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 THE NATIONAL ASSEMBLY PADDRE I AID	
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TABLED BY:	Hon. Naomi Wago, M.P.
CLERK-AT-TABLE:	Deputy Majority Whip
OF	Christine Ndirebi

THE AUDITOR-GENERAL

ON

**KENYA INSTITUTE OF SPECIAL
EDUCATION**

**FOR THE YEAR ENDED
30 JUNE, 2022**



KISE

KENYA INSTITUTE OF SPECIAL EDUCATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2022



**Kenya Institute of Special Education
Annual Report and Financial Statements
For the year ended June 30, 2022.**

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1. Key Institute Information and Management

(a) Background information

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

(b) Principal Activities

The principle functions of KISE are;

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

(c) Key Management

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

- Director KISE
- Senior Management

(d) Fiduciary Management

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

No.	Designation	Name
1.	Director	Dr. Kiogora Norman
2.	Deputy Director – Finance & Administration	Margaret Githang'a
3.	Deputy Director – Programmes	Peter Ndichu
4.	Finance Manger	Anthony Mwangi
5.	Senior Corporate Communication Officer	Lucy Muthoni Maina
6.	Senior Human Resource Management Officer	Sarah Adede Ouma
7.	Academic Registrar	Daniel Sanoe
8.	Dean of Students	Christopher Lenguris
9.	Coordinator - Assessment Center	Elizabeth Chege
10.	Research and Innovation Coordinator	Dr. Lynette Kemunto Ong'era
11.	Deputy Academic Registrar - Examinations	Johanna Mweu
12.	Deputy Academic Registrar - Training	Flora Malasi

(e) Fiduciary Oversight Arrangements

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

- a) Finance and General-Purpose Committee
- b) Audit and Risk Committee
- c) Academic and Research Committee
- d) Senior Management

(f) Institute Headquarters

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

(g) Institute Contacts

Telephone: 020- 8007977

Cell : 0734-801 - 860

Website: www.kise.ac.ke

Email: info@kise.ac.ke.

(h) Institute Bankers

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


(i) Independent Auditors

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

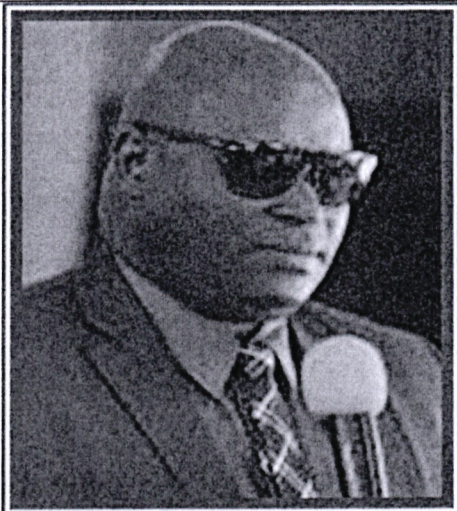
(j) Principal Legal Adviser

Directorate of Legal Services
Ministry of Education
Nairobi, Kenya

2. The KISE Council



Ref	Council	Details
1.	 <p>Dr. John Mugo Chairman, Kise Council</p>	<p>Dr. John Mugo was appointed as KISE Council Chairman in 2018. Born in 1974, John is the Executive Director at Zizi Afrique Foundation, an organization that supports the improvement of learning for children and youth in Africa. Dr. Mugo has established various interventions to measure and develop competences in children and youth, for both foundational literacy and numeracy as well as values and life skills. He has a wealth of leadership and management experience following his service as Director of Data and Voice at Twaweza East Africa, Senior Lecturer and Chairman of the Department of Special Needs Education at Kenyatta University, among other positions. John chairs the KAAD Scholarship Partners' Committee in Kenya and is a member of several other boards, nationally and globally. In his passion for special needs education, he has been instrumental in the development of Learning materials for KISE Distance Learning Programme, as well as supporting the expansion of Assessment, Materials' Production and Research at KISE. Dr. Mugo is widely published and holds a PhD in Special Needs Education from the University Hanover, Germany, a Master's Degree in Special Education from the same university, and a Bachelor of Education (Arts) degree from Kenyatta University.</p>


2.




Fredrick Haga

Mr. Haga is the Alternate to the Principal Secretary, Ministry of Education. He is the Director, Directorate of Special Needs Education, Ministry of Education. At KISE Council, he is a member of the Finance and General Committee. With a career spanning over 22 years, he has worked as a secondary school teacher in various schools prior to working as a curriculum specialist at the Kenya Institute of Education (currently Kenya Institute of Curriculum Development). An ardent disability advocate, he is engaged in leadership of disability rights movements both locally and internationally. Locally he led the formation of Kenya Union of the Blind and the United Disabled Persons of Kenya. He is also a member of the Board of Trustees of the National Development Fund for Persons with Disabilities. Internationally, he was the Executive Director of the African Union of the Blind (AFUB). His key interests include education for learners with disability, evaluation and assessment of functional disability in addition to utilization of assistive technology in education and daily lives of persons with disabilities. Fredrick, holds a Masters Degree in Inclusive Education and Special Education from University of Monash, Australia and a Bachelor of Education Degree from Kenyatta University.

<p>3.</p>	 <p>Ann Kingori</p>	<p>Ms. Kingor'i represents the Teachers Service Commission (TSC) in the KISE Council. She is an Assistant Deputy Director in charge of staffing in the area of Special Needs at TSC. She sits in the Finance and General Committee of the Council. Ms. Kingor'i was a Curriculum Specialist Developer at Kenya Institute of Education (currently Kenya Institute of Curriculum Development) She has a wealth of experience as a teacher having taught at various Secondary Schools. She holds a Bachelor's Degree in Special Needs from Kenyatta University.</p>
<p>4.</p>	 <p>Augusta Muthigani</p>	<p>Ms. Muthigani represents the religious fraternity in the KISE Council. She is the National Executive Secretary, Commission of Education and Religious Studies, Kenya Conference of Catholic Bishops-General Secretariat. In this role she coordinates education activities for over 8000 Catholic Private and sponsored public schools in Kenya. Her significant experience in education policy development, engagement, improving quality access, retention and transition and innovative, evidence-based interventions and research has seen her serve unconditionally, as member of the KISE Council for more than twenty years. She also coordinates and supervises various skills building and values development programmes targeting youth in Kenyan schools. She is also the President of the Board International Catholic Education Association and a member of the National Steering Committee Coordinating</p>

		<p>Curriculum reforms in Kenya. At the KISE Council, she is a member of both the Finance and General Committee, and Audit and Risk Committee. Ms. Muthigani holds a Masters Degree in Religious Education from Catholic University of East Africa and a Bachelor of Education degree from Kenyatta University. She is currently enrolled with the International Leadership University-Nairobi for her Doctorate studies in Education Leadership.</p>
5.	 <p>Elizabeth A. Obade</p>	<p>Ms. Obade represents Kenya National Examination Council (KNEC) in the KISE Council. She is the Ag. Deputy Director, Test Development School Examinations, and a Head of Section, Teacher Education at Kenya National Examination Council (KNEC). She also serves in the Technical Committees for Special Needs Education (TC 180) and Early Childhood Development and Education (TC 181) at the Kenya Bureau of Standards (KEBS). She is a Principal, master trainer in the Curriculum Reforms in Competency Based Curriculum and Assessment. She has coordinated the development of Assessment Tools for learners at Grade 4 and Intermediate levels following the Stage Based Pathway of the education system. Elizabeth spearheaded the Curriculum review process at the Parliamentary Service Commission and made presentations on Competency Based Testing Skills.</p>

		<p>Elizabeth holds a Master of Education (Early Childhood Studies), Bachelor of Education (Early Childhood Studies) from Kenyatta University and a Diploma in Education (Humanities) from Siriba Teachers Training College, Maseno.</p>
6.	 <p>Hellen Mudora</p>	<p>Ms. Mudora is a member of the Audit and Risk Committee of the KISE Council. She is a Program Manager, Partnerships and Networks at Africa Platform for Social Protection. She is also a human rights activist with special interest in women, children and disability rights. Her career has spans over 15 years of service in several Non-governmental Organizations including working as Executive Director of Association of Media Women in Kenya, and as Executive Director of the United Disabled Persons of Kenya (UPDK), the umbrella organization for persons with disabilities in Kenya. Hellen has also worked as a Radio and Television talk-show host and producer at Kenya Broadcasting Corporation. She has vast experience in project management, planning and implementation as well as research and policy advocacy with a strong understanding of human rights and communication in Africa. She holds a Master of Arts degree in Women and Gender studies from San Francisco State University, California, Bachelor of Arts Degree in Anthropology from Moi University, and a postgraduate diploma in Mass Communication from the Kenya Institute of Mass Communication.</p>

7.



Prof. Peter Oracha

Professor Oracha is the Chairperson of the Academic and Research Committee in the KISE Council. He is an Associate Professor of Special Needs Education-Sign Language Option at Maseno University. For the past 20 years he has developed and given lectures in Special Needs Education, Inclusive Education, Deaf Education and Deaf Culture, Bilingualism in deaf education, sign language linguistics, sign language interpretation, and educational Audiology and Assessment. He has held various positions within the education sector. His interest in community welfare has seen him serve as a member of the Synod Committee, ACK Maseno South Diocese and as an external examiner for various universities in Kenya. Peter is widely published in the area of Hearing Impairment and Sign Language and holds a PhD in Special Needs Education from University of Hamburg, Germany.


8.




