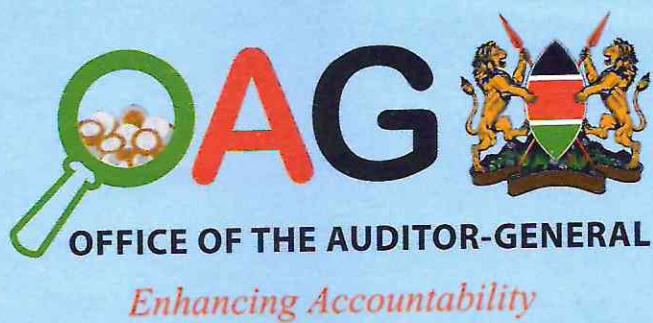


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

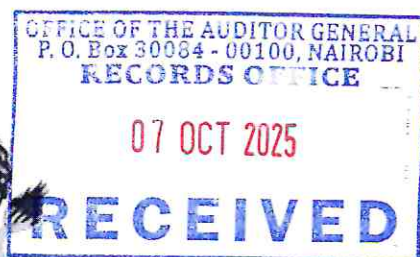
KENYA INSTITUTE OF SPECIAL EDUCATION

**FOR THE YEAR ENDED
30 JUNE, 2025**

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KENYA INSTITUTE OF SPECIAL EDUCATION

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025**

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





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1. Acronyms and Definitions of Key Terms

A: Acronyms and Abbreviations

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
14. KISE	Kenya Institute of Special Education

B: Definition of Key Terms

- 1. Fiduciary Management** – Oversight arrangements to ensure prudent use of public resources, including internal controls, Council oversight, and accountability structures.
- 2. Fiduciary Oversight Arrangements** – Mechanisms (Council meetings, Audit & Risk Committee, Finance Committee) that review reports and safeguard resources.
- 3. Council Diversity** – Representation of gender, expertise, and stakeholder interests within the KISE Governing Council.
- 4. Council Committees** – Specialized committees (Finance & General Purpose, Audit & Risk, Academic & Research) that support governance and decision-making.
- 5. Performance Against Predetermined Objectives** – Monitoring achievement of annual targets and outcomes compared to planned objectives.
- 6. Management Discussion and Analysis (MD&A)** – Narrative review of institutional performance, sector trends, risks, and outlook.



7. **Environmental and Sustainability Reporting** – Statement on KISE’s practices in environment management, employee welfare, inclusivity, and compliance with sustainability requirements.
8. **Asset Movement Schedule** – Record of changes in property, plant, equipment, and other fixed assets over the financial year.
9. **Amortisation Schedule** – Systematic allocation of the cost of intangible assets over their useful life.
10. **Investment Property Schedule** – Statement showing movement and valuation of KISE’s investment properties.



2. 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 principal 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 a Psycho Educational Assessment and Resource Center for the training of teachers of children with special needs.
- 5) Run an Orientation and Mobility (O & M) center 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 center for the production and dissemination of information to the general public on special needs and disabilities.
- 9) Run a documentation and resource center 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
- Empathy

c) Key Management

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

- Director KISE
- Senior Management

No.	Designation	Name
1.	Director	Dr. Norman Kiogora
2.	Deputy Director – Finance & Administration	Mr. Anthony Charles Mwangi
3.	Deputy Director – Programs	Mr. Daniel Sanoe
4.	Finance Manager	Mr. Charles Mungai Mburu
5.	Human Resource Management Officer	Ms. Doreen Gakii
6.	Academic Registrar	Mrs. Teresia Mwangi
7.	Dean of Students	Mrs Josephine Kisilu
8.	Coordinator - Assessment Center	Ms. Elizabeth Kimani
9.	Research and Innovation Coordinator	Dr. Lynett Ong'era
10.	Deputy Academic Registrar - Examinations	Ms. Grace Njambi

d) Fiduciary Management

Fiduciary management at KISE refers to the systems, policies, and procedures put in place to ensure that resources are managed prudently, transparently, and in line with statutory requirements. This includes internal controls, financial stewardship, and accountability frameworks that safeguard public funds and promote value for money.



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:

- i. Finance and General-Purpose Committee
- ii. Audit and Risk Committee
- iii. Academic and Research Committee
- iv. Senior Management

f) Entity Headquarter

Kasarani, Thika Superhighway Exit 8,
Off Kasarani - Mwiki Road,
P. O. Box 48413 – 00100,
Nairobi, Kenya.

g) Institute Contacts

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

h) Entity Bankers

KCB Bank LTD
Ngara Branch
P.O. Box 60000 City Square 00200
Nairobi, Kenya.

i) Independent Auditor

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



j) Principal Legal Adviser

Directorate of Legal Services

Ministry of Education

Nairobi, Kenya.



3. 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 honored 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 (Honors) 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 Program (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

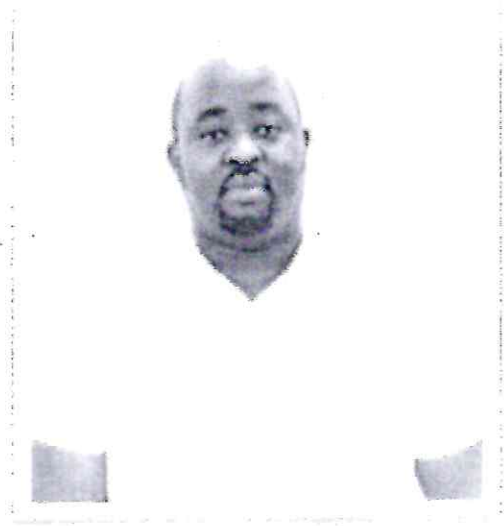
Ministry of Education

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, in addition to generally promoting disability rights.



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. Peter Kinyua represents Kenya Institute of Curriculum Development (KICD) in the Kenya Institute of Special Education (KISE) council. Currently he is serving in the KISE Council's Academic and Research committee and Audit and Risk Committee. He is a seasoned educationist and a

curriculum specialist and has a wealth of experience in curriculum development in the area of Special needs and disabilities from Early Childhood, Primary, Secondary and Tertiary levels. Additionally, he has expertise in development of curriculum support materials in print and electronic formats for all learners. Currently Dr. Kinyua heads the Special Needs Education Section as an Assistant Director. The Section is charged with the responsibility of developing curriculum and curriculum support materials for learners with Special Needs from pre-primary to tertiary institutions below the university. He is also a member of several committees at KICD which includes the Corruption Prevention Committee, Curriculum Reform Technical committee among others. He has served as a board member in several schools. He holds a Doctor of Philosophy degree (Special Needs Education), a Master's degree in Educational Psychology and a Bachelor of education degree in Special Needs education from Kenyatta University. Dr. Kinyua has also attended several management courses including Risk management Course, Quality Management Course, Result Oriented Management Program and Strategic Leadership Development program. He is an accredited counsellor with Kenya Counselling and Psychological Association.



Dr. Saida Ali Aden

**Finance Coordinator, Primus Consultancy
Member**

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



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 employment 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 a member of the Audit and Risk Committee and Finance and General Committee of the KISE Council. She formerly worked as National Executive Secretary, for the Commission of Education and Religious Studies and 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 Catholic Education Association and a member of the National Steering Committee, coordinating Curriculum Reforms in Kenya. She possesses a



wealth of experience in safeguarding and child protection. 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. Currently, she is a doctoral student in Educational Leadership at the International Leadership University in 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 and Academic and Research 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 participated through the Ministry of Education in developing a direct assessment and physical facilities and infrastructure tool to assess the status of Early Childhood Development and Education (ECDE) and conducting the first national survey for ECDE 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 has 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 respectively from the Kenya School of Government in Nairobi, Kenya.



4. Key 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 programs 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 characterized 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.



Mr. Daniel Sanoe
Deputy Director Programmes

Mr Daniel Sanoe is the 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.



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 and 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.



Josephine Kisilu

Dean of Students

Josephine Kisilu is the Dean of students. She has teaching experience spanning more than 35 years in various secondary schools across the country. Over the course of her more than eighteen years as a school administrator, she has also taken part in numerous Disability and special needs education research studies. She holds a Master's in Education Psychology from Kenyatta university. She holds a Bachelor's of Education in special education (Gifted and Talented) from Kenyatta University.



