and Services-Underspending was occasioned by a delay in receipt of funds earmarked for digitisation of the Institute operations which will be actualised in the current financial year.*
- Other Operating Expenses – Under expenditure in this vote represents savings as a result of austerity measures.*

18. Notes to the Financial Statements

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 Accounting

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.

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

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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) 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.

a) 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.

b) 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.

c) 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.

d) 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 2023-2024 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.

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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.

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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:

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

Notes to The Financial Statements (Continued)

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. After 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.

a) Leases

Finance leases are leases that transfer substantially all 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

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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.

b) 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.

c) 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:

- The technical feasibility of completing the asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- 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.

f) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for

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financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate). A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

g) Financial assets

Classification of 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 considering 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 considering 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

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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)

h) Financial liabilities

Classification

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 considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

i) 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:

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- Raw materials: purchase cost using the weighted average cost method.
- 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.

j) 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 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.

k) 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.

l) 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.

m) Nature and purpose of reserves

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

n) 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.

o) 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.

p) 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 the 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.

q) 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.)

r) 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

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of key management are regarded as related parties and comprise the KISE Council, Director, and Senior managers.

s) 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.

t) 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.

u) Comparative figures

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

v) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the Period ended June 30, 2024.

4. Significant Judgments and Sources of Estimation Uncertainty

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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:

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

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%
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- | | |
|-------------------------------|-------|
| 2 Computers & Electronics | 30.0% |
| 3 Furniture & Fittings | 10.0% |
| 4 Plant, Property & Equipment | 10.0% |
| 5 Motor Vehicles | 25.0% |
| 6 intangible Asset | 20.0% |
| 7 Investment Property | 2.0% |
- ii. Land is not subject to depreciation
- iii. Provision for Bad and Doubtful Debts is calculated as per the Institute Credit Management Policy which allows for 100% recognition of Debt aged 1-3 years, 50% from debts aged between 4 and 5 years and a full provision for debts 6 years and older.

Notes to the Financial Statements (continued)

		2024 (Kshs)	2023 (Kshs)
Note 5	DONATIONS AND OTHER GRANTS		
	Partner Contributions	2,190,090	-
	Deferred graduation account income	-	48,000
	DONATIONS AND OTHER GRANTS TOTAL	2,190,090	48,000
Note 6	GOK-RECURRENT GRANTS		
	Recurrent Expenditure Grant	851,563,620	294,459,724
	EARC Recurrent Grant	-	417,414
	GOK-RECURRENT GRANTS TOTAL	851,563,620	294,877,138
6(b)	Recurrent Expenditure Grant	851,563,620	
	Add: Receivable from Non-Exchange	12,896,104	
	Cashflow adjusted Recurrent Expenditure Grant	864,459,724	
Note 7	FEES AND STUDENT CONTRIBUTION		
	Accommodation fees	8,083,372	18,898,922
	Activity Fees	544,400	1,422,000
	Administrative Operations Fees	12,667,552	10,545,600
	Clubs and Societies Fees	57,650	153,200
	Library Fees	1,690	7,580
	P.E. Kit Fees	1,240,800	1,278,000
	Registration Fees	3,444,150	1,050,300
	Student Union fees	210,300	662,000
	Tuition fees	45,236,837	62,962,825
	Utility Fees	647,900	294,369
	FEES AND STUDENT CONTRIBUTION TOTAL	72,134,651	97,274,796
7 (b)	Fees and Student Contribution	72,134,651	