Grace Ogonda

Grace is a Lecturer of Psychology, University of Nairobi with specialization and a focus on special needs education and counselling psychology. She started her career as a high school Chemistry and Biology Teacher and a national examiner in those subjects before specializing in primary teacher educator. She later pursued postgraduate studies in Britain and Denmark that established her as a special needs education expert with orientation in Physical impairments and learning disabilities. In her teaching career that spans a period of over 35 years, she has not only served at as a senior lecturer

		<p>and chair of the external board of examiner in special needs at KISE, Uganda National Institute of Special Education (UNISE), Makerere University and Kyambogo University but has also been key in Curriculum development for Diploma in Special Needs Education; development of Learning materials for KISE's Distance Learning programme and Functional Assessment tools being utilized By Curriculum Support Officers in Kenya. She has also developed several modules in various courses in psychology used at the University. Grace also served as a Member of the first ever Task Force on special Needs Education that produced the "Kochung Report," edited by her. In addition, Grace has been actively involved in other national activities including the policy reviews that produced the current policy document in special needs education. Her passion for Inclusive Education and quality service to persons with special needs has seen her serve as: the head of the secretariat for the first International conference in inclusive education held in Kenya; a curriculum course panellist in inclusive education, physical disabilities and specific learning difficulties; a member of the publishing committee among other responsibilities. She is currently involved in the on-going curriculum reforms at different levels – from early years to teacher education levels. Her other contributions are serving as a regional Editor of the African Journal of Special Needs Education. She has also been engaged in various researches and</p>
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		<p>publications focusing on special needs education besides offering consultancies in the same. Previously, she has worked as Lecturer at Maseno University, Kenyatta University and the Kenya Institute of Special Education. Grace holds B.Ed Science from the University of Nairobi, a Diploma in Learning Disabilities – Copenhagen, two post graduate degrees in Special Education from University of Manchester and Teacher Education from Kenyatta University. She is Currently pursuing her doctoral studies at the University of Nairobi.</p>
9.	 <p>Grace Ngugi Maina</p>	<p>Ms. Ngugi represents Kenya Institute of Curriculum Development (KICD) and sits in the Academic and Research Committee of the KISE Council. She is the Deputy Director in charge of Special Programmes at KICD, a department that hosts Special Needs Section (SNE). She has 23 years' experience as a curriculum specialist and is a member of the KICD Management. She is a member of several professional bodies and a council member in various national and international institutions. She is an Accredited Counselor Supervisor with Kenya Counselors and Psychologists Association, a Certified Professional Mediator, Psychometrician and a member of the Salzburg Global Seminar Social Emotional Learning Committee (KARANGA) among other committees. She is also an Author, Counselor, Educator/Facilitator in: Life Skills Education, Values Education, Parental</p>

		<p>Empowerment, Child Development, Care and Protection, Career Guidance, Psychometric, Social Emotional Learning, Disaster Risk Reduction Education, HIV and AIDS Prevention and Education, Social Cohesion, Alcohol and Drug Abuse Prevention, and Education in Emergency, among others. She has a wealth of knowledge and experience on matters of education and has facilitated in many educational related engagements/forums nationally and internationally. Ms. Ngugi holds a Master’s degree in Education and a Diploma in Counseling Psychology. She is currently pursuing PhD in Educational Psychology at Kenyatta University.</p>
10.	 <p>Mr. Waithaka Ng'ang'a</p>	<p>Mr. Waithaka Ng’ang’a is Alternate to the Permanent Secretary, National Treasury. He is a member of the Audit and Risk Committee of the KISE Council. As an economist at the National Treasury, Mr Ng’ang’a has vast experience in policy formulation, Sectoral and Strategic Planning, Monitoring & Evaluation, Finance and Budgeting both at the national and county levels. He holds a Master of Development Policy (Public Finance and Social Policy) from KDI School of Public Policy and Management (South Korea), Post Graduate Diploma in Project Management from Jomo Kenyatta University of Science and Technology and Prince Practitioner Certificate in Project Management.</p>



11.

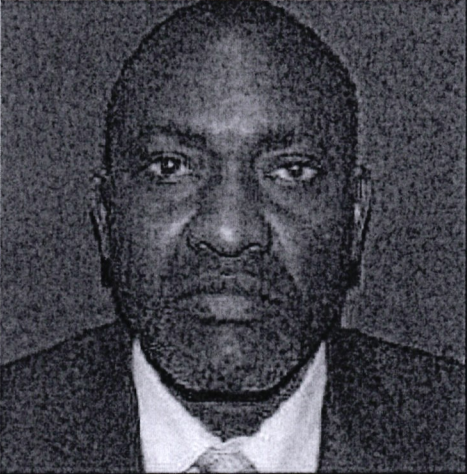





Dr. Norman Kiogora
Secretary to The Council



Dr. Kiogora was appointed Director of Kenya Institute of Special Education in 2020 and serves as the Council Secretary. He began his teaching career in 1993 and has been an Administrator for 17 years. He has served as Chief Principal in various secondary schools. He has also published three journals, two in his area of specialization (Education and Administration) and one in Special Needs Education (Speech and Language Disorders in Children). Throughout his career he has not only served in Administrative roles but also as a key member in curriculum and educational reform programs. He has also participated in programs on integration of ICT in education. Dr. Kiogora also served as the Chairman-Nairobi Principals Association. At community level, he serves as community leader among other social responsibilities. He holds a PhD in Administration from University of Masai Mara and Bachelors of Education and Administration from University of Nairobi.



3. Management Team


	Management	Details
1.	 <p>Dr. Norman Kiogora Director</p>	<p>Dr. Kiogora was appointed the Director of Kenya Institute of Special Education in December 2020 and serves as the Council Secretary. His teaching career spans for a period of 29 years. He holds a PhD in Administration from the University of Masai Mara University and Bachelors of Education and Administration from University of Nairobi.</p>
2.	 <p>Margaret Githang'a Deputy Director-Finance and Administration</p>	<p>Margaret is the Deputy Director -Finance & Administration. She has vast knowledge in organizational standards, administrative processes and regulations in the education sector. This experience spans over 30 years in which she has served as a teacher, a teacher trainer and manager. Her commitment to the transition of learners and persons with visual impairment, led to her appointment as the Lead Coordinator (KENYA) of the NORHED partnership project funded by NORAD (Norwegian Agency for Research and Development). Margaret holds Master of Philosophy in Special Needs Education, from University of Oslo (UiO), Norway and Bachelor of Education degree from Kenyatta University, Nairobi.</p>

<p>3.</p>	 <p>Peter Ndichu Deputy Director-Programmes</p>	<p>Mr Ndichu is the Deputy Director-Programmes with over 34 years of experience in the education sector. He has previously served as a teacher at Thika High School for the Blind, a curriculum specialist for learners with special needs and disabilities at Kenya Institute of Education (current Kenya Institute of Curriculum Development) and Academic Registrar at KISE. In his career advancement, Mr Ndichu has participated in development of teacher training programmes, training materials for in-service training of teachers and consultancies in special needs education. In addition, he has undertaken training in Curriculum Development, Low Vision Assessment and Inclusive Education. Peter holds a Bachelor of Education (Science) from Kenyatta University and an Advanced Diploma in Education of Learners with Special Needs and Disabilities from the Institute of Education-University of London.</p>
<p>4.</p>	 <p>Antony Mwangi Finance Manager</p>	<p>Mr. Mwangi is the Head of Finance, Accounts and Planning. He has over 20 years of progressive experience in finance and accounting having worked in both private and public sectors. He also serves as the co-chair of the Institute Partnership Committee. Mr. Mwangi, a certified public accountant CPA (K), holds a Bachelor degree in International Business Management from Mount Kenya University and is currently pursuing postgraduate studies in Corporate Management at Kenya College of Accountancy.</p>

<p>5.</p>	 <p>Daniel Sanoe Academic Registrar</p>	<p>Daniel is the Academic Registrar at KISE and has over 30 years experience as an educationist. He is vastly experienced in special needs education having started his career as an Education Assessor at Educational Assessment and Resource Center before joining KISE in 1991. An alumnus of KISE, Mr. Sanoe holds a Bachelor of Education degree in Special Needs Education from Kenyatta University and a Diploma in Special Needs Education from KISE.</p>
<p>6.</p>	 <p>Christopher Lenguris Dean of Students</p>	<p>Mr. Lenguris is the Dean of Students and Quality Management Representative. He has over 30 years of teaching service experience across various Educational Institutions including Primary, Educational Assessment and Resource Center and Teacher Training at KISE. He has a wide knowledge and experience in institutional management, assessment of learners with special needs and quality management. He has attended various courses organized by the Ministry of Education, Kenya Education Staff Institute, Kenya School of Government and National Quality Institute. He has represented the Institute in various fora within and outside Kenya. He holds a Bachelor's Degree in Special Education, two Diploma Certificates in Special Education and a Certificate in Primary Teacher Education and he is currently pursuing Postgraduate Studies in Research and Evaluation.</p>

<p>7.</p>	 <p>Dr. Lynette Kemunto Ong'era Research & Innovation Coordinator</p>	<p>Dr. Ong'era has been the Research & Innovation Coordinator since 2021. She has over 26 years of experience in teacher training in Special Needs Education. She has authored, co-authored and edited several training modules for training Diploma in Special Needs Education through distance learning. She has also published articles on Emotional and Behavioral Difficulties in a refereed journal. She holds a PhD in Education - Special Needs Education from Kenyatta University, a Master's degree in Professional Studies- Emotional and Behaviour Difficulties from the University of Birmingham, UK, a BA degree in Economics and Education from the University of Lucknow, India and a post graduate Diploma in Mental Retardation from the National Institute for the Mentally Handicapped- Secunderabad, India</p>
<p>8.</p>	 <p>Flora Malasi Deputy Academic Registrar- Training</p>	<p>Flora is the Deputy Academic Registrar in charge of training. She has over 28 years of experience in training special needs education and she is currently collaborating with Jyvaskyla University and Niilo-Maki Institute in Finland on classroom research on eTALE Africa project which targets teacher professional development. She is also a member of the national technical team, TUSOME on early grade reading literacy programme of the Ministry of Education (MoE). Ms. Malasi trained as a primary school teacher and holds MSc in Autism Spectrum Disorders – Queens University Belfast, B.Ed. (Special Needs) Kenyatta University, Diploma in</p>

		<p>Special Needs Education, and Diploma in Learning Disabilities- Niilo Maki Institute, Finland. She is currently undertaking a PhD in Special Needs Education at Maseno University.</p>
<p>9.</p>	 <p>Johannah Mweu Deputy Academic Registrar- Examinations</p>	<p>Mr. Mweu is the Deputy Academic Registrar Examinations. He is an adviser for special needs in education advocacy efforts at the National Assessment Systems for Monitoring Learner Achievement (NASMLA) programme at Kenya National Examination Council (KNEC). Mweu’s educational and administration experience spans over 30 years teaching in regular primary schools, teacher training, curriculum development, research, examination, and management. He holds a Bachelors of Education from Kenyatta University, a Diploma in Special Education from KISE and PTE Certificate from Machakos Teachers College.</p>
<p>10.</p>	 <p>Elizabeth Chege Coordinator-Assessment Center</p>	<p>Ms. Chege is the Coordinator KISE National Assessment and Rehabilitation Center. She has over 31 years’ experience. She is a trained Counselor and has in the past served as Nakuru County EARC Coordinator and Curriculum Support Officer. She worked as a Consultant with the County Government of Nakuru on Special Needs Education and Disabilities, contributed in Curriculum development with KICD, TUSOME and CBC. She has experience working and supporting children, and youths with visual and neural developmental disabilities in vocational centers in Austria and South Africa. Trained in Facilitation of</p>