Teresia Mwangi
Academic Registrar

Teresia Wangari Mwangi's career is defined by a profound dedication to empowering individuals with disabilities and advancing inclusive education. Serving as the Academic Registrar at the Kenya Institute of Special Education (KISE), she possesses a wealth of leadership and specialized knowledge to her role. Her pursuit of a Master's degree in Counselling Psychology at Mount Kenya University builds upon her strong academic foundation, including a degree from Moi University

and a Diploma in Special Needs Education. Her professional trajectory includes impactful leadership positions as Deputy Principal at three secondary schools, where she honed her administrative and strategic skills. Further fortified by certifications in Senior Management Course, Strategic Leadership Development Program, and Corporate Governance. Mrs. Mwangi's expertise is multifaceted. She actively contributes to the educational community as a KNEC examiner and Peer Counsellor and shares her knowledge as a recognized expert. Additionally, her creative endeavours as an author of literature books and a scriptwriter for drama productions demonstrate her commitment to diverse forms of community engagement. Mrs. Mwangi is driven by a desire to enact lasting change through innovative teaching methods and the creation of inclusive environments.



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 Program 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 Behavior 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 Masters of Science in Commerce Finance and Accounting from KCA University, Bachelor of Commerce degree from the Technical University of Kenya, a CPA Part Three Section 6, and an Accounting Technicians Certificate. Bevaline is an ISO 9001:2015 Lead Auditor for the Quality Management System.



Ms. Elizabeth Kimani

Head of Department Functional Assessment

Ms. Elizabeth Kimani is the Coordinator of the KISE National Assessment and Resource Center. 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.



Ms. Doreen Gakii

Human Resource Manager

Ms. Doreen Gakii Mwirigi serves as the Human Resource Officer at KISE. She supports both the strategic and day-to-day management of human resources, with a focus on implementing HR policies, driving performance management and fostering a productive work environment. Doreen is a registered

member of the Institute of Human Resource Management (IHRM) and holds a Bachelor of Science degree in Human Resource Management from Maasai Mara University. Additionally, she has attained Certified Human Resource Professional (CHRP – Section IV).



5. CHAIRMAN'S STATEMENT

On behalf of the KISE Council of Kenya Institute of Special Education (KISE), I am pleased to present the Chairman's Report alongside the financial statements for the fiscal year ending 30th June 2025. The year under review saw a sustained commitment as per our mandate to offer special needs education training for continued support to persons with special needs and disabilities. Further, the Institute was delegated the mandate to support and coordinate Education Assessment and Resource Centers (EARCs) across the country by the Ministry of Education. These centres play a pivotal role in early identification, assessment, and placement of learners with special needs. These centers remain a cornerstone of our inclusive education efforts, ensuring that children in all regions have access to the support they need to thrive academically and socially.

The Institute embarked on construction of Assistive Devices Production Unit, a flagship project under the Presidential directive that seeks to only make learning materials and assistive devices available to the regional market but also locally affordable. It will also significantly increase access to locally manufactured assistive devices, reduce costs, and improve the quality of life for persons with disabilities across Kenya.

KISE remains committed to the highest standards of corporate governance, transparency, and accountability. During the year, the Board and management have ensured compliance with all regulatory requirements, including financial reporting standards and government directives. Looking ahead, the Institute plans to build on its current achievements by expanding its outreach programs, leveraging technology for inclusive education, and enhancing partnerships with key stakeholders. The Board is confident that with continued prudent financial management and strategic planning, KISE will retain its role as a center of excellence in special education.

I wish to extend my sincere gratitude to the Council members for their unwavering support, the management team for their dedication, and all staff for their commitment to the Institute's mission. I also thank our partners and the government for their continued support and funding. Together, we look forward to another successful year of impact and growth.

Habat Sheikh Abdi OGW
KISE COUNCIL CHAIRMAN



6. REPORT OF THE DIRECTOR

It is with great appreciation that I present the Director's Remarks for the Financial Year 2024/2025, a period during which the Kenya Institute of Special Education continued to pursue its mission with renewed energy, innovation, and inclusivity. Key focus this year was the enhancement of institutional capacity. Through continuous staff training, review of assessment tools, and adoption of data-driven approaches, we improved the quality and consistency of our services. Our Assessment and Resource Center also served as a critical hub for guiding school placements and therapeutic referrals.

KISE broadened its impact through multi-sectoral collaboration and knowledge-sharing platforms. We engaged stakeholders across education, health, and social services to ensure holistic support for learners. Conference on **KISE Expo on Specialized Learning Materials, Assistive Devices, and Technology**: held in September 2024, this event convened manufacturers, innovators, and distributors to showcase specialized learning materials and assistive technologies. It provided a platform for stakeholders to interact with providers, enhancing exposure to solutions in special needs education and fostering new partnerships for local production and distribution. The Institute has continued to review and align its training programs with current trends and best practices, equipping educators with practical skills for diverse learning environments.

Our outreach efforts have also been amplified through community-based programs, professional forums and by observing international disabilities days. KISE expanded its reach across the country through targeted outreach programs, delivering assessments and support services to persons with special needs in various areas which include Laikipia, Kajiado, Nandi, Meru, Kakuma, Garissa, Kakamega, Bungoma, Marsabit, Elgeyo Marakwet, Murang'a, Nyeri, Uasin Gishu, Machakos and Wajir.

I express my gratitude to the Ministry of Education, the KISE Council, staff and partners for their continued support and collaboration. I reaffirm the Institute's commitment to building an inclusive, equitable, and learner-focused education system that empowers all stakeholders.

Dr. Norman Kiogora
DIRECTOR



7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2024/2025

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Training and Inclusion	Provides capacity and competence for personnel managing persons with disabilities, especially teachers, on pedagogy for Special Needs Education	Number of SNE personnel trained	Increase the number of training courses Develop and implement a digital infrastructure for teaching, learning and examination	Enhanced enrolment as a result of introduction of Audiology, speech therapy and Autism courses Additional curriculum delivery modes ie online training introduced
Functional Assessment	Enhance assessment and School placement of children with special needs and disabilities.	Number of persons with special needs and disabilities assessed	Operationalize EARC regional centers in the country Establish an electronic assessment data collection system/portal Strengthen interventions and follow ups	3 regional Centers are operational Health Management system installed and implemented Internal multidisciplinary team support in assessment
Habilitation and rehabilitation	Improve the livelihood of persons with special needs and disabilities	Number of persons with special needs and disabilities rehabilitated	Re-engineer delivery of therapy services	Assessment center working shifts extended to Saturday



8. 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 (2025), 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 MEMBERS APPOINTMENT

The KISE governing council is appointed by Cabinet Secretary, Ministry of Education for three-year term and comprises of 10 members including Director KISE who acts as the Council Secretary. The Chairperson is independent appointee, while the other eight members comprise the following.

- a) CEO, Kenya Institute of Curriculum Development
- b) Catholic Churches of Kenya Representative
- c) Muslim Education Council Representative
- d) Principal Secretary, Ministry of Education
- e) CEO, Kenya National Examinations Council



- f) Principal Secretary, National Treasury & Planning
- g) CEO, Teachers Service Commission
- h) CEO, National Council for Persons with Disabilities

The term of the immediate Governing Council ended on 26th August 2025 having served for three years from 26th August 2022.

III. 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 three women and six men. Three of the nine council members have disabilities.