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	Add:		
	Reduction in student debtors	2,871,900	
	Reduction in student overpayment	(48,700)	
	Cash flow Adjusted Fees Contribution	74,957,850	
Note 8	Hire of Facilities Expenses***		
	Income from Hire of Facilities*	6,362,932	3,458,881
	Hire of Facilities Expenses***	(3,691,588)	(1,504,093)
	Income from Consultancy	13,677,628	2,234,552
	Consultancy Expenses	(11,530,873)	(558,345)
	Income from Hotel and Conference Centre*	39,819,190	34,649,230
	Hotel and Conference Centre Expenses***	(35,779,890)	(25,199,914)
	Income from Gym	-	18,966
	Gym Expenses	(48,000)	(13,490)
	Income from Therapy Services	2,576,563	1,990,696
	Therapy Services Expenses	(630,000)	(297,250)
	Interest Income*	10,633,263	1,438,243
	SUB TOTAL	21,389,225	16,217,477
	<i>* Taxable Incomes</i>		
	<i>*** Allowable Expenses</i>		
8(b)	Hire of Facilities and Services	21,389,225	
	Less:		
	Change in General debtors	(6,922,441)	
	Cash flow Adjusted Hire of Facilities and Services	14,466,784	
Note 9	OTHER INCOMES		
	Braille Transcription Expenses	-	(9,283,944)
	Gains on Disposal	1,680	1,323,320
	Income from Braille Transcription	2,066,713	12,469,545
	Rental Income	2,957,576	2,340,449
	OTHER INCOMES TOTAL	5,025,969	6,849,370
9(b)	Other Incomes	5,025,969	
	Add reduction in tenant debtors	147,675	
	Less growth in trade debtors	(5,545,441)	
	Cash flow Adjusted Other Incomes	(371,798)	
Note 10	SALE OF LEARNING MATERIALS		
	Sale of Learning materials and resources	6,246,362	80,603
	Production Unit Expenses	(5,055,705)	-
	Sale of tender	3,999	-
	SALE OF LEARNING MATERIALS TOTAL	1,194,656	80,603
Note 11	STAFF EXPENSES		
	Basic Salary - Permanent Employees	82,049,374	71,146,297
	Employer contribution to Health Schemes	17,170,960	13,734,458
	Employer contribution to Pensions Schemes	17,143,814	13,834,524
	Personal Emoluments (Part of Salary)	43,640,189	35,304,409

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	Outsourced and Contractual Services	14,853,620	12,502,594
	STAFF EXPENSES TOTAL	174,857,957	146,522,281
11(b)	Staff Expenses	174,857,957	
	Add		
	Change in staff debtors	(73,992)	
	Cash flow Adjusted Staff Expenses	174,783,965	
Note 12	OPERATIONS AND MAINTENANCE		
	Communication Supplies and Services	12,166,477	7,383,214
	Fuel, Oil & Lubricants	8,961,746	5,731,877
	Hospitality supplies and Services	669,353	2,624,174
	Insurance Expenses	4,504,778	2,511,371
	Office and General Supplies and Services	5,489,176	11,136,468
	Other Operating Expenses	25,040,188	15,054,842
	Printing, advertising and information supplies	3,577,776	3,505,668
	Research	10,207,720	15,878,911
	Routine Maintenance - Other Assets	421,585,021	5,087,120
	Routine Maintenance - Vehicles & other Transport Exp.	5,275,771	3,381,646
	Specialised Materials and Supplies	29,370,997	12,202,117
	Training expenses	83,228,633	71,580,845
	Traveling & Accommodation: - Foreign Travel	513,393	1,673,066
	Traveling & Accommodation: - Local Travel	11,439,076	8,946,518
	Utility Costs: - Water and Sewerage	2,940,172	2,082,611
	Utility Costs: - Electricity	13,240,548	8,596,218
	Wellness Expenses	2,237,760	1,711,958
	OPERATIONS AND MAINTENANCE TOTAL	640,448,584	179,088,624
12(b)	Operations and Maintenance	640,448,584	
	Less:		
	Change in trade Payables	(16,614,262)	
	Capitalised expenditure	(350,299,114)	
	Cash flow Adjusted Operations and Maintenance	273,535,208	
Note 13	KISE COUNCIL EXPENSES		
	KISE Council Expenses	12,378,539	8,939,162
	KISE COUNCIL EXPENSES TOTAL	12,378,539	8,939,162
Note 14	DONATIONS AND OTHER GRANT EXPENSES		
	Donations and other Grant Expenses	2,190,090	-
	DONATIONS AND OTHER GRANT EXPENSES TOTAL	2,190,090	-
Note 15	AUDIT FEES		
	AUDIT FEES	650,000	650,000
	AUDIT FEES TOTAL	650,000	650,000

● Kenya Institute of Special Education Report and Financial Statements for the Period ended June 30, 2024.