		<p>Hearing Impairment and Audiology from University of South Africa, Unisa. She is a Certified Professional Mediator (CFA). Elizabeth holds a Masters Degree in Education, Planning Management and Administration from Mount Kenya University, AND BEd from Moi University and Diploma in Special Needs Education from KISE.</p>
<p>11.</p>	 <p>Sarah Adede Ouma Senior Human Resource Mgt Officer</p>	<p>Ms. Ouma is a member of the Institute of Human Resource Management and the Senior Human Resource Management Officer at KISE. She has extensive experience in Performance Management, managing people and fostering workplace relationships. As a Deputy Quality Management Representative, Sarah has been involved in implementation of ISO 9001:2015 that KISE cultivates an effective organizational culture that embraces procedures and prudent risk management. Besides working in the education sector, she has also worked as an Administrative executive in the manufacturing sector, non-governmental organization and a multinational Company. Sarah is a trained counselor and holds a Bachelor of Arts degree in Human Resource Management from Kenyatta University. She is an alumni of Technical University of Mombasa and Kenya Institute of Management. Sarah is currently pursuing postgraduate studies in Human Resource Management at Jomo Kenyatta University.</p>

<p>12.</p>	 <p>Lucy Muthoni Maina Senior Corporate Communication Officer</p>	<p>Ms. Maina is a Member of Public Relations Society of Kenya (PRSK) and a Certified Trustee who serves as the Senior Corporate Communication Officer at KISE. Lucy has a span of over 16 years' experience in administration. She is a member of Board of Management for various schools and serves as Community Health Volunteer where she is the Chair for Quality Management Team of Murera Ward. Lucy is also a Quality Management System ISO 9001:2015 Lead Auditor and a trained Counselor.</p>
<p>13.</p>	 <p>Nicholas Ayiesa Internal Auditor</p>	<p>Mr. Ayiesa is the Internal Auditor with extensive training in Enterprise Risk Management and Information System Management Security. Nicholas holds CPA part Two, Masters of Business Administration (Finance Option) from United States International University-Africa, a Bachelor of Commerce degree (Finance option) from KCA University and a Diploma in Accountancy from Technical University of Kenya.</p>

4. Chairman's Statement

On behalf of the Council of Kenya Institute of Special Education, I am honoured to present the Annual Report and Financial Statements for the financial year ended June 30, 2022. During the year under review, KISE continued to execute its functions in the areas of training, research, assessment of children with special needs and disabilities, modelling inclusive education and rehabilitation and habilitation of persons with disabilities. In order to fulfil the mandate of the Institute, the council oversaw the implementation of the Strategic Plan (2018-2023), Performance contract, Council Charter and Workplan for the year. The council also approved for implementation the following policies; the Disability Mainstreaming Policy, Records Management, Consultancy Policy, ICT Policy, Rewards and Sanctions Policy.

The Council acknowledges the threats posed by uncertainty surrounding Institute's strategic objectives. In order to manage the risk, the council has ensured compliance with statutory obligations, increased reputation through increased visibility and planning and provision of relevant technical equipment for quality service provision in all areas of operation including the materials production workshop. During the year, expanded facilities and service points required a commensurate addition of staff. This was realized through offering attachments and internships to youth with requisite skills. As a measure for continued improvement, the council committed to partnering with like-minded individuals and institutions in the field of Special Needs Education and Disability. Going forward, the council will refocus on areas of mandate that have not been fully exploited with a view to fulfilling the aspirations of Kenyans and the global community.

I would like to thank the Council members, management and staff for their commitment in undertaking duties and responsibilities assigned both at the individual and at the institute level.



Dr. John Mugo, Ph.D
KISE Council Chairman

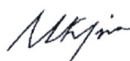
5. Report of the Director

The 2021/2022 period has been a year of immense success for the Institute in its areas of mandate. Against the backdrop of the Covid-19 pandemic, we have continued to affirm our position as the Institute of choice on matters Special Needs Education and Disability.

During the Period under review, Assessment staff undertook outreach activities in the counties of Isiolo, Laikipia, Nakuru, Mombasa and Kilifi in which 1,913 children with special needs and disabilities were assessed. We are aware that we need to do more at a greater pace to reach out to more children for enhanced inclusion. The Institute also acquired additional Assessment equipment in all areas of assessment and rehabilitation to enhance service delivery. Further, service provision in the National Assessment centre was extended to serve youth and adults with Special Needs and disabilities.

We have continued to develop research collaboration with key partners including the University of Oslo which has offered technical support in the development and piloting of tools in the area of Gifted and Talented. The team also piloted a Learning Disabilities tool in readiness for release to the country. To enhance engagement with the public and other stakeholders, the institute established a partnership committee to deliver strategic partnerships in areas of institute mandate. The Institute was engaged in the adaptation of voter education materials by IEBC, Therapists Beyond Borders trained staff in Mental Health while Commonwealth of Learning initiated an international online course on Inclusive Teaching and Learning.

The Institute held a National Educational Assessment and Resource Centres conference. One of the key areas of focus in the new year is the production of adapted learning materials and assistive devices. A large number of these devices are not easily available in the open market, which makes accessibility by learners with disabilities limited. In the new year, we shall enhance production of adapted learning materials, assistive devices and adapted technologies for learners with special needs across the country. This will reduce both the cost and time taken in acquisition of these devices. We would like to assure all that KISE staff, management and council is committed to the delivery of quality services to facilitate realization of an inclusive society.



Dr. Norman Kiogora
Director

6. Statement of Performance against Predetermined Objectives for FY 2021/22

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar/ theme/ issue 1:				
Pillar/ theme/ issue 1:				

(Under this section therefore, the management should include performance against the strategic objectives of the organisation. The management should outline the strategic Pillars, activities towards their achievement and outputs under each strategic pillar. The organisation should also briefly outline how they have tied achievements to performance contracts)

7. Corporate Governance Statement

The Institute's strategic goal is to improve access to quality Inclusive and special needs education and related services. In order to achieve its strategic objective, the institute is led by a Council, composed of diverse and qualified members capable of exercising objective and independent judgement. The Council is autonomous and is authorised to provide strategic direction whilst exercising fiducial controls and being accountable to all stakeholders. The Council operates on a framework that involves engagement with stakeholders and Partners, compliance to legal framework, implementation of policies and procedures and delegated power of council committees.



The Institute is guided by the following legal framework:

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

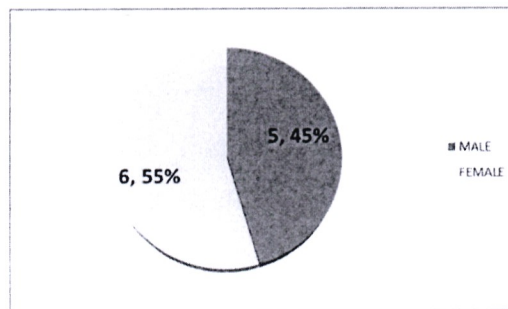
The national legal and policy documents that uphold the rights of persons with disabilities include; Basic Education Act (2013), The Persons with Disabilities Act (2003), Employment Act (2007), Sector policy for learners and trainees with disabilities (2018), Public Finance Management Act (2012), Public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

Council Diversity

The Council comprises of members with diverse skills including Special Education Specialists, Education Managers, Economists, Persons with Disabilities and Religious Leader Council Meetings attendances report held in the year under review.

Gender Disaggregation

Out of the 11 Council Members 6 are female while the male are 5.



Disability Disaggregation

Out of the 11 Council Members 2 have a disability. One is visually impaired while the other has a Physical Disability. This means that only 18.2% have disability.

Council Meetings

The KISE Council meets quarterly and as business may dictate, in accordance with the requirements of the Ministry of Education. The Council's calendar is prepared at the beginning of every financial year. The Director/ Secretary to the Council gives adequate notice for all meetings and the agenda for each meeting is circulated within the stipulated timelines.

**Kenya Institute of Special Education
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for the year ended June 30, 2022.**

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

	Name of Council Member	Date of Appointment	No. of Eligible Meetings	No. of Meetings Attended	Overall % Attended
1	Dr. John Mugo	21 st May, 2018	5	5	100%
2	Mr. Fred Haga	21 st May, 2018	5	5	100%
3	Ms. Grace Ogonda	21 st May, 2018	5	5	100%
4	Prof. Peter Oracha	21 st May, 2018	5	5	100%
5	Ms. Augusta Muthigani	21 st May, 2018	5	5	100%
6	Dr. Norman Kiogora	1 st January 2021	5	5	100%
7	Ms. Beldine Omolo	21 st May, 2018 <i>(Exited April 2022)</i>	3	2	67%
8	Mr. Ng'anga Waithaka	May 2022	2	2	100%
9	Ms. Grace N. Maina	21 st May, 2018	5	5	100%
10	Mr. A. Wamugunda	21 st May, 2018	5	4	90%
11	Ms. Elizabeth Obade	21 st May, 2018	5	4	90%
12	Ms. Hellen Mudora	21 st May, 2018	5	4	90%

Council Committees

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

FINANCE AND GENERAL-PURPOSE COMMITTEE	ACADEMIC AND RESEARCH COMMITTEE	AUDIT & RISK COMMITTEE
Ms. Grace Ogonda	Prof. Peter Oracha	Ms Helen Mudora
Ms. Augusta Muthigani	Ms. Grace Ngugi	Ms Beldine Omollo
Mr. Fredrick Haga	Ms. Elizabeth Obade	Ms Augusta Muthigani
Ms. Ann K. Wamugunda		
Dr. Norman Kiogora		

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

	Committee	Name of Council Member	No. Of Eligible Meetings	No. of Meetings Attended	Overall % Attended
1	Finance & General Purpose Committee	Ms. Grace Ogonda	5	5	100%
		Ms. Augusta Muthigani	5	5	100%
		Mr. Fredrick Haga	5	4	90%
		Ms. Ann K. Wamugunda	5	4	90%
		Dr. Norman Kiogora	5	4	90%
2	Academic & Research Committee	Prof. Peter Oracha	4	4	100%
		Ms. Grace Ngugi	4	4	100%
		Ms. Elizabeth Obade	4	4	100%
3	Audit, Risk & Governance Committee	Ms Helen Mudora	4	4	100%
		Ms Beldine Omollo	4	3	90%
		Ms Augusta Muthigani	4	4	100%

Conflict of interest

The Council members have a statutory duty not to have interests that conflict with those of the Institute. They are mandated to disclose and real or potential conflict of interest. Should there be any, a member is required to exclude himself or herself from any discussion or decision over the subject at hand.