S/NO	Full name	Ethnicity	Gender	Position	Area of expertise	Disability	Nominating Body
1.	Habat Sheikh Abdi (OGW)	Somali	Male	Chairman	Leadership & Policy	Yes	Independent
2.	Dr. Peter Kinyua	Kikuyu	Male	Member	Curriculum specialist	No	Kenya Institute of Curriculum Development
	Augusta Muthigani	Kikuyu	Female	Member	Education Management	No	Catholic Churches of Kenya
3.	Aida Ali Aden	Somali	Female	Member	Finance	No	Muslim Education Council
4.	Fredrick Haga	Luo	Male	Member	Special & Inclusive Education	Yes	Ministry of Education



5.	Elizabeth Adhiambo Obade	Luo	Female	Member	Education	No	Kenya National Examinations Council
6.	Daniel Waithaka Ng'ang'a	Kikuyu	Male	Member	Economics & Project Management	No	National Treasury & Planning
7.	Patrick Njau Gichia	Kikuyu	Male	Member	Education	No	Teachers Service Commission
8.	Peter Muchiri Mwangi	Kikuyu	Male	Member	Special Needs Community Leadership	Yes	National Council for Persons with Disabilities
9.	Dr. Stephen Norman Kiogora	Meru	Male	Secretary/Director	Educational Administration	No	KISE

V. COUNCIL MEMBERS PERFORMANCE

The performance of the governing council is guided by Mwongozo code of governance for state corporations. Council evaluation are conducted by the State corporations advisory Committee (SCAC).

VI. 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 timelines.

During the period under review, the Members of the Full Council attended the meetings as follows:

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

VII. COUNCIL COMMITTEES

In the period under review, the Institute Council constituted the mandatory Finance and General-Purpose Committee, Academic, Research Committee and the Audit, Risk and Governance Committee. Each committee has specific responsibilities. During quarter 1&2 the committees was constituted as below

FINANCE AND GENERAL-PURPOSE COMMITTEE	ACADEMIC AND RESEARCH COMMITTEE	AUDIT & RISK COMMITTEE
Mr. Peter Muchiri	Ms. Augusta Muthigani	Dr. Saida Ali Aden
Mr. Ng'ang'a Waithaka	Dr. Peter Kinyua	Ng'ang'a Waithaka
Ms. Elizabeth Obade	Mr. Patrick Gichia Njau	Mr. Fred Haga
Mr. Fred Haga	Ms. Elizabeth Obade	Bevaline Nyantika (In Attendance)
Dr. Norman Kiogora	Dr. Norman Kiogora	

During quarter 3 & 4 the committee was constituted as below



FINANCE AND GENERAL-PURPOSE COMMITTEE	ACADEMIC AND RESEARCH COMMITTEE	AUDIT & RISK COMMITTEE
Mr. Peter Muchiri	Ms. Augusta Muthigani	Dr. Saida Ali Aden
Mr. Ng'ang'a Waithaka	Dr. Peter Kinyua	Dr. Peter Kinyua
Ms. Elizabeth Obade	Mr. Patrick Gichia Njau	Ng'ang'a Waithaka
Mr. Fred Haga	Mr. Fred Haga	Mr. Patrick Gichia Njau
Dr. Norman Kiogora	Ms. Elizabeth Obade	Bevaline Nyantika (In Attendance)
	Dr. Norman Kiogora	

VIII. 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.

IX. COUNCIL REMUNERATION

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



9. MANAGEMENT DISCUSSION AND ANALYSIS

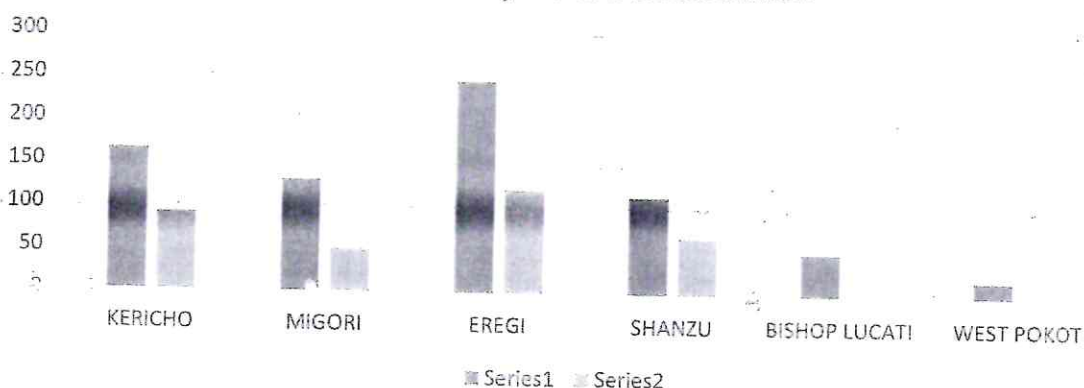
a) Education and Training

The Institute conducted its 31st graduation ceremony on 17th December 2024 and graduated a total of 1,439 graduates in special needs Education comprising 709 teachers with a Diploma in Special Needs Education and 730 holders of certificates in various areas of special needs. Since inception KISE has trained over 35,000 teachers in both Diploma and Certificate in special needs education.

To facilitate equity in service delivery across the country, 2 more centers were opened for distance learning programs for use by students in Isiolo and West Pokot at Bishop Lucati Technical Training Institute and West Pokot Teachers Training college respectively.

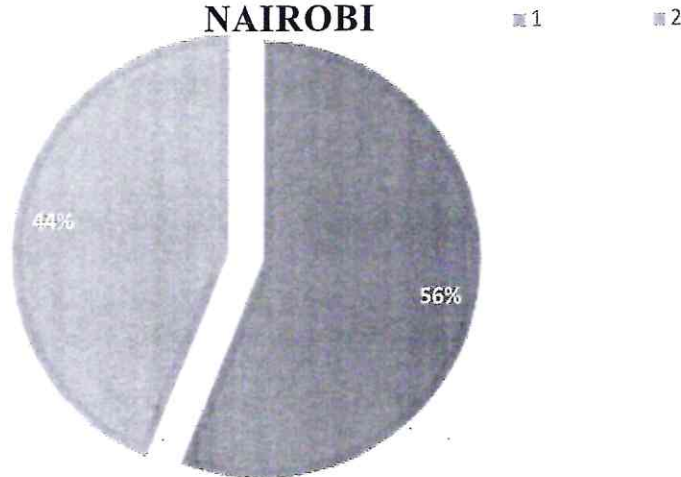
COURSE	MODE OF STUDY	CENTER	Y1	Y2	TOTAL
DIPLOMA	FT & SCHOOL BASED	NAIROBI	920	718	1638
	SCHOOL BASED	KERICHO	165	91	256
		MIGORI	130	50	180
		EREGI	246	121	367
		SHANZU	114	67	181
		BISHOP LUCATI	50		50
		WEST POKOT	20		20
		TOTAL	1645	1047	2672

DIPLOMA; SCHOOL BASED





FT & SCHOOL BASED NAIROBI



Enrolment in Diploma in Special needs in KISE center

CERTIFICATE PROGRAMS

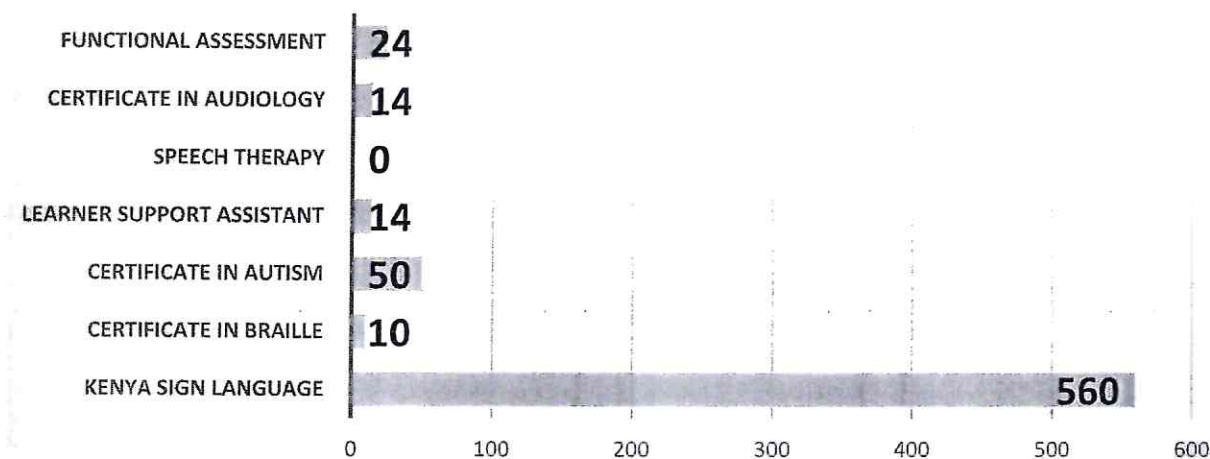
KISE has continued to offer short courses priding itself as the ultimate destination for those desiring to nurture their hands-on skills in Special education e.g. in service officers, community-based support personnel, learner support assistants and fresh from School yearning to join the special needs space in their careers. To promote inclusivity and social integration KISE staff were trained in Advanced Kenyan sign language through evening mode to allow continuity in service delivery. The following is a table and graphical representation of Certificate courses enrolment year to date.