Note 16	Provision for Depreciation		
	Provision for Depreciation	103,019,642	66,511,952
	Provision for Depreciation TOTAL	103,019,642	66,511,952
Note 17	Provision for Bad and Doubtful Debts		
	Total Provision for Bad & Doubtful Debts	88,002,745	80,594,029
	Provision for Bad & Doubtful Debts charge	11,324,364	7,408,716
	Provision for Bad and Doubtful Debts TOTAL	99,327,109	88,002,745
Note 18	CORPORATION TAX		
	Taxable Income	17,343,908	12,842,347
	Corporation Tax for the Year at 30%	5,203,172	3,852,704
	Deferred Tax Liability b/f	2,532,260	10,472,790
	Deferred Tax Liability Paid	(5,641,977)	(11,793,234)
	Differed Tax Liability c/f	2,093,455	2,532,260
Note 19	CASH AND CASH EQUIVALENTS		
	CASH IN HAND	109,004	345,264
	KCB Fee Collection Account*	438,397,772	193,251,672
	KCB DIRECTOR KENYA INST OF SPECIAL EDUCATION	955,805	638,405
	M-Pesa Collections-851201	-	500
	M-Pesa Payments-851200	-	137
	NBK Farm Account	-	660,113
	NBK Institute Fund and other Monies	-	23,621
	NBK Investment Account	-	45,300
	NBK KISE Distance Learning Project II A/C	45,600	2,955,503
	NBK Main Account	-	1,369
	KCB KISE INST FUND AND OTHER MONIES	3,386	119,227
	Pesa flow Transaction	550,735	-
	CASH AND CASH EQUIVALENTS TOTAL	440,062,302	198,041,111
	<i>* An amount of KShs.438,199,750 within this balance was held on call</i>		
Note 20	RECEIVABLES FROM EXCHANGE TRANSACTIONS		
	Due from Students	122,796,209	125,668,109
	General Debtors	17,919,004	10,996,563
	Staff Debtors	119,212	193,204
	Tenants Debtors	39,200	186,875
	Trade Debtors	27,555,253	22,009,812
	Total Provision for Bad & Doubtful Debts	(99,327,109)	(88,002,745)
	RECEIVABLES FROM EXCHANGE TRANSACTIONS TOTAL	69,101,769	71,051,817
Note 21	RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
	Receivables from Non-Exchange Transactions	-	87,896,104

- Kenya Institute of Special Education Report and Financial Statements for the Period ended June 30, 2024.

	RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS TOTAL	-	87,896,104
21(b)	Receivable from non-exchange (Received)		
	Cash flow from Financing Activities- Development grant	75,000,000	
	Cash flow from operating-Recurrent Grant Received	12,896,104	
	Total	87,896,104	
Note 22	Receivable Deposits		
	Receivable Deposits	2,092,418	2,292,418
	Receivable Deposits TOTAL	2,092,418	2,292,418

● Kenya Institute of Special Education Report and Financial Statements for the Period ended June 30, 2024.
Notes to the Financial Statements (continued)

23 (a) ASSET MOVEMENT SCHEDULE FOR FY 2023/2024

	Land	Buildings	Motor Vehicles	Computer and Electronics	Furniture & Fittings	Plant & Equipment	Work in Progress	Totals
Cost	Kshs	2% Kshs	25% Kshs	30% Kshs	10% Kshs	10% Kshs	Kshs	Kshs
At 30 June 2021	2,650,000,000	1,011,723,383	51,626,312	127,279,684	60,074,223	170,017,583	-	4,070,721,185
As 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
At 01 July 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
Additions 2023/2024	-	34,383,012	-	54,460,618	7,967,035	177,426,958	141,692,274	415,929,897
At 30 June 2024	2,650,000,000	1,098,720,999	57,943,614	197,682,789	68,185,572	442,798,998	141,692,274	4,657,024,246
Depreciation and Impairment								
At 30 June 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
As at 01 July 2023	-	103,949,627	45,043,393	108,477,166	23,995,448	61,208,329	-	342,673,963
Depreciation 2023/2024	-	19,895,427	3,225,055	26,761,687	4,419,012	38,159,067	-	92,460,248
At 30 June 2024	-	123,845,054	48,268,448	135,238,853	28,414,460	99,367,396	-	435,134,211
Net Book Values								
At 30 June 2024	2,650,000,000	974,875,945	9,675,166	62,443,936	39,771,112	343,431,602	141,692,274	4,221,890,035
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
Work in Progress represents works going on for the Construction of:								
1) KISE Parental Empowerment Centre		107,658,776						
2) The Proposed National Assistive Devices Production Unit		34,033,498						
Total		141,692,274						

- Kenya Institute of Special Education Report and Financial Statements for the Period ended June 30, 2024.