Council Remuneration

The Board remuneration is as per Mwongozo, the code of governance for state corporations.

8. Management Discussion and Analysis

a) Education and Training

During the period under review, the Institute graduated a total of 1,183 students at Diploma level and 724 at Certificate level making a total of 1,907 Graduands. Training at Diploma level is in the specializations of Autism, Deafblindness, Emotional and Behavioural Difficulties, Intellectual Impairment, Gifted and Talentedness, Inclusive Education, Learning Disabilities, Visual Impairment, Hearing Impairment and Physical Impairment.

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S/no		2022	2021	2019	2018	2017
	Certificate Courses					
1	Certificate in Elementary Kenyan Sign Language	40	55	137	83	77
2	Certificate in Kenyan Sign Language	637	625	789	552	290
3	Certificate in Functional Assessment	27	14	67	29	77
4	Certificate in Inclusive Education	15	8	72	19	24
5	Certificate in Early Childhood Development Education	-	110	52	25	19
6	Certificate in Braille Proficiency	5	112	7	10	13
7	Certificate in Computer Proficiency	-	-	96	60	80
	Certificate courses sub-total	724	924	1,220	778	580
	Diploma Course					
8	Diploma in Special Needs Education	1,183	-	520	711	573
	Total Graduands per year	1,907	924	1,740	1,489	1,153

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

Year	Total no. of learners admitted	Learners with Special Needs in Education	% learners with Special Needs
2021/2022	52	24	46.2
2020/2021	39	10	25.6
2019/2020	48	12	25
2018/2019	60	14	23.3

In order to enhance performance management in the training function, the institute maintained a teaching staff of 57 lecturers of whom 53 are employees of the Teachers Service Commission while 4 are Institute council employees. There were also 2 interns from the Teachers Service Commission in the Pre-Primary school.

b) Functional Assessment for learners with Special Needs and Disabilities

The Institute runs the National Psycho-Educational Assessment Centre which offers Functional Education assessment, rehabilitation and habilitation services to children and adults.

In the year under review, the centre offered educational assessment, placement, referrals to health practitioners in addition to psychologists and social workers. Specifically, 1,500 children with special needs and disabilities were assessed and another 2,051 received occupational, physio, hydro and speech therapy. .

For more efficient service, seven more lecturers were deployed to the assessment centre. Besides employment of 1 customer care Officer, another two officers from the Corporate Communications department were coopted to strengthen customer care service. Another officer was employed to oversee records management. Other strategies that were used to enhance services at the centre included taking on board students on internship and entering into a partnership agreement with Afya Africa to enhance, orthopedic, occupational and physiotherapy support. Above all new equipment were bought.

In fulfilment of the KISE mandate to train personnel in special needs education and related services, the Centre in partnership with UNICEF and Ministry of Education conducted a three day inservice training for 231 two hundred and thirty one Kenyan Curriculum Support Officers -Special Needs Education (CSO-SNE).

KISE observed the World hearing day on 3rd and 4th March 2022 by offering over one hundred and ten(110) members of the public free ear check-up. Later on, in the year on 3rd and 4th June, the institute in conjunction with Afyafrica offered a free therapy medical camp attracting 224 clients.

In post COVID-19 crisis, children with special needs, their parents/guardians and caregivers were continued with many challenges, children experienced emotional and behavioral challenges. In the year under review assessment has continued supporting the bulklog of the cases mostly those out of school in assessment ,placement and therapy services.

Report on Data of Assessed / Reviewed and Outreach Initiatives

During the year under review, the number of children served in assessment increased from the previous year as indicated below

Table 1.1: Representing Assessment and Outreach Data Year 2021/22

Year 2021/22	Male	Female	Total
1 st Quarter	436	258	694
2 nd Quarter	506	290	796
3 rd Quarter	577	323	900
Outreach	660	575	1235
4 th Quarter	678	373	1,051
Outreach	274	204	378
Grand total 2021/22	3131	2023	5,054

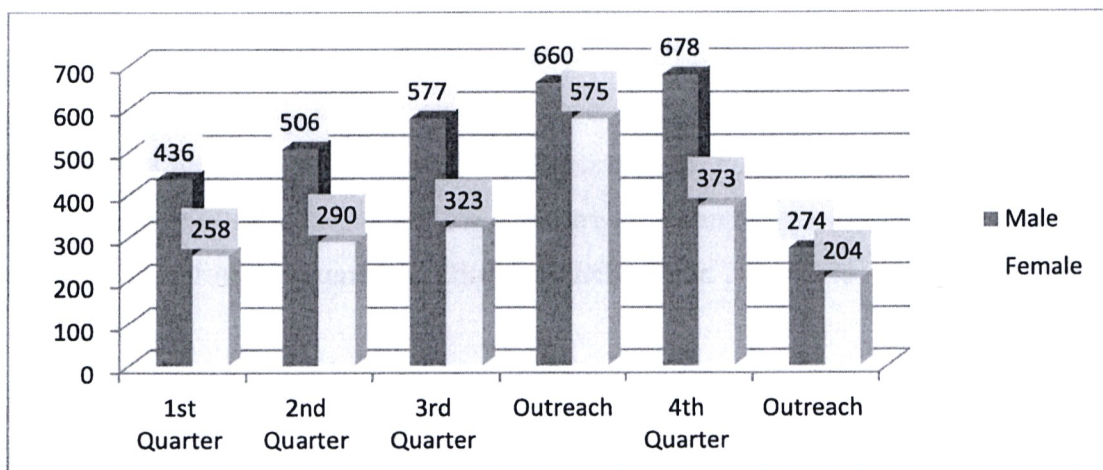
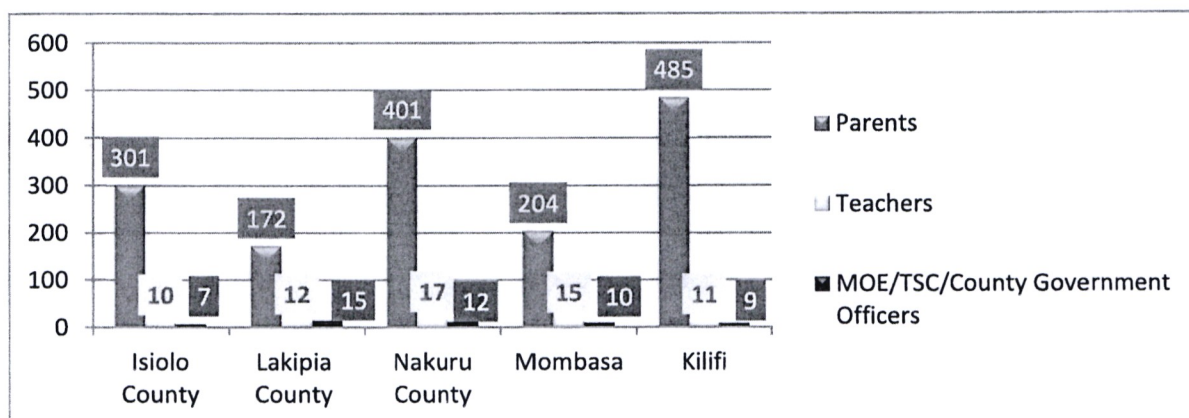
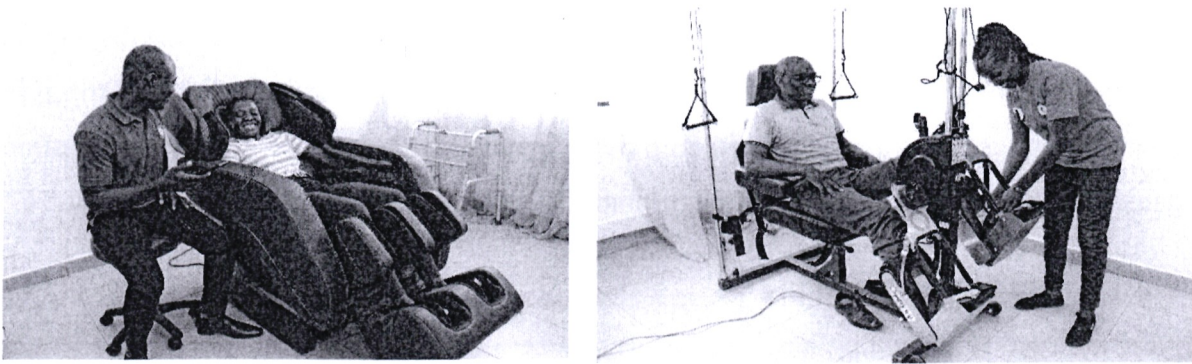


Table 1.2: Sensitization during outreach programmes

Participants	Isiolo County	Lakipia County	Nakuru County	Mombasa County	Kilifi County	Total
Parents	301	172	401	204	485	1,563
Teachers	10	12	17	15	11	65
MOE/TSC/County Government Officers	7	15	12	10	9	53
Total	318	199	430	229	505	1,681