Certificate Enrolment in 2024/2025 FY	
COURSE	2024/2025
Kenya Sign Language	560
Certificate in Braille	10
Certificate in Autism	50
Learner Support Assistant	14
Speech Therapy	10
Certificate in Audiology	14



Functional Assessment	24
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Certificate Enrollment 2024/2025 FY



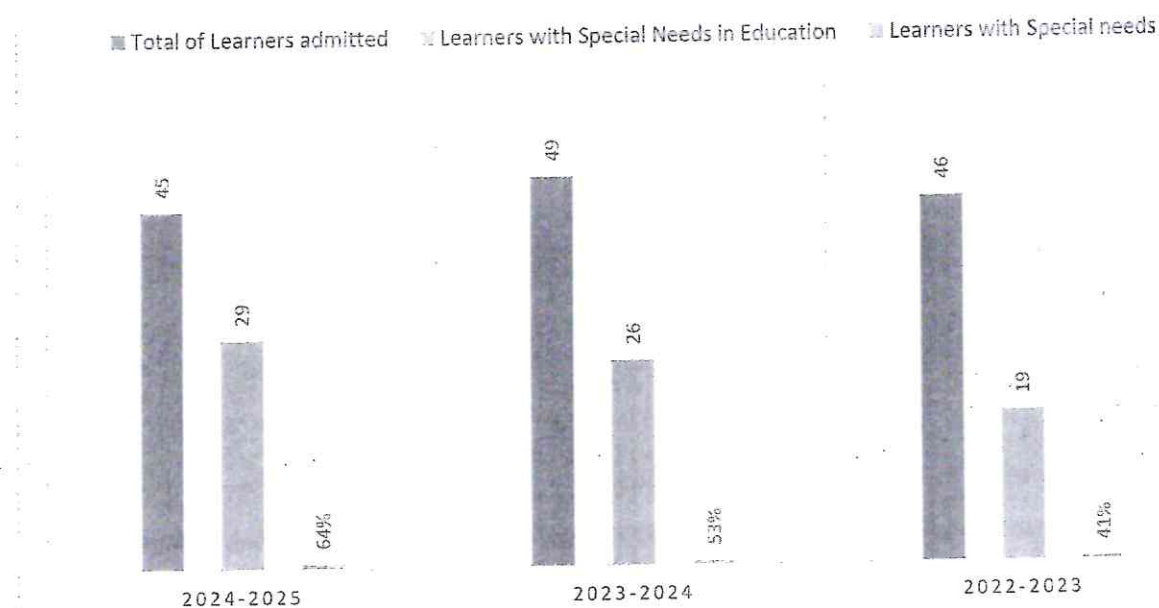
The Institute runs a preschool that is designed to be **inclusive and adaptive**, catering to both children with and without disabilities. This promotes social interaction, acceptance, and tailored learning.

Below are enrolment statistics over the years

Year	Total of Learners admitted	Learners with Special Needs in Education	Learners with Special needs
2024-2025	45	29	64%
2023-2024	49	26	53%
2022-2023	46	19	41%



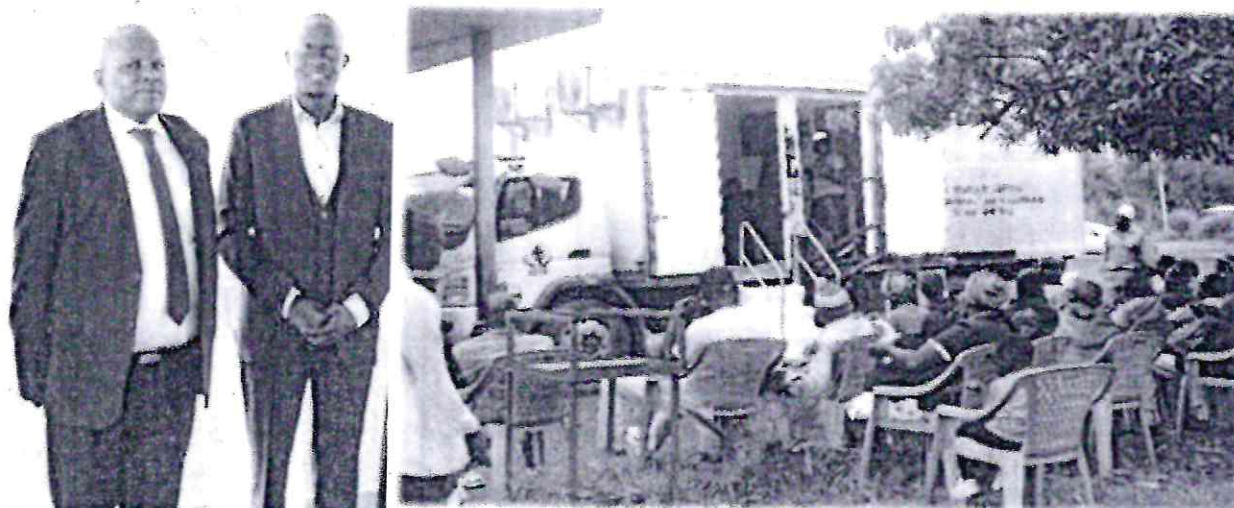
ENROLLEMENT STATISTICS



b) Functional Assessment for learners with Special Needs and Disabilities

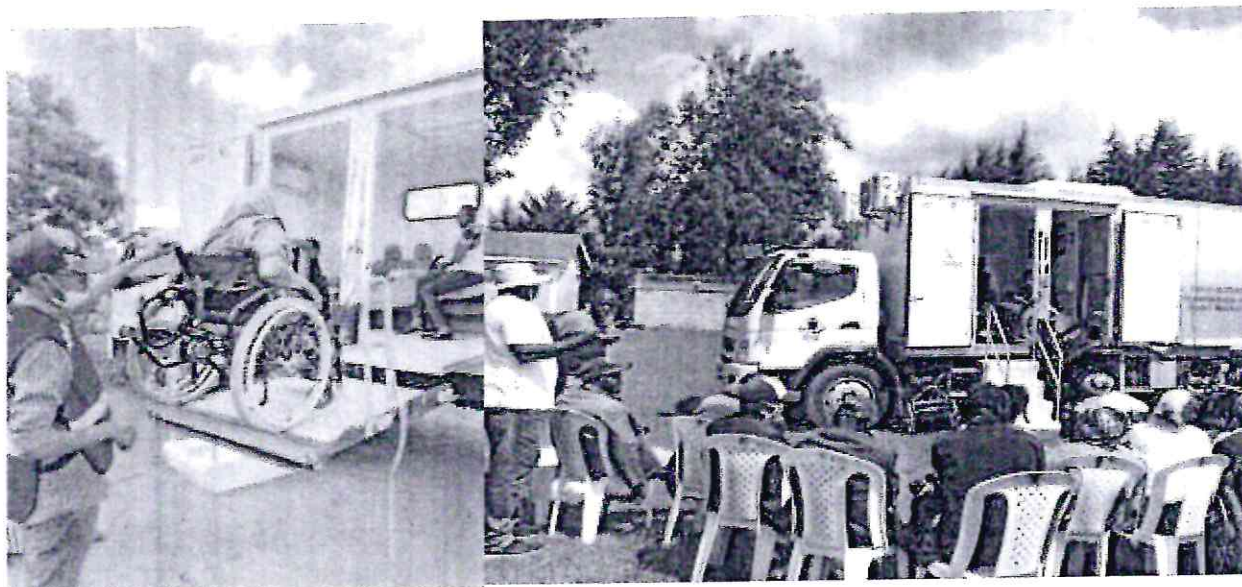
The Functional Assessment Centers at KISE serve as a bridge between diagnosis and support, ensuring that children with special needs are not only identified early but are also given the right tools and environments to thrive. The Institute supports inclusive education by ensuring that no learner is left behind due to unaddressed special needs. At the center early identification of disabilities in children through medical, psychological, educational, and social assessments. Multidisciplinary teams assess children suspected to have learning or developmental challenges to determine the type and extent of disability.