Notes to the Financial Statements (continued)

23 (b) Investment Property Schedule 2023/2024

	Investment Property	TOTAL
	2%	
Cost	Kshs	Kshs
At 30 June 2022	49,904,140	49,904,140
As at 1 July 2022	49,904,140	49,904,140
Additions 2022/2023	-	-
At 30 June 2023	49,904,140	49,904,140
As at 01 July 2023	49,904,140	49,904,140
Additions 2023/2024	-	-
At 30 June 2024	49,904,140	49,904,140
Amortisation and impairment		-
At 30 June 2022	12,779,079	49,904,140
As at 1 July 2022	12,779,079	49,904,140
Amortisation 2022/2023	742,501	742,501
At 30 June 2023	13,521,580	13,521,580
As at 1 July 2023	13,521,580	13,521,580
Amortisation 2023/2024	727,651	727,651
At 30 June 2024	14,249,231	14,249,231
Net book values		
At 30 June 2024	35,654,909	35,654,909
At 30 June 2023	36,382,560	36,382,560

- Kenya Institute of Special Education Report and Financial Statements for the Period ended June 30, 2024.

23 (c) Amortisation schedule 2023/2024

	Intangible Asset	TOTAL
	20%	
Cost	Kshs	Kshs
At 30 June 2022	23,614,153	23,614,153
As at 1 July 2022	23,614,153	23,614,153
Additions 2022/2023	2,475,000	2,475,000
At 30 June 2023	26,089,153	26,089,153
As at 01 July 2023	26,089,153	26,089,153
Additions 2023/2024	43,086,222	43,086,222
At 30 June 2024	69,175,375	69,175,375
Amortisation and impairment		-
At 30 June 2022	18,498,538	71,650,375
As at 1 July 2022	18,498,538	71,650,375
Amortisation 2022/2023	1,518,123	1,518,123
At 30 June 2023	20,016,661	20,016,661
As at 1 July 2023	20,016,661	20,016,661
Amortisation 2023/2024	9,831,743	9,831,743
At 30 June 2024	29,848,404	29,848,404
Net book values		
At 30 June 2024	39,326,971	39,326,971
At 30 June 2023	6,072,492	6,072,492

Notes to the Financial Statements (Continued)

Note		2024	2023
23(b)	INVESTMENT PROPERTY	Kshs	Kshs
	INVESTMENT PROPERTY	49,904,140	49,904,140
	Accumulated Depreciation- Investment Property	(14,249,231)	(13,521,580)
	INVESTMENT PROPERTY TOTAL	35,654,909	36,382,560
Note 23(c)	INTAGIBLE ASSETS		
	<i>This mainly relates to the Enterprise Resource Planning System -Navision 365 Dynamics, EDMS, VMS & HIMS</i>		
	Enterprise Resource Planning System	69,175,375	26,089,153
	Accumulated Depreciation- Intangible Asset	(29,848,404)	(20,016,661)
	NET Intangible Assets	39,326,971	6,072,492

• Kenya Institute of Special Education Report and Financial Statements for the Period ended June 30, 2024.