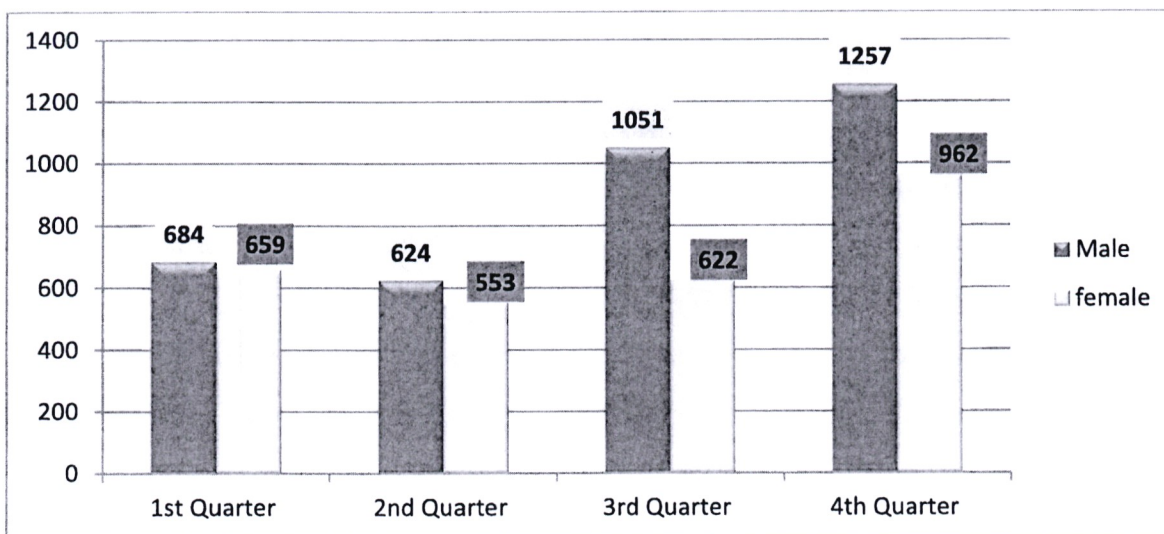


New equipment



Habilitation and Rehabilitation Section data for the financial year 2021-2022

Year	Male	female	Total
1 st Quarter	684	659	1,343
2 nd Quarter	624	553	1,177
3 rd Quarter	1,051	622	1,673
4 th Quarter	1,257	962	2,219
Total	3,616	2,796	6,412



9. Environmental and Sustainability Reporting

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

i) Sustainability strategy and profile

KISE is committed to providing an inclusive quality service in a manner that ensures a safe and healthy workplace for her employees and minimizes potential negative impacts on the environment. In the year under review, KISE integrated environmental concerns and impacts into all her decisions and activities.

ii) Environmental performance

KISE remains committed to environmental protection and sustainability. In this regard, as guided by the Institute's Environmental Policy, we always participate in activities that positively contribute towards conservation of the ecosystem. Some of the activities the Institute undertook during the year under review include;

- a) The Institute acts in support of all activities that impact on the environment positively like encouraging the culture of going paperless which reduces the paper demand. Members of staff were encouraged to use emails for internal communication and printing was centralized in the Institute.
- b) In the year under review, KISE has encouraged use of renewable affordable and clean energy through measures such as installing solar-powered street lights along the main highways and boulevards within the Institute.
- c) Towards this end, the Institute encourages putting off lights when not required in order to minimize waste. Bulbs were replaced with energy saving bulbs.
- d) To minimize the cost of labor and water, the Institute installed two washing machines during the year under review to assist in laundry.
- e) In the year under review, we planted grass and introduced pot plants in offices.

iii)Employee welfare

During the year under review, the management endeavoured to sponsor staff to professional studies, enhance insurance schemes and conduct a staff retreat. For purposes of promoting national cohesion and integrity, staff were also sensitized.

- **Staff Capacity Building**

The Institute sponsored three (3) officer for postgraduate studies, two (2) officers for Diploma courses and four (4) officers for short professional proficiency courses.

- **Staff Insurance**

To alleviate some of the challenges experienced under the current Insurance Schemes, the management enhanced them as follows:

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

iv)Market place practices-

The Institute has embraced market place best practices through:

a) Responsible competition practice.

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

b) Responsible Supply chain and supplier relations

KISE acknowledges that lack of proper supply chain management and supplier relations can affect the achievement of her strategic objectives. In the year under review, the Institute ensured that most

of the creditors were settled within the period outlined in the Service Charter. This enhanced the confidence of the creditors on the Institute.

c) Responsible marketing and advertisement

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

d) Product stewardship

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

e) Corporate Social Responsibility / Community Engagements

During the year under review, the Institute undertook some activities in collaboration with the community. Some of the activities include:

- i. Free Medical Camp. KISE partnered with Afyafrika and carried out a free medical camp between 3rd and 4th June 2022. The camp targeted persons with all disabilities all over the country.



Members of public with various special needs and assessment who turned up for the medical checkup

- ii. The Institute carried out hearing screening services to children and adults with hearing problems. The exercise was undertaken between 3rd and 4th March 2022 at the Institute.



To mark the World Hearing Day, the Institute carried out free ear screening to the members of the public

10. Report of the Directors

The Council submits its report together with the audited financial statements for the year ended June 30, 2021 which disclose the state of affairs of Institute.

i) Principal activities

The principal activities of KISE are to provide advisory services in formulation and implementation government policies in the areas of special needs and disabilities, review and research on practices addressing special needs education and related services and provide support and interventions to persons with special needs and disabilities within its mandate

ii) Results

The results of the Institute for the year ended June 30, 2021 are set out on page 1 of the Institute's financial statements. The report indicated a stable financial base having grown by 2% from last financial year despite the post-Covid 19 economic downturn.

iii) Council Members

The members who served in the Institute Council during the year under review were appointed for three year term in May 2018. Their activities were guided by the Council Charter and adequately guided the management of the Institute towards the performance reported in the year under review. The Institute reported a surplus of 17 million up from a deficit of 40 million the previous year.

iv) Auditors

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

By Order of the Board



.....

Dr. Kiogora Norman

Council Secretary/Secretary to the Council

11. Statement of Council Member's Responsibilities

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

The Council Members are responsible for the preparation and presentation of the Institute's financial statements which give a true and fair view of the state of affairs for year ending June 30, 2019. The responsibility includes:

- i. Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- ii. Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Institute;
- iii. Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- iv. Safeguarding the assets of the Institute;
- v. Selecting and applying appropriate accounting policies; and
- vi. Making budget estimates that are reasonable in the circumstances.

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

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

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

Approval of the financial statements

The Institute financial statements were discussed and approved by the Council in August 30, 2022 and signed on its behalf by:



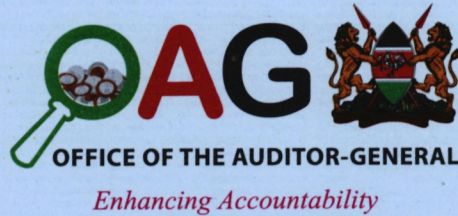
.....
Dr. John Mugo
Chairperson of the Council



.....
Dr. Kiogora Norman
Accounting Officer

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Institute of Special Education set out on pages 1 to 32, which comprise of the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows, statement of comparison of budget and actual amounts for the year ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Institute of Special Education as at 30 June, 2022, 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 Kenya Institute of Special Education Order Legal Notice No. 17 of 1986 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Institute of Special Education Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.63,974,926 net of provisions for doubtful debts amounting to Kshs.80,594,029 as disclosed in Note 21 to the financial statements. Review of the debtor listing revealed that debtors amounting to Kshs.63,619,000 had been outstanding for more than twelve (12) years raising doubt on their recoverability. The Management has requested the State Department for Early Learning and Basic Education for approval for the debts write-off.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing 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

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

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and the Governing Council

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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

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

The Governing Council is responsible for overseeing the Institute's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in

compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management, and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the components of the internal control does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness in future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to

modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to continue to sustain its services.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

30 March, 2023

13. Statement of Financial Performance for the year ended 30 June 2022

	Note	2022 KSH	2021 KSH
Revenue from non-exchange transactions			
Donations and Other Grants	6	23,082,701	39,778,827
GoK-Recurrent Grants	7	279,562,554	196,802,981
Total Revenue From Non-Exchange Transactions		302,645,255	236,581,808
Revenue From Exchange Transactions			
Fees and Student Contribution	8	74,482,301	73,555,096
Hire of Facilities and Services	9	13,066,214	2,749,721
Other Incomes	10	8,550,495	3,525,009
Sale of Learning Materials	11	281,778	277,466
Deferred income		-	1,446,798
Total Revenue from Exchange Transactions		96,380,788	81,554,090
Total Revenue		399,026,043	318,135,898
Expenses			
Staff Expenses	12	113,306,145	113,924,894
Operations and Maintenance	13	174,986,554	77,128,996
KISE Council Expenses	14	3,351,875	3,843,045
Donations and Other Grant Expenses	15	9,069,353	1,566,542
Audit Fees	16	650,000	650,000
Provision for Depreciation	17	56,432,816	52,099,379
Provision for Bad and Doubtful Debts	18	19,900,074	9,153,004
Total Expenses		377,696,817	258,365,860
Surplus for the Period		21,329,226	59,770,038
Corporation Tax applicable	19	4,330,134	321,771
Surplus after Tax		16,999,092	59,448,267

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



Name: Dr. Norman Kiogora
Accounting Officer

Date: 30/09/2022



Name: Anthony Mwangi
Head of Finance
ICPAK Member Number: 13996

Date: 30/09/2022



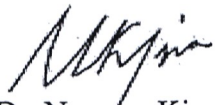
Name: Dr. John Mugo, Phd
Chairman of the Board

Date: 30/09/2022


14 Statement of Financial Position as at 30 June 2022


Assets	Note	2022	2021
		Kshs	Kshs
Current assets			
Cash and cash equivalents	20	175,451,621	124,968,954
Receivables from Exchange Transactions	21	63,974,926	65,421,637
Receivables from Non-Exchange Transactions	22	-	10,239,361
Receivable Deposits	23	492,418	1,492,418
Total Current assets		239,918,965	202,122,370
Non-current assets			
Property Plant and Equipment	24(a)	3,788,488,033	3,716,635,418
Investment Property	24(b)	37,125,061	27,932,450
Intangible Assets	24(c)	5,115,615	6,394,519
Total Non-current assets		3,830,728,709	3,750,962,387
Total assets		4,070,647,674	3,953,084,757
Liabilities			
Current liabilities			
Trade & Other Payables from Exchange Transactions	25	10,170,456	19,591,079
Deferred Tax Liability	19	10,472,790	11,142,656
Deferred Income	26	48,000	9,811,116
Refundable Deposits from Customers	27	22,409,854	19,984,633
Prepaid Fees and Other Charges	28	13,428,089	25,935,880
Total liabilities		56,529,189	86,465,364
Net Assets		4,014,118,485	3,866,619,393
Reserves			
Revenue Reserves	29	145,168,488	128,169,396
Revaluation Reserves	30	2,068,963,405	2,068,963,405
Capital Reserves	31	1,799,986,592	1,669,486,592
Total Capital Reserves & Surplus		4,014,118,485	3,866,619,393
Total net assets and liabilities		4,070,647,674	3,953,084,757