KISE extended its services nationwide by implementing targeted outreach initiatives, providing assessments and support to individuals with special needs in regions such as Laikipia, Kajiado, Nandi, Meru, Kakuma, Garissa, Kakamega, Bungoma, Marsabit, Elgeyo Marakwet, Murang'a, Nyeri, Uasin Gishu, Machakos, and Wajir.



Director KISE, Dr. Norman Kiogora and TSC Commissioner Oyicho discussing Seme Outreach in Kisumu where a total of 1061 persons were assessed.





Functional assessment at Kakamega and Vihiga 654 cases were assessed Launching Western Kakamega Regional EARC



c) Partnership and Linkages

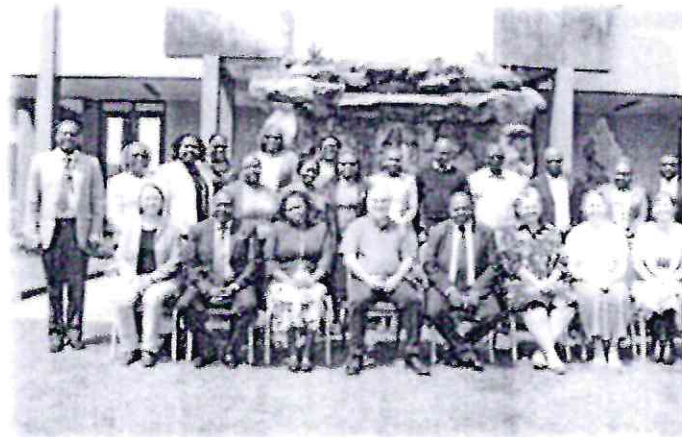
In the period under review, the Department of Partnership and Linkages has continued to play a pivotal role in strengthening relationships, fostering collaborations, and expanding the reach and impact of the Kenya Institute of Special Education (KISE). Through strategic engagements with both local and international partners, the department has successfully implemented numerous



activities and initiatives aimed at promoting inclusive education and enhancing service delivery for learners with special needs and disabilities.

Major milestones and successes include;

- The UNICEF-LEGO Braille Bricks Project, under the Pamjoa Tusome initiative, continues to enhance learning for visually impaired children through inclusive, play-based methods.
- KISE strengthened its partnership with the National Council for Persons with Disabilities (NCPWD) to extend functional assessment, therapy services, and Kenya Sign Language training across several counties, promoting better communication and inclusivity for the Deaf community. The Institute also collaborated with Sightsavers on the ECDE-Inclusive Education Schools 2030 Programme to support disability-inclusive early childhood education by developing tools and best practices.
- To improve stakeholder engagement, KISE held a Parental Engagement Forum focused on parental involvement in special needs education. Additionally, Sense International Kenya partnered with KISE to train teachers and caregivers, Kenyatta University facilitated clinical practicums for Botswana students, and Kenyatta National Hospital hosted a webinar on special needs schooling with KISE as a key presenter.





**Collaboration meeting between UNICEF Kenya, LEGO Foundation, KISE and other
Opening of the KSL Nyeri Training Center in collaboration with NCPWD**



KISE Parental engagement forum

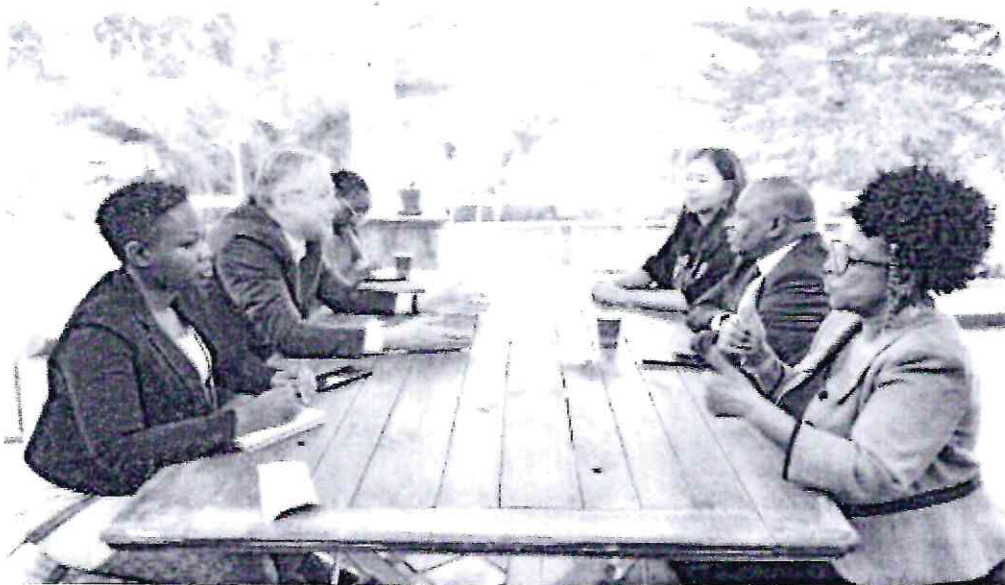




Collaborative meeting between KISE and Sight-savers on the ECDE-Inclusive Education Schools 2030 Program



Roundtable discussions between KISE and UNDP



SECTION F

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



10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

a) Sustainability strategy and profile

The Institute incorporates environmental and sustainability reporting as part of its commitment to responsible Institutional management. This reporting involves documenting the institution's efforts in promoting environmental conservation and sustainable development across its operations and academic programs.

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.

b) Environmental performance

In the year under review KISE participated in activities that positively contributed towards conservation of the ecosystem, which include;

- a) Adopting a paperless office by introducing Electronic Document Management System.
- b) Installation of solar panels as a renewable affordable and clean energy for use in hostel and hotel accommodation wings.
- c) In the year under review, tree growing exercise was harnessed with the employee's individual target of thirty thousand trees in the financial year.
- d) By the end of the financial year 2024-2025, KISE had successfully planted 31,420 tree seedlings, achieving 104.7% of its annual target of 30,000 trees. These trees were registered in the Jaza Miti App as required, reflecting dedication to transparency and impact tracking. Tree planting activities were conducted at the KISE grounds in Kasarani, Migori, Kenya Forest Service, and across a wide range of Institutions, including schools, churches, colleges, and universities. These sites included Mwiki Secondary School, Babadogo Primary, Racecourse Primary, Roysambu Primary, Kamiti Primary, Consolata Primary, St. Philips Girls Secondary in Gilgil, Queens of Apostle Catholic, West Pokot College, Migori Teachers' Training College, Lukenya University in Makueni, and the Catholic University of Eastern Africa in Karen.