Note 24	TRADE & OTHER PAYABLES FROM EXCHANGE TRANSACTIONS	2024 Kshs	2023 Kshs
	Trade Creditors	7,253,986	3,608,822
	VAT Account	398,450	619,635
	VAT Withholding Account-(2%)	2,079,747	(110,537)
	Medical Fund Accruals	11,000,000	-
	TRADE & OTHER PAYABLES FROM EXCHANGE TRANSACTIONS TOTAL	20,732,183	4,117,920
Note 25	DEFERRED INCOME		
	DEFERRED TUITION FEES	12,623,366	-
	Disability Entrepreneurship deferred Income**	1,570,000	1,570,000
	Deferred E-Tale Africa Income	865,019	901,800
	KNEC Examination fees**	-	905,679
	DEFERRED INCOME TOTAL	15,058,385	3,377,479
	<i>* Deferred Tuition fees refers to tuition fees received to be utilised in the next Financial year.</i>		
	<i>** Disability Entrepreneurship deferred Income and KNEC Examination fees have been reclassified from refundable deposits in the Audited year.</i>		
25(b)	Change in Deferred Income		
	Accrued Deferred Tuition Fees	12,623,366.00	
	Discharged deferred Etale	-36,781.00	
	Discharged KNEC fees	-905,679.00	
	Cash flow Adjusted Deferred Income	11,680,906.00	
Note 26	REFUNDABLE DEPOSITS FROM CUSTOMERS		
	Deposits Received	419,368	165,783,564
	Deferred Income on assistive devices	135,199,750	-
	Scholarship Fund	2,232,878	2,272,493
	Students Accommodation Payable	116,900	116,900
	Fees by Sponsors	2,796,157	1,510,022
	Key and Caution Money	822,800	616,000
	Examination fee Deposit	-	-
	UNICEF FUNDS LEDGER	150,000	-
	REFUNDABLE DEPOSITS FROM CUSTOMERS TOTAL	141,737,854	170,298,979
26(b)	Refundable Deposits from Customers	141,737,854	
	Less Opening Balance	(170,298,979)	
	Cashflow Adjusted: Refundable deposits	(28,561,125)	
Note 27	PREPAID FEES AND OTHER CHARGES		
	Students Overpayments Accounts	3,337,120	3,385,820
	PREPAID FEES AND OTHER CHARGES TOTAL	3,337,120	3,385,820

● **Kenya Institute of Special Education Report and Financial Statements for the Period ended June 30, 2024.**

		2024 Kshs	2023 Kshs
Note 28	Revenue reserves		
	Revenue reserves	147,494,433	145,168,488
	Surplus for the Period	3,425,861	2,325,945
	Revenue reserves TOTAL	150,920,294	147,494,433
Note 29	Revaluation Reserves		
	Revaluation Reserves	2,068,963,405	2,068,963,405
	Revaluation Reserves TOTAL	2,068,963,405	2,068,963,405
Note 30	Capital Reserves		
	Capital Reserves	1,899,986,592	1,799,986,592
	Capital fund *	350,299,114	
	GOK Development Grant	155,000,000	100,000,000
	Capital Reserves TOTAL	2,405,285,706	1,899,986,592
	<i>* Refers to costs of procuring specialised equipment, empowerment project and devices assembly facility that has been capitalised.</i>		

31 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

● **Kenya Institute of Special Education Report and Financial Statements for the Period ended June 30, 2024.**

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.

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.

- **Kenya Institute of Special Education Report and Financial Statements for the Period ended June 30, 2024.**

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 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:

CAPITAL RISK MANAGEMENT	2024 Kshs	2023 Kshs
Revenue earnings	150,920,294	147,494,433
Capital reserve	2,405,285,706	1,899,986,592
Total funds	2,556,206,000	2,047,481,025
Total borrowings	180,865,540	181,180,198
Cash and bank balances	440,062,302	198,041,111
Excess cash and cash equivalents/Net debt	259,196,761	16,860,913

32 Events after the Reporting Period

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

33 Currency

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

- Kenya Institute of Special Education Report and Financial Statements for the Period ended June 30, 2024.

19. APPENDICES

Appendix I: Transfers from Other Government Entities

Description	Period ended Mar 2024	Comparative Period
	KShs	KShs
Unconditional grants		
Operational grant	851,563,620	294,877,138
Unconditional Development grant	155,000,000	100,000,000
Other grants	-	48,000
Conditional grants Aromatised/transferred to revenue		
Housing development grant	-	-
Infrastructure grant	-	-
Library grant	-	-
Facilities Development grant	-	-
Other organizational grants	-	-
Total government grants and subsidies	1,006,563,620	394,925,138

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	851,563,620	-	155,000,000	294,877,138	279,562,554
Total	851,563,620	-	155,000,000	294,877,138	279,562,554

- Kenya Institute of Special Education Report and Financial Statements for the Period ended June 30, 2024.

Appendix II: 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)
2	Lawfulness and effectiveness in the use of Public Resources Non-compliance with law on accessibility of special needs services	The Institute has opened two satellite centres in Isiolo and Kapenguria to reach out to more clients	Resolved	
1	Effectiveness of internal control, risk management and governance Incomplete Asset Register	Asset register updated Asset tagging underway	Ongoing	30 th June 2025
2	Effectiveness of internal control, risk management and governance Understaffing of the Institute	29 new lecturers deployed	Resolved	



Director, Kenya Institute of Special Education

Date: 26/09/2024

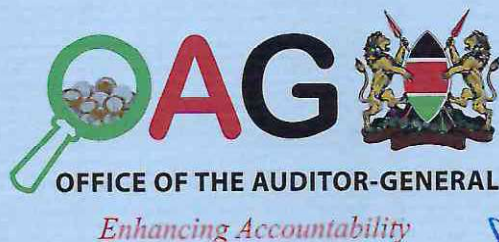
● Kenya Institute of Special Education Report and Financial Statements for the Period ended June 30, 2024.