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


Name: Dr. Norman Kiogora
Accounting Officer

Date: 30/09/2022


Name: Anthony Mwangi
Head of Finance
ICPAK Member Number: 13996
Date: 30/09/2022


Name: Dr. John Mugo, Phd
Chairman of the Board
Date: 30/09/2022


15 Statement of Changes in Net Assets for the year ended 30 June 2022

	Note	Revenue Reserves KES	Capital/ Dev. Grants/Fund KES	Revaluation Reserves KES	Total KES
Balance at July, 01 2020		79,542,014	1,619,486,592	2,068,963,405	3,767,992,011
Additions in the Year		-	-	-	0
Development Fund		-	50,000,000	-	50,000,000
Adjustments		-10,820,885			-10,820,885
Surplus for the year		59,448,267	-	-	59,448,267
Balance at June, 30 2021		128,169,396	1,669,486,592	2,068,963,405	3,866,619,393
Balance at July, 01 2021		128,169,396	1,669,486,592	2,068,963,405	3,866,619,393
Additions in the Year		-	-	-	-
Development Fund		-	130,500,000	-	130,500,000
Adjustments		-	-	-	-
Surplus for the year		16,999,092	-	-	16,999,092
Balance at June, 30 2022		145,168,488	1,799,986,592	2,068,963,405	4,014,118,485

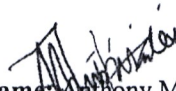
16. Statement of Cash Flows for the year ended 30 June 2022

	Notes	2022 Kshs	2021 Kshs
Cash flows from operating activities			
Receipts			
Donations and Other Grants	6	13,319,585	8,178,362
GoK-Recurrent Grants	7	289,801,915	186,563,620
Fees and Student Contribution	8	53,577,120	69,101,077
Hire of Facilities and Services	9	15,056,912	1,962,953
Other Incomes	10	(742,315)	18,397,806
Sale of Learning Materials	11	281,778	277,466
Deferred income		-	-
Total Receipts		371,294,995	284,481,284
Payments			
Staff Expenses	12	(113,634,785)	(113,924,895)
Operations and Maintenance	13	(185,057,177)	(86,945,656)
KISE Council Expenses	14	(3,351,875)	(3,843,045)
Donations and Other Grant Expenses	15	(9,069,353)	(1,566,542)
Audit Fees	16	-	(650,000)
Corporation Tax applicable	19	(5,000,000)	-
Total Payments		(316,113,190)	(206,930,138)
Net cash flows from operating activities		55,181,805	77,551,146
Property Plant and Equipment	24(a)	(126,248,873)	(53,566,101)
Investment Property	24(b)	(9,950,265)	-
Intangible Assets		-	(2,764,677)
Receivable Deposits	23	1,000,000	-
Net cash flows used in investing activities		(135,199,138)	(56,330,778)
Cash flows from financing activities			
Development Grant received		130,500,000	50,000,000
Net cash flows used in financing activities		130,500,000	50,000,000
Net increase/(decrease) in cash and cash equivalents		50,482,667	71,220,368
Cash and cash equivalents at period Start	20	124,968,954	53,748,586
Cash and cash equivalents at Period end	20	175,451,621	124,968,954

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



Name: Dr. Norman Kiogora
Accounting Officer

Date: 30/09/2022


Name: Anthony Mwangi
Head of Finance

ICPAK M/No: 13996

Date: 30/09/2022


Name: Dr. John Mugo, Phd
Chairman of the Board

Date: 30/09/2022

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17. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2022

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	%age
	2021-2022 KES	2021-2022 KES	2021-2022 KES	2021-2022 KES	2021-2022 KES	
Revenue	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Donations and other grants	1,000,000	14,445,000	15,445,000	17,722,868	(2,277,868)	115%
Gok-Recurrent Grants	266,563,620	12,998,934	279,562,554	279,562,554	-	100%
Gok development grant	150,000,000	55,500,000	205,500,000	130,500,000	75,000,000	64%
Fees and student contribution	56,200,000	16,883,000	73,083,000	74,482,301	(1,399,301)	102%
Hire of facilities and services	9,500,000	-	9,500,000	13,066,214	(3,566,214)	138%
Other incomes	2,800,000	1,750,000	4,550,000	8,550,495	(4,000,495)	188%
Sale of learning materials	500,000	-	500,000	281,778	218,222	56%
Total income	486,563,620	101,576,934	588,140,554	524,166,210	63,974,344	89%
Expenses						
GoK development grant	150,000,000	55,500,000	205,500,000	130,500,000	75,000,000	64%
Hospitality Supplies and Services	1,434,000	2,500,000	3,934,000	3,225,633	708,367	82%
Office and General Supplies and Services	1,200,000	8,548,000	9,748,000	9,585,959	162,041	98%
Routine maintenance - other assets	5,050,000	815,000	5,865,000	5,734,067	130,933	98%
Communication Supplies and Services	10,000,000	-	10,000,000	4,509,022	5,490,978	45%
Printing, Advertising and information Supplies and Services	3,660,000	-	3,660,000	2,325,409	1,334,591	64%
Routine Maintenance - Vehicles & other Transport Equipment	3,000,000	(1,330,000)	1,670,000	1,663,118	6,882	100%
Other operating expenses	20,134,000	16,396,000	36,530,000	37,075,887	(545,887)	101%
KISE council expenses	6,000,000	-	6,000,000	3,351,875	2,648,125	56%
Basic salary - permanent employees	63,105,000	(7,524,000)	55,581,000	55,514,414	66,586	100%
Wellness expenses	256,000	650,000	906,000	884,406	21,594	98%
Traveling & accommodation: - local travel	7,000,000	-	7,000,000	6,329,860	670,140	90%
Traveling & accommodation: - foreign travel	3,000,000	1,000,000	4,000,000	4,157,200	(157,200)	104%
Employer contribution to Health Schemes	15,000,000	(2,111,000)	12,889,000	12,239,339	649,661	95%
Employer contribution to Pensions Schemes	12,000,000	(1,000,000)	11,000,000	10,898,008	101,992	99%
Research	11,700,000	-	11,700,000	11,612,610	87,390	99%
Fuel, oil & lubricants	3,000,000	2,570,000	5,570,000	5,507,248	62,752	99%
Insurance expenses	3,150,000	-	3,150,000	1,323,111	1,826,889	42%
Personal Emoluments (Part of Salary)	31,000,000	(4,657,000)	26,343,000	26,243,128	99,872	100%

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Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	%age
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	
Specialized Materials and Supplies	8,005,000	-	8,005,000	6,282,118	1,722,882	78%
Training expenses	82,189,000	(18,000,000)	64,189,000	64,853,921	(664,921)	101%
Utilities Supplies and Services	11,000,000	817,000	11,817,000	9,916,987	1,900,013	84%
Donations and other Grant Expenses	1,000,000	1,445,000	2,445,000	3,709,520	(1,264,520)	152%
Audit fees	650,000	-	650,000	650,000	-	100%
Provision for Depreciation	18,601,000	31,995,934	50,596,934	56,437,816	(5,840,882)	112%
Provision for Bad and Doubtful Debts	6,000,000	13,962,000	19,962,000	19,900,074	61,926	100%
Outsourced and Contractual Services	9,429,620	-	9,429,620	8,411,256	1,018,364	89%
Total	486,563,620	101,576,934	588,140,554	502,841,986		
Surplus	-	-	-	21,324,224		

Budget notes

1. Donations and other grants

The Institute received enhanced Kshs. 2M more.

2. GOK Recurrent Grants

The Institute received less grants than what was budgeted

3. Fees and student's contribution

More students were admitted for certificate courses and therefore fees raised increased beyond the budgeted.

4. Hire of facilities and services

There has been increased demand for institute conference facilities for both conference and social events

5. Other Incomes

There has been increased demand for related services like consultancy and translation

6. Sale of leaning materials: There had been reduced production of learning materials. This is attributed to the low capacity of the Institute machines that require upgrading.

7. Hospitality Supplies and Services: The Institute closed for a longer period due to the COVID-19 pandemic

8. Routine Maintenance - other assets: Most repairs done were capitalised

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9. *Communication Supplies and Services: The Institute is embracing paperless communication*
10. *Printing, Advertising and information Supplies and Services: The Institute has embraced more advertising through the web site*
11. *KISE Council Expenses: Reduced Council participation after the expiry of their term*
12. *Wellness Expenses: Increased activities at the clinic*
13. *Traveling & Accommodation: - Local Travel: More workshops are done at KISE and therefore the travel expenses are lower*
14. *Research: Planned research activities were carried forward*
15. *Specialised Materials and Supplies: Students were away for longer times*
16. *Utilities Supplies and Services: Saving on power was witnessed through*
17. *Provision for Bad and Doubtful Debts: Increased debt called for increased provision*
18. *Outsourced and Contractual Services: Costs for outsourced services costs are lower because Institute Equipment is fairly new.*

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 Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Institute's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

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

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

3. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The Institute recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Institute and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Institute and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2021-2022 was approved by the National Assembly on *26th September 2021*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Institute upon receiving the respective approvals in order to conclude the final budget.

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

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

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

c) Taxes

Current income tax

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

Deferred tax

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

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

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

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

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

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

Sales tax

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

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

d) Investment property

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

e) Property, plant and equipment

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

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Institute. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Institute also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Institute will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

g) Intangible assets

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

h) Research and development costs

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

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale
- ii) Its intention to complete and its ability to use or sell the asset

- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset
- v) The ability to measure reliably the expenditure during development.

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

i) Financial instruments

a) Financial assets

Initial recognition and measurement

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity.