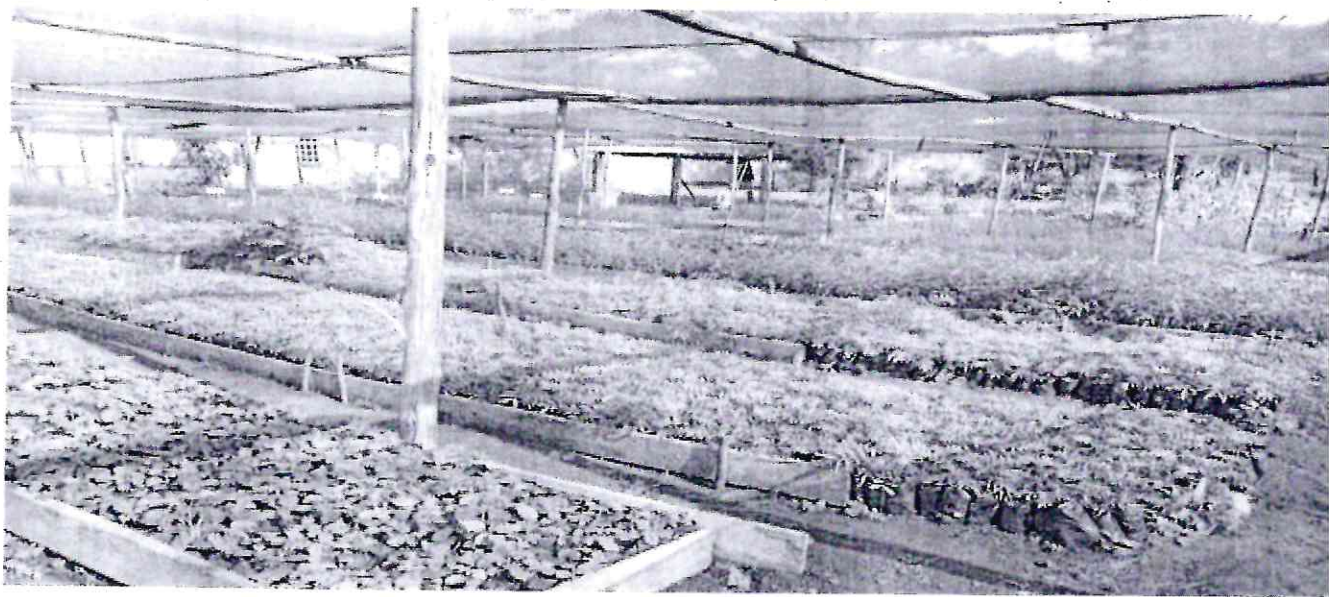


KISE engages in various environmental protection efforts such as tree planting, waste management, energy conservation, and water-use efficiency within its campus. These initiatives aim to reduce the Institution's ecological footprint.

Water Storage

KISE installed a reverse-osmosis purification plant (1,000 L/hr capacity) with stainless-steel storage, taps, and bottling systems. These supplies are used in the institute at the ARC hotel, conference halls, and local community.

Tree Planting Activities



KISE nursery bed





c) Employee Welfare

The Staff Report for 2024-2025 shows that the Institute had 277 staff; 60 teaching staff, and 217 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 128 and Female 149. Senior management comprises; 4 males and 6 females. 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.

During the period under review, KISE continued to invest in staff capacity building through targeted training and professional development programs. Staff received training in key areas such as Customer Service Excellence, Change Management, and Productivity Mainstreaming, all aimed at improving institutional efficiency and service delivery.

We also prioritized Continuous Professional Development (CPD) across departments, including Supply Chain Management, Finance, Human Resource Management, Research and Administration, ensuring staff remain aligned with evolving public service standards and compliance requirements. Additionally, functional assessment staff were trained in **Ear Mould Fabrication and Fitting**, a critical area that supports learners with hearing impairments by enabling accurate and effective hearing aid support services.

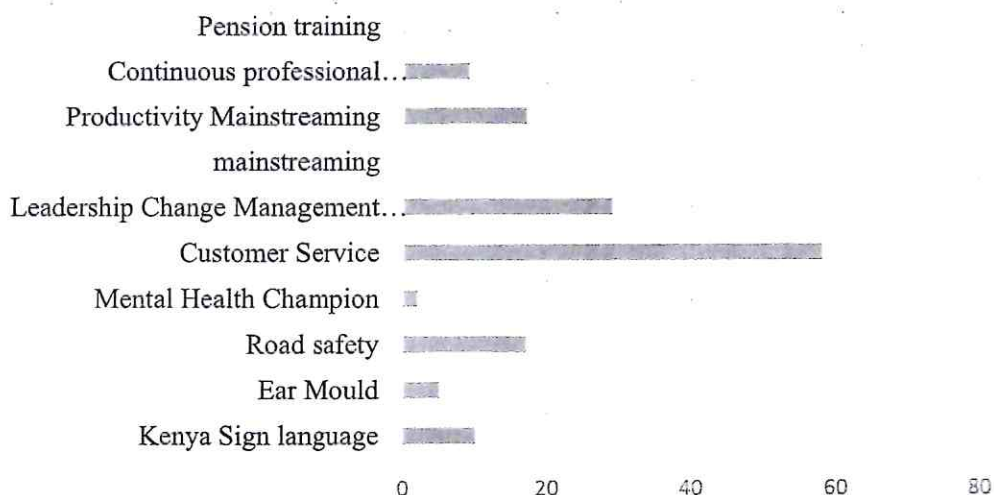
The table below indicates the training undertaken and the number of staffs trained;

S/ N	TRAINING UNDERTAKEN	No. TRAINED
1.	Kenya Sign language	150
2.	Ear Mould	5
3.	Road safety	17
4.	Mental Health Issues	8
5.	Customer Service	58
6.	Productivity mainstreaming	29



7.	Leadership and change management	17
8.	Complain Management and access to Information	10
9.	ISO	50
10	HR Manual	277
11	Continuous professional development training program (CPD)	9
12	Resource mobilization and project management	10
13	Pension training	217

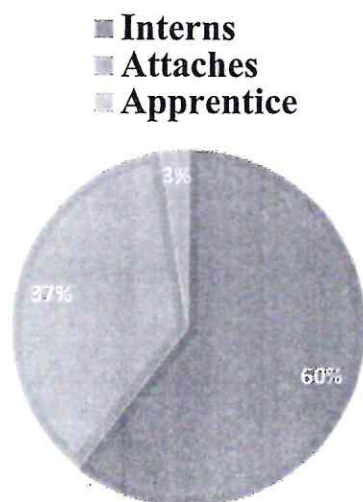
TRAINING UNDERTAKEN



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 23 interns and attaches.

S/No.	PROGRAMME	No.
1.	Interns	12
2.	Attaches	8
3.	Apprentice	3



During the year, KISE prioritized 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 organized

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 benefits to her staff as follows:

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

d) Operational practices

The Institute has embraced the following operational practices from time to time.

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 endeavored to have relevant information shared with its suppliers and service providers.



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 of the Institute.

Responsible marketing and advertisement

During the year under review, the Institute ensured that marketing and advertising information that was shared with clients was in the format accessible to all including Persons with Disability. The Institute also assisted in translation of important information to our clients to foster communication not to mention making an extra shilling through this endeavor.

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 outreach services at the county level and having distance learning centers in various parts of the country.

e) Community Engagements

In the 2024/2025 financial year, KISE demonstrated its commitment to Corporate Social Responsibility (CSR) through various initiatives aimed at promoting inclusive education and supporting individuals with disabilities. Below are some of the key CSR activities undertaken by KISE during this period:

Painting of road bumps along KISE road

Besides other mandates the Institute ensures safety and ease of accessibility of its facilities, where bumps along KISE road were painted and motor bike riders provided with reflector jackets.

Donation to Children Home and Nyumba ya wazee

In FY 2024/2025 KISE organized a community outreach activity at Havilla Children's Home in Mwiki, Kasarani, and Nyumba ya Wazee at Ruaraka where they donated foodstuffs and toiletries to the home.



Charity work at Havilla Children's Home in Mwiki, Kasarani



A visit to Nyumba ya Wazee, Ruaraka



11. (A) REPORT OF THE BOARD OF DIRECTORS

The Council submits its report together with the audited financial statements for the year ended June 30, 2025 which disclose the state of affairs of the 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, 2025 are set out on page 1 to 8 of the Institute's financial statements. The report indicates a decline in total revenue by 282million attributed to reduced exchequer funding in the year. The Institute however net assets grew by 99.9million owing to continued investment in the on-going projects and acquisition of two vehicles into our fleet.

iii) Council Members

The members who served in the Institute Council during the year under review were appointed for a 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 12.9 million before tax as compared to 8.6 million the previous year.

iv) Auditors

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

By Order of the Board

.....
Dr. Norman Kiogora

Council Secretary/Secretary to the Council



(B) STATEMENT OF COUNCIL MEMBERS RESPONSIBILITIES

SECTION 81 (1) of 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. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The KISE Council governing the Institute is responsible for the preparation of the Institute's financial statements which give a true and fair view of the position of the Institute at the end of financial year period ended June 30, 2025 and the operating results of the Institute for that period.

The Members are responsibility includes:

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, 2025. 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 accounting estimates that are reasonable in the circumstances.