Appendix III: Recording of Transfers from Other Government Entities.

Appendix III: Recording of Transfers from Other Government Entities.										
Name of the MDA/ Donor Transferring the funds	Date received As per bank statement	Nature: Recurrent/ Development/Others	Total Amount Kshs	Where Recorded/recognized					Others - must be specific	Total Transfers
				Statement of Financial Performance	Capital Fund	Deposit Received (Assistive Devices Fund)	Receivables			
Ministry of Education										
REC24521	28/06/2024		50,000,000	50,000,000						50,000,000
REC24521	24/06/2024		135,199,750			135,199,750.00				135,199,750
REC24485	21/06/2024		52,630,302	52,630,302						52,630,302
REC24482	14/06/2024		52,630,302	52,630,302						52,630,302
REC24304	09/05/2024	Recurrent	52,630,302	52,630,302						52,630,302
REC24156	23/04/2024	Development	6,299,143		6,299,143					6,299,143
REC24311	12/03/2024	Recurrent	35,000,000	35,000,000						35,000,000
REC24017	12/03/2024	Development	109,950,857		109,950,857					109,950,857
REC23730	27/02/2024	Recurrent	143,079,544	143,079,544						143,079,544
REC23729	27/02/2024	Recurrent	143,079,544	143,079,544						143,079,544
REC23728	27/02/2024	Development	38,750,000		38,750,000					38,750,000
REC23700	15/02/2024	Recurrent	143,079,544	143,079,544						143,079,544
REC23407	30/01/2024	Recurrent	11,347,726	11,347,726						11,347,726
REC21921	07/12/2023	Recurrent	11,347,726	11,347,726						11,347,726
REC21571	15/11/2023	Recurrent	11,347,726	11,347,726						11,347,726
REC23521	19/10/2023	Recurrent	48,463,635	48,463,635						48,463,635
REC23520	09/09/2023	Recurrent	48,463,635	48,463,635						48,463,635
REC23519	08/08/2023	Recurrent	48,463,635	48,463,635						48,463,635
Total			1,141,763,371	851,563,621	155,000,000	135,199,750		-	-	1,141,763,371

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON KENYA INSTITUTE OF SPECIAL EDUCATION FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Institute of Special Education set out on pages 1 to 33, which comprise the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Institute of Special Education as at 30 June, 2024 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

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.1,456,563,620 and Kshs.1,108,498,210 respectively, resulting to an under-funding of Kshs.348,065,410 or 24% of the budget.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not

resolved the issues or given any explanation for failure to implement the recommendations as at 30 June, 2024.

Other Information

The Management is responsible for the Other Information set out on pages iii to xxvi which comprise of Key Entity Information and Management, Governing Council, Management Team, Chairman's Statement, Report of the Director, Statement of Performance Against Predetermined Objectives, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on Institute's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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 effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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

Limited Mandate of the Institute in Training of Special Needs Teachers

Review of the Kenya Institute of Special Education's enabling legislation revealed that the Institute is mandated to train special needs teachers under in-service programs. However, the teachers must obtain approval of the Teachers Service Commission after successfully applying through the Ministry of Education for the chosen program. Further, it was noted that the Institute relies wholly on trainers recruited and posted by Teachers Service Commission which does not recruit annually due to budgetary constraints nor directly receive students from Kenya Universities and Colleges Central Placement Service for funding by Higher Education Loans Board through loans and scholarships. In addition, the trainers posted are not registered with Technical and Vocational Education and Training Institutes, thus not qualified to training students with special needs.

In the circumstances, the Institute cannot independently recruit special needs teachers as and when needed and therefore is unable to effectively discharge its core mandate of training teachers on special needs.

The audit was conducted in accordance with ISSAIs 3000 and 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAIs 2315 and 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 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 the 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 governance.

In preparing the financial statements, Management is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply 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 governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 December, 2024