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

Impairment of financial assets

The Institute assesses at each reporting date whether there is objective evidence that a financial asset or an Institute of financial assets is impaired. A financial asset or an Entity of financial assets

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

- i) The debtors or an Entity of debtors are experiencing significant financial difficulty.
- ii) Default or delinquency in interest or principal payments
- iii) The probability that debtors will enter bankruptcy or other financial reorganization.
- iv) Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults)

b) Financial liabilities

Initial recognition and measurement

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

j) Inventories

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

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

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

k) Provisions

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

l) Contingent liabilities

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

m) Contingent assets

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

n) Nature and purpose of reserves

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

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

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

contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

q) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

r) Borrowing costs

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

s) Related parties

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

t) Service concession arrangements

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

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

u) Cash and cash equivalents

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

v) Comparative figures

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

w) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

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:

a) 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

b) 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:

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

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

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

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

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Notes to the Financial Statements (Continued)

	Detail	2022(Kshs)	2021(Kshs)
Note 6	DONATIONS AND OTHER GRANTS		
	Norhed Deferred Income	-	10,780
	Deferred Tuition Income	-	24,000,000
	Deferred Graduation Account Income	1,880,166	
	Deferred Norhed-Enable Project income	3,479,667	
	Partner Contributions	17,722,868	15,768,047
	DONATIONS AND OTHER GRANTS TOTAL	23,082,701	39,778,827
Note 7	GOK-RECURRENT GRANTS		
	Recurrent Expenditure Grant	279,163,620	196,802,981
	EARC Recurrent Grant	398,934	
	GOK-RECURRENT GRANTS TOTAL	279,562,554	196,802,981
Note 8	FEES AND STUDENT CONTRIBUTION		
	Accommodation fees	10,300,300	8,075,600
	Activity Fees	494,000	346,000
	Administrative Operations Fees	6,188,150	9,018,100
	Clubs and Societies Fees	59,250	309,250
	Library Fees	13,650	4,690
	P.E. Kit Fees	1,470,000	66,000
	Registration Fees	2,257,600	1,354,900
	Student Union fees	246,000	176,000
	Tuition fees	53,440,221	52,137,356
	Utility Fees	13,130	267,200
	Attachments and Field Visits fees	-	1,800,000
	FEES AND STUDENT CONTRIBUTION TOTAL	74,482,301	73,555,096
Note 9	HIRE OF FACILITIES AND SERVICES		
	Income from Hire of Facilities*	2,472,575	3,231,841
	Hire of Facilities Expenses***	(45,932)	(3,178,128)
	Income from Consultancy	2,236,017	2,316,717
	Consultancy Expenses	(1,244,349)	(857,169)
	Income from Hotel and Conference Centre*	28,847,768	1,047,860
	Hotel and Conference Centre Expenses***	(19,895,544)	(29,000)
	Income from Therapy Services	695,679	217,600
	HIRE OF FACILITIES AND SERVICES TOTAL	13,066,214	2,749,721
	<i>* Taxable Incomes</i>		
	<i>*** Allowable Expenses</i>		
Note 10	OTHER INCOMES		
	Braille Transcription Expenses	(11,628,000)	40,000
	Gains on Disposal	134,030	309,476
	Income from Braille Transcription	15,461,052	464,000
	Interest Income	3,054,913	2,471,533
	Rental Income	1,528,500	240,000
	OTHER INCOMES TOTAL	8,550,495	3,525,009
Note 11	SALE OF LEARNING MATERIALS		
	Sale of Learning materials and resources	281,778	455,200
	Production Unit Expenses	-	(177,734)
	SALE OF LEARNING MATERIALS TOTAL	281,778	277,466

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	Detail	2022(Kshs)	2021(Kshs)
Note 12	STAFF EXPENSES		
	Basic Salary - Permanent Employees	55,514,414	60,266,360
	Employer contribution to Health Schemes	12,239,339	14,936,464
	Employer contribution to Pensions Schemes	10,898,008	7,838,722
	Personal Emoluments (Part of Salary)	26,243,128	22,092,518
	Outsourced and Contractual Services	8,411,256	8,790,831
	STAFF EXPENSES TOTAL	113,306,145	113,924,894
Note 13	OPERATIONS AND MAINTENANCE		
	Communication Supplies and Services	4,509,022	3,759,136
	Fuel, Oil & Lubricants	5,507,248	1,554,283
	Hospitality supplies and Services	3,225,633	274,507
	Insurance Expenses	1,323,111	1,423,213
	Office and General Supplies and Services	9,585,959	999,552
	Other Operating Expenses	37,075,887	7,238,384
	Printing, advertising and information supplies and services	2,325,409	679,529
	Research	11,612,610	2,220,871
	Routine Maintenance - Other Assets	5,734,067	4,102,560
	Routine Maintenance- Vehicles & other Transport Equipment	1,663,118	840,779
	Specialized Materials and Supplies	6,282,118	9,595,722
	Training expenses	64,853,919	36,080,439
	Traveling & Accommodation: - Foreign Travel	4,157,198	
	Traveling & Accommodation: - Local Travel	6,329,860	1,902,929
	Utilities Supplies and Services	9,916,987	5,968,101
	Wellness Expenses	884,406	488,990
	OPERATIONS AND MAINTENANCE TOTAL	174,986,551	77,128,996
Note 14	KISE COUNCIL EXPENSES		
	KISE Council Expenses	3,351,875	3,843,045
	KISE COUNCIL EXPENSES TOTAL	3,351,875	3,843,045
Note 15	DONATIONS AND OTHER GRANT EXPENSES		
	Donations and other Grant Expenses	3,709,520	1,566,542
	Deferred Graduation Account Expenses	1,880,166	
	Deferred Norhed- Enable Project Expenses	3,479,667	
	DONATIONS AND OTHER GRANT EXPENSES TOTAL	9,069,353	1,566,542
Note 16	AUDIT FEES		
	AUDIT FEES	650,000	650,000
	AUDIT FEES TOTAL	650,000	650,000
Note 17	Provision for Depreciation		
	Provision for Depreciation	56,432,816	52,099,379
	Provision for Depreciation TOTAL	56,432,816	52,099,379
Note 18	Provision for Bad and Doubtful Debts		
	Total Provision for Bad & Doubtful Debts B/F	60,693,955	51,540,951
	Provision for Bad and Doubtful Debts	19,900,074	9,153,004
	Provision for Bad and Doubtful Debts TOTAL	80,594,029	60,693,955
Note 19	CORPORATION TAX		
	Taxable Income	14,433,780	1,072,573
	Corporation Tax for the Year at 30%	4,330,134	321,771

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	Detail	2022(Kshs)	2021(Kshs)
	Differed Tax Liability B/F	11,142,656	10,820,885
	Differed Tax Liability Paid	(5,000,000)	-
	Differed Tax Liability C/F	10,472,790	11,142,656
Note 20	CASH AND CASH EQUIVALENTS		
	CASH IN HAND	285,860	386,260
	KCB Fee Collection Account*	127,723,031	105,213,667
	KCB- Norhed-Enable Account	-	3,490,347
	Director Kenya Institute of Special Education	18,842,373	
	Kenya Institute and Other Monies	1,124,377	
	M-Pesa Collections-851201	545,750	833,764
	M-Pesa Payments-851200	137	8,149
	NBK Farm Account	18,984,489	-
	NBK Fee Collection Account	-	-
	NBK Institute Fund and other Monies	3,498,465	543,190
	NBK Investment Account	45,300	46,500
	NBK KISE Distance Learning Project II A/C	4,401,670	13,369,996
	NBK KISE Key & Caution Money Savings A/C	-	124,703
	NBK Main Account	169	952,378
	NBK Seminar and Courses Account	-	-
	CASH AND CASH EQUIVALENTS TOTAL	175,451,621	124,968,954
	<i>* An amount of KShs. 114,250,000 of this balance was held on call</i>		
Note 21	RECEIVABLES FROM EXCHANGE TRANSACTIONS		
	Due from Students	118,457,957	107,635,346
	General Debtors	8,947,131	10,937,830
	Staff Debtors	555,988	227,348
	Tenants Debtors	218,800	277,550
	Trade Debtors	16,389,078	7,037,518
	Total Provision for Bad & Doubtful Debts	(80,594,029)	(60,693,955)
	RECEIVABLES FROM EXCHANGE TRANSACTIONS TOTAL	63,974,926	65,421,637
Note 22	RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
	Receivables from Non-Exchange Transactions	-	10,239,361
	RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS TOTAL	-	10,239,361
Note 23	Receivable Deposits		
	Receivable Deposits	492,418	1,492,418
	Receivable Deposits TOTAL	492,418	1,492,418

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Notes to the Financial Statements (Continued)

29 Property, Plant and Equipment (Asset Movement Schedule)

ASSET MOVEMENT SCHEDULE

	Land	Buildings	Motor Vehicles	Computer and Electronics	Furniture & Fittings	Plant & Equipment	Totals
Cost	Kshs	2% Kshs	25% Kshs	30% Kshs	10% Kshs	10% Kshs	Kshs
At 30 June 2020	2,650,000,000	962,923,334	42,021,912	106,173,872	51,621,313	78,165,780	3,890,906,211
As at 01 July 2020	2,650,000,000	962,923,334	42,021,912	106,173,872	51,621,313	78,165,780	3,890,906,211
Additions 2020/2021		15,803,202	9,604,400	12,408,955	1,580,140	14,169,404	53,566,101
At 30 June 2021	2,650,000,000	978,726,536	51,626,312	118,582,827	53,201,453	92,335,184	3,944,472,312
At 01 July 2021	2,650,000,000	978,726,536	51,626,312	118,582,827	53,201,453	92,335,184	3,944,472,312
Additions 2021/2022	0	32,996,847	0	8,696,857	6,872,770	77,682,399	126,248,873
At 30 June 2022	2,650,000,000	1,011,723,383	51,626,312	127,279,684	60,074,223	170,017,583	4,070,721,185
Depreciation and Impairment							
At 30 June 2020	0	46,785,045	41,311,105	62,172,200	11,327,293	16,310,552	177,906,195
As at 01 July 2020	0	46,785,045	41,311,105	62,172,200	11,327,293	16,310,552	177,906,195
Depreciation 2020/2021	0	18,638,830	2,578,802	16,923,188	4,187,416	7,602,463	49,930,699
At 30 June 2021	0	65,423,875	43,889,907	79,095,388	15,514,709	23,913,015	227,836,894
As at 01 July 2021	0	65,423,875	43,889,907	79,095,388	15,514,709	23,913,015	227,836,894
Depreciation 2021/2022	0	18,925,990	1,934,101	14,469,759	4,455,951	14,610,457	54,396,258
At 30 June 2022	0	84,349,865	45,824,008	93,565,147	19,970,660	38,523,472	282,233,152
Net Book Values							
At 30 June 2022	2,650,000,000	927,373,518	5,802,304	33,714,537	40,103,563	131,494,111	3,788,488,033
At 30 June 2021	2,650,000,000	913,302,661	7,736,405	39,487,439	37,686,744	68,422,169	3,716,635,418

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Notes to the Financial Statements (Continued)