The Council Members accept responsibility for the Institute's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Council Members are of the opinion that the Institute's financial statements give a true and fair view of the state of the Institute's transactions during the financial year ended June 30, 2025, and of the Institute's

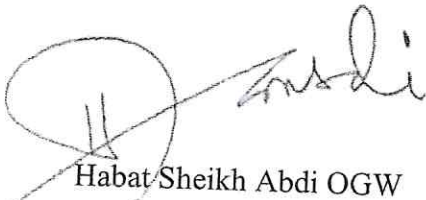


financial position as at that date. The Members further confirm the completeness of the accounting records maintained for the Institute, which have been relied upon in the preparation of the Institute's financial statements as well as the adequacy of the systems of internal control. Further, members confirm that the Institute's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

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 July 27, 2025 and signed on its behalf by:



Habat Sheikh Abdi OGW
Chairperson of the Council



Dr. Norman Kiogora
Accounting Officer

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KENYA INSTITUTE OF SPECIAL EDUCATION FOR THE YEAR ENDED 30 JUNE, 2025

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; and,
- 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 is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities 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, 2025 and the statement of financial performance, statement of changes in

Report of the Auditor-General on Kenya Institute of Special Education for the year ended 30 June, 2025

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, 2025 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.

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, an issue was raised under the Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management had not resolved the issues or given any explanation for failure to implement the recommendations as at 30 June, 2025.

Other Information

Conclusion

The Management is responsible for the Other Information set out on pages iv to xlviii 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, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and

the Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

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

Long Outstanding Accounts Receivable from Exchange Transactions

The statement of financial position reflects a balance of Kshs.19,698,942 in respect of accounts receivable from exchange transactions, after provisions for bad and doubtful debts balance of Kshs.106,525,595 as disclosed in Note 20 to the financial statements. Review of the ageing analysis at Folio 20(a) revealed a receivables balance of Kshs.67,403,302 which had been outstanding for over three (3) years. Included in Kshs.67,403,302 is student debtors balance of Kshs.46,705,877 which had remained outstanding for over five (5) years. It was not clear what measures the Management has put in place to ensure full recovery of these receivables.

In the circumstances, recoverability of long-outstanding receivables from exchange transactions balance of Kshs.67,403,302 could not be confirmed.

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

Basis for Conclusion

Under Staffing of the Institute

The statement of financial performance reflects an amount of Kshs.191,061,190 in respect of staff expenses as disclosed in Note 11 to the financial statements. Review of human resource records revealed an in post of two hundred and nineteen (219) employees, comprising one hundred and sixteen (116) permanent and pensionable employees and one hundred and three (103) employees on short-term contracts against authorized establishment of six hundred and thirty (630), resulting to understaffing of four hundred and eleven (411). Further, the teaching department also had an acute shortage of lecturers with only fifty-eight (58) lecturers against approved capacity of eighty-two (82) lecturers, resulting to a shortfall of twenty-four (24) lecturers.

In the circumstances, the understaffing may adversely affect the delivery of services by the Institute.

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 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

13 October, 2025

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2025.

13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30, JUN 2025

	Note	2025 Kshs	2024 Kshs
<u>Revenue from non-exchange transactions</u>			
Donations and Other Grants	5	18,902,067	2,190,090
GOK-Recurrent Grants	6	552,903,013	851,563,620
Total Revenue from Non-Exchange Transactions		571,805,080	853,753,710
<u>Revenue from Exchange Transactions</u>			
Fees and Student Contribution	7	100,024,125	72,134,651
Hire of Facilities and Services	8	27,555,784	21,389,225
Other Incomes	9	20,479,132	5,025,969
Sale of Learning Materials	10	1,635,382	1,194,656
Total Revenue from Exchange Transactions		149,694,424	99,744,500
Total Revenue		721,499,504	953,498,210
<u>Expenses</u>			
Staff Expenses	11	191,061,190	174,857,957
Operations and Maintenance	12	376,352,780	640,448,584
KISE Council Expenses	13	19,786,967	12,378,539
Donations and Other Grant Expenses	14	14,390,450	2,190,090
Audit Fees	15	650,000	650,000
Provision for Depreciation	16	99,078,135	103,019,642
Provision for Bad & Doubtful Debts	17	7,198,486	11,324,364
Total Expenses		708,518,008	944,869,176
Surplus for the Period		12,981,497	8,629,035
Corporation Tax applicable	18	7,427,387	5,203,172
Surplus after Tax		5,554,110	3,425,861

The notes set out on pages 9 to 31 form an integral part of these Financial Statements

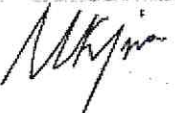
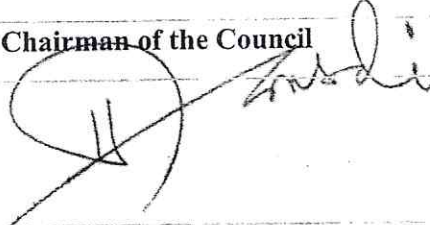
Director**Name:** Dr. Norman Kiogora**Date:**21/07/2025.....**Head of Finance****Name:** CPA Charles M. Mburu**ICPAK Member Number:** 7883**Date:**21/07/2025.....**Chairman of the Council****Name:** Habat Sheikh Abdi OCW**Date:**21/07/2025.....



14. STATEMENT OF FINANCIAL POSITION AS AT 30, JUNE 2025

Assets	Note	2025 Kshs	2024 Kshs
Current assets			
Cash and cash Equivalents	19	303,940,975	440,062,302
Receivables from Exchange Transactions	20	19,698,942	69,101,769
Receivables from Non-Exchange Transactions	21	46,075,250	
Receivable Deposits	22	1,800,000	2,092,418
Total Current assets		371,515,167	511,256,488
Non-current assets			
Property Plant and Equipment	23(a)	4,466,916,090	4,221,890,033
Investment Property	23(b)	34,941,811	35,654,909
Intangible Assets	23(c)	34,682,377	39,326,971
Total Non-current assets		4,536,540,278	4,296,871,913
Total assets		4,908,055,446	4,808,128,401
Liabilities			
Current liabilities			
Trade & Other Payables from Exchange Transactions	24	22,377,838	20,732,183
Deferred Tax Liability	18	5,000,486	2,093,455
Deferred Income	25	1,570,000	15,058,385
Refundable Deposits from Customers	26	95,091,487	141,737,854
Prepaid Fees and Other Charges	27	3,292,120	3,337,120
Total liabilities		127,331,931	182,958,996
Net Assets			
Reserves			
Revenue Reserves	28	156,474,404	150,920,294
Revaluation reserves	29	2,068,963,405	2,068,963,405
Capital Reserves	30	2,555,285,706	2,405,285,706
Total Capital Reserves & Surplus		4,780,723,515	4,625,169,405
Total net assets and liabilities		4,908,055,446	4,808,128,401

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

Director	Head of Finance	Chairman of the Council
		
Name: Dr. Norman Kiogora	Name: CPA Charles M. Mburu	Name: Habat Sheikh Abdi OGW
Date:21/07/2025.....	ICPAK Member Number:7883	Date:21/07/2025.....
	Date:21/07/2025.....	

15. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2025

	Notes	2025 Kshs	2024 Kshs
<u>Cash flows from operating activities</u>			
<u>Receipts</u>			
Donations and Other Grants	5	18,902,068	2,190,090
GOK-Recurrent Grants	6(b)	506,827,763	864,459,724
Fees and Student Contribution	7(b)	124,442,058	74,957,850
Hire of Facilities and Services	8(b)	36,379,412	14,466,784
Other Incomes	9(b)	29,608,760	(371,798)
Sale of Learning Materials	10	1,635,382	1,194,656
Total Receipts		717,795,443	956,897,307
<u>Payments</u>			
Staff Expenses	11(b)	(190,980,620)	(174,783,965)
Operations and Maintenance	12(b)	(374,707,127)	(273,535,208)
KISE Council Expenses	13	(19,786,967)	(12,378,539)
Donations and Other Grant Expenses	14	(14,390,450)	(2,190,090)
Audit Fees	15	(650,000)	(650,000)
Corporation Tax applicable	18	(4,520,356)	(5,641,977)
Total Payments		(605,035,520)	(469,179,778)
Net cash flows from operating activities		112,759,923	487,717,528
<u>Cashflow from Investing Activities</u>			
Receivable Deposits	22	-	200,000
Property Plant and Equipment	23	(334,720,499)	(415,929,897)
Investment Property		-	-
Intangible Assets	23(c)	(4,026,000)	(43,086,222)
Change in Deferred Income	25(b)	(13,488,385)	11,680,906
Refundable Deposits from Customers	26(b)	(46,646,366)	(28,561,125)
Net cash flows used in investing activities		(398,881,250)	(475,696,338)
<u>Cash flows from financing activities</u>			
Development Grant received	30	150,000,000	155,000,000
Receivables from Non-Exchange Transactions	21(b)	-	75,000,000
Net cash flows used in financing activities		150,000,000	230,000,000
Net Increase/(decrease) in cash and cash equivalents		(136,121,327)	242,021,190
Cash and cash equivalents at period Start		440,062,302	198,041,111
Cash and cash equivalents at Period end		303,940,975	440,062,302



Director	Head of Finance	Chairman of the Council
		
Name: Dr. Norman Klogora	Name: CPA Charles M. Mburu	Name: Habat Sheikh Abdi OGW
Date:21/07/2025.....	ICPAK Member Number: 7883	Date:21/07/2025.....
	Date:21/07/2025.....	

16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2025

	Note	Revenue	Capital/ Dev.	Revaluation	Total
		Reserves	Grants/Fund	Reserves	
		Kshs	Kshs	Kshs	Kshs
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		-	350,299,114	-	350,299,114
Development Fund		-	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
Balance at July, 01 2024		150,920,294	2,405,285,706	2,068,963,405	4,625,169,405
Development Fund	30	-	150,000,000	-	150,000,000
Surplus for the year		5,554,110	-	-	5,554,110
Balance at June, 30 2025		156,474,404	2,555,285,706	2,068,963,405	4,780,723,515



17. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS FOR YEAR ENDED 30TH JUNE 2025

Description	Original budget	Adjustments	Final budget	Actual Cumulative to date	Performance difference	%age
	2024-2025	2024-2025	2024-2025	2024-2025	2024-2025	
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
DONATIONS AND OTHER GRANTS	1,000,000		1,000,000	18,902,067	17,902,067	100%
GOK-Recurrent Grants	552,903,013		552,903,013	552,903,013	-	100%
GOK Development Grant	-	150,000,000	150,000,000	150,000,000	-	100%
FEES AND STUDENT CONTRIBUTION	118,069,000		118,069,000	100,024,125	- 18,044,875	85%
HIRE OF FACILITIES AND SERVICES	10,200,700		10,200,700	27,555,784	17,355,084	270%
OTHER INCOMES	19,730,250		19,730,250	20,479,132	748,882	100%
SALE OF LEARNING MATERIALS	1,000,050		1,000,050	1,635,382	635,332	164%
Total income	702,903,013	150,000,000	852,903,013	871,499,504	18,596,491	
Expenses						
GOK Development Grant	-		150,000,000	150,000,000	-	0%
Basic Salary - Permanent Employees	87,133,000		87,133,000	86,741,947	391,053	100%
Employer contribution to Health Schemes	14,690,000	2,000,000	16,690,000	16,502,278	187,722	99%
Employer contribution to Pensions Schemes	23,827,512		23,827,512	22,217,069	1,610,443	93%
Outsourced and Contractual Services	17,666,848		17,666,848	16,300,053	1,366,795	92%
Personal Emoluments (Part of Salary)	49,498,314		49,498,314	49,299,842	198,472	100%
Office and General Supplies and Services	10,060,000		10,060,000	9,871,019	188,981	98%
Communication Supplies and Services	23,182,271	- 10,000,000	13,182,271	10,873,598	2,308,673	82%
Wellness Expenses	1,000,000	-	1,000,000	239,319	760,681	24%
Traveling & Accommodation: - Local Travel	12,815,000		12,815,000	12,230,719	584,281	95%
Fuel, Oil & Lubricants	10,218,000	500,000	10,718,000	9,833,684	884,316	92%
Hospitality supplies and Services	578,000		578,000	522,856	55,144	90%
Other Operating Expenses	51,792,000	- 22,300,000	29,492,000	29,127,978	364,022	99%
Printing, advertising and information supplies and	13,804,000		13,804,000	3,993,018	9,810,982	29%
Routine Maintenance - Other Assets	136,885,000	6,194,432	143,079,432	105,427,009	37,652,423	74%



Kenya Institute of Special Education Annual Report and Financial Statements for the year ended June 30, 2025.

Routine Maintenance - Vehicles & other Transport E	23,048,000	18,700,000	23,048,000	5,714,640	17,333,360	25%
Specialised Materials and Supplies	32,756,310		51,456,310	32,127,765	19,328,545	62%
Training expenses	127,819,690		127,819,690	118,756,001	9,063,689	93%
Utility Costs: - Electricity	11,787,368		11,787,368	9,383,211	2,404,157	80%
Insurance Expenses	6,025,700		6,025,700	4,299,854	1,725,846	71%
Research	26,666,000		26,666,000	22,384,648	4,281,352	84%
Utility Costs: - Water and Sewerage	2,000,000		2,000,000	1,567,462	432,538	78%
KISE Council Expenses	18,000,000	1,890,568	19,890,568	19,786,967	103,601	99%
Donations and other Grant Expenses	1,000,000		1,000,000	14,390,450		100%
Audit Fees	650,000		650,000	650,000		100%
Provision for Depreciation				99,078,135		
Provision for Bad & Doubtful Debts				7,198,486		
Total	702,903,013		849,888,013	858,518,008		
Surplus				12,981,497		

Notes:

REVENUE

- The income from Donations and other grant - more partners funded community outreach programs.
- Sale of learning materials - Awareness created through sensitization has led to growing demand.

EXPENDITURE

- Wellness Expenses-Institute health Centre accredited to offer services covered by SHA Universal health care.
- Printing, advertising and information supplies - Adoption of paperless office policy and shifting to electronic document management system paid off.
- Routine Maintenance - Other Assets- The Entity slowed down on repairs and maintenance courtesy of austerity budget measures
- Routine Maintenance - Vehicles & other Transport -Institute made significant savings on this expenditure line as the fuel costs on the other hand fluctuated.
- Specialised materials and supplies-Internal control measures in use of food and ration realized efficiency
- Utility costs - Introduction of solar system reduced the billing



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



Notes to the Financial statements Cont'd

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Institute and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realized 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 labor hours incurred to date as a percentage of total estimated labor 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



Notes to the Financial statements Cont'd

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 2024-2025 was approved by the National Assembly in June 2025. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Institute upon receiving the respective approvals in order to conclude the final budget.

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

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

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

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities.



Notes to the Financial statements Cont'd

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

Deferred tax

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

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

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

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



Notes to the Financial statements Cont'd

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.

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



Notes to the Financial statements Cont'd

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 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.



Notes to the Financial statements Cont'd

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.

d) 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 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.

e) 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.

f) 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.



Notes to the Financial statements Cont'd

g) Impairment of financial assets

The Institute assesses at each reporting date whether there is objective evidence that a financial asset or an Institute 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.

i) 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.



Notes to the Financial statements Cont'd

j) Inventories

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

- 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.

k) Provisions

Provisions are recognized when the Institute has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Institute expects some or all a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

l) Contingent liabilities

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



Notes to the Financial statements Cont'd

m) Contingent assets

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

n) Nature and purpose of reserves

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

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

The Institute provides retirement benefits for its employees. The Institute provides retirement benefits for its employees under a defined contribution plan which is post-employment benefit plan under which the Institute pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

q) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of 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



Notes to the Financial statements Cont'd

from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

r) Borrowing costs

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

s) Related parties

The Institute regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the Institute, or vice versa. Members of key management are regarded as related parties and comprise the KISE Council, Director, and Senior managers.

t) Service concession arrangements

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

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

u) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.



Notes to the Financial statements Cont'd

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 imprest and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

v) Comparative figures

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

w) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the Period ended June 30, 2025.

4. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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



Notes to the Financial statements Cont'd

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%
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