30 Intangible Assets

	Intangible Asset	Investment Property
	20% Kshs	2% Kshs
<u>Cost</u>		
At 30 June 2020	20,849,476	39,953,875
As at 1 July 2020	20,849,476	39,953,875
Additions 2020/2021	2,764,677	-
At 30 June 2021	23,614,153	39,953,875
As at 01 July 2021	23,614,153	39,953,875
Additions 2021/2022	-	9,950,265
At 30 June 2022	23,614,153	49,904,140
<u>Amortization and impairment</u>		
At 30 June 2020	15,621,004	11,451,375
As at 1 July 2020	15,621,004	11,451,375
Amortization 2020/2021	1,598,630	570,050
At 30 June 2021	17,219,634	12,021,425
As at 1 July 2021	17,219,634	12,021,425
Amortization 2021/2022	1,278,904	757,655
At 30 June 2022	18,498,538	12,779,080
<u>Net book values</u>		
At 30 June 2022	5,115,615	37,125,060
At 30 June 2021	6,394,519	27,932,450

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	Details	2022(Kshs)	2021(Kshs)
Note 24(b)	INVESTMENT PROPERTY		
	INVESTMENT PROPERTY	49,904,140	39,953,875
	Accumulated Depreciation- Investment Property	(12,779,079)	(12,021,425)
	INVESTMENT PROPERTY TOTAL	37,125,061	27,932,450
Note 24(b)	INTAGIBLE ASSETS		
	This mainly relates to the Enterprise Resource Planning System -Navision 365 Dynamics		
	Enterprise Resource Planning System	23,614,153	23,614,153
	Accumulated Depreciation- Intangible Asset	(18,498,538)	(17,219,634)
	NET Intangible Assets	5,115,615	6,394,519
Note 25	TRADE & OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
	Trade Creditors	8,021,123	19,301,773
	VAT Account	1,380,540	
	VAT Withholding Account-(2%)	768,793	289,306
	TRADE & OTHER PAYABLES FROM EXCHANGE TRANSACTIONS TOTAL	10,170,456	19,591,079
Note 26	DEFERRED INCOME		
	Deferred Norhed-Enable Project	-	3,479,667
	Deferred Graduation Account*	48,000	1,928,166
	DEFERRED INCOME TOTAL	22,819,414	22,771,414
	<i>* Deferred Graduation Account holds funds for students who are eligible to graduate but were yet to as at the Year end</i>		
Note 27	REFUNDABLE DEPOSITS FROM CUSTOMERS		
	Deposits Received	-	1,927,172
	Scholarship Fund*	5,523,516	5,899,606
	Students Accommodation Payable*	-	(2,456,323)
	Entrepreneurship Fund*	1,568,000	960,000
	Fees by Sponsors	4,187,258	4,232,329
	Key and Caution Money	404,000	628,652
	Examination fee Deposit	10,727,080	13,196,480
	REFUNDABLE DEPOSITS FROM CUSTOMERS TOTAL	22,409,854	24,387,916
	<i>* These were previously treated as differed accounts. This policy was reviewed as</i>		
	<i>1) Scholarship Fund was created out of previously recognized revenues</i>		
	<i>2) The Student Accommodation Payable are amounts received from students meant to pay colleges where they attend Face to Face sessions, hence never consumed at the Institute</i>		
	<i>3) Examination fee Deposit is created to facilitate registration of exams when the candidates are eligible for presentation</i>		
	<i>4) Entrepreneurship Fund is a fund set aside under a partnership</i>		

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	Details	2022(Kshs)	2021(Kshs)
	<i>with Twaweza Foundation in aid of business Start-Ups for persons with disabilities</i>		
Note 28	PREPAID FEES AND OTHER CHARGES		
	Students Overpayments Accounts	13,428,089	25,935,880
	PREPAID FEES AND OTHER CHARGES TOTAL	13,428,089	25,935,880
Note 29	Revenue reserves		
	Revenue reserves B/F	128,169,396	79,542,014
	Prior Year Income Tax liability recognition	-	(10,820,885)
	Adjustments		
	Surplus for the Year	16,999,092	59,448,267
	Revenue reserves TOTAL	145,168,488	128,169,396
Note 30	Revaluation Reserves		
	Revaluation Reserve B/F	2,068,963,405	2,068,963,405
	Transfers for the Year	-	-
	Revaluation Reserves TOTAL	2,068,963,405	2,068,963,405
Note 31	Capital Reserves		
	Capital Reserve B/F	1,669,486,592	1,619,486,592
	GoK Development Grant	130,500,000	50,000,000
	Capital Reserves TOTAL	1,799,986,592	1,669,486,592

Notes to the Financial Statements (Continued)

32 Financial Risk Management

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

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

i) Credit risk

The Institute has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Institute's management based on prior experience and their assessment of the current economic environment.

ii) Financial Risk Management

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

iii) Liquidity risk management

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

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

Notes to the Financial Statements (Continued)

Financial Risk Management

iv) Market risk

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

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

a) Foreign currency risk

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

b) Interest rate risk

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

Management of interest rate risk

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

iv) Capital Risk Management

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

Note 32	CAPITAL RISK MANAGEMENT		
	Revenue earnings	145,168,488	128,169,396
	Capital reserve	1,799,986,592	1,669,486,592
	Total funds	1,945,155,080	1,797,655,988
	Total borrowings	68,827,813	58,973,504
	Cash and bank balances	175,451,621	124,968,954
	Excess cash and cash equivalents/Net debt	106,623,809	65,995,449

33 Events after the Reporting Period

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

34 Currency

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

35 Appendix I Transfers from Ministries, Departments and Agencies (MDAs)

Name of The Entity Sending the Grant	Amount recognized to Statement of Financial performance KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Total transfers 2021-22 KShs	Prior year 2020-2021 KShs
Ministry of Education	279,562,554	-	130,500,000	410,062,554	246,802,981
Total	279,562,554	-	130,500,000	410,062,554	246,802,981

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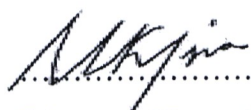
Appendix II: Implementation Status of Auditor-General's Recommendations

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

Reference No. on the audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Movement in balances of the Call account could not be ascertained	A statement on the said deposit has been achieved and provided by the bank as well as a certificate of balance	Resolved	
2.0	Unsupported Fees and Student Contribution	The student statistics maintained and corresponding fees structures for perusal and verification	Resolved	
3.0	Unsupported Trade and other Payable	The KNEC obligation has since been settled and student sat for exams in July 2022. JKUAT liability has been supported with document of original entry and is due for settlement	Partly resolved	February 2023
4.0	Unsupported Refundable Deposits from customers	The supporting schedule for the Fees by Sponsors has been compiled and availed The KNEC amount cited has been commuted to Actual payment to KNEC as registration falls due.	Resolved	
5.0	Unsupported and Unexplained Deferred Income	The amounts related to incomes previously recognized. They have now been reclassified as funds under other liabilities	Resolved	
6.0	Unsupported Research Expenses	Support documentation have been traced and availed	Resolved	
7.0	Unsupported Receivable from Exchange Transactions	Student debtors deemed non-collectable have been compiled for writing off	Not-Resolved	June 2023
		Trade and General debtors balance has been supported with contractual communications. All except one have been paid for. KISE has written to other organization for inclusion of the outstanding amounts in their books.	Resolved	
1.0	Non-Compliance with IPSAS guidelines	The Institute has since received and used the latest IPSAS Formats for its accounts	Resolved	
2.0	Irregular Payment of sitting allowances	Honoraria for staff who prepare for council meetings eliminated	Resolved	

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Reference No. on the audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3.0	Unbalanced Budget	The Budget Omitted Expenditure noted and practice informed	Resolved	
4.0	Delay in implementation ERP System	A service level agreement with the service provider has been achieved to allow for completion of the implementation process	Partly Resolved	June 2023
5.0	Unauthorized Council Retreat	Explained as stakeholder engagement between KISE, KICD and KNEC on Teacher Education. Council Members were invited as experts	Partly Resolved	February 2023



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Director, Kenya Institute of Special Education

Date: 30/09/2022

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Appendix IV: Transfers from Other Government Entities

ENTITY NAME:		Kenya Institute of Special Education		
Break down of Transfers from Ministry of Education, the State Department of Education				
	FY 2021/2022			
a.	Recurrent Grant	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
	Recurrent Grant	05 August, 2021	66,640,905	2021/2022
	Recurrent Grant	29 October, 2022	66,640,905	2021/2022
	EARC Recurrent Grant	20 December, 2021	50,934	2021/2022
	Recurrent Grant	4 February, 2022	66,640,905	2021/2022
	Recurrent Grant	6 June, 2022	66,640,905	2021/2022
	EARC Recurrent Grant	29 June, 2022	348,000	2021/2022
	Recurrent Grant	29 June, 2022	12,600,000	2021/2022
	Total		279,562,554	
b.	Development Grant			
		Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
		1.10.2021	75,500,000	2021/2022
		17.06.2022	55,000,000	2021/2022
		Total	130,500,000	
c.	Direct Payments			
		Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
		N/A	0	
		Total	410,062,554	

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RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/ Others	Total Amount KSHS	Recognized Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others	Total Transfers during the Year
Ministry of Education	05 August, 2021 29 October, 2022 20 December, 2021 4 February, 2022 6 June, 2022 29 June, 2022 29 June, 2022	Recurrent	279,562,554	279,562,554					279,562,554
Ministry of Education	1.10.2021 17.06.2022	Development	130,500,000		130,500,000				130,500,000
Total			410,062,554	279,562,554	130,500,000				410,062,554

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Appendix V- Inter-Entity Confirmation Letter

KENYA INSTITUTE OF SPECIAL EDUCATION

Tel: 020- 8007977,

Cell : 0734-801 - 860

Website: www.kise.ac.ke

Email: info@kise.ac.ke.



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

**Kenya Institute of Special Education
P.O Box 48413 – 00100
Nairobi**

The Ministry of Education, the State Department of Education wishes to confirm the amounts disbursed to you as at 30th June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us.

Reference Number	Date Disbursed	Amounts Disbursed by Ministry of Education (KShs 410,062,554) as at 30 th June 2022				Amount Received by Kenya Institute of Special Education as at 30 th June 2021 (E)	Differences (KShs)(F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial ©	Total (D)=(A+B+C)		
	05 August, 2021	66,640,905			66,640,905		
	29 October, 2022	66,640,905			66,640,905		
	20 December, 2021	50,934			50,934		
	4 February, 2022	66,640,905			66,640,905		
	6 June, 2022	66,640,905			66,640,905		

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Confirmation of amounts received by Kenya Institute of Special Education as at 30th June 2022

	Amounts Disbursed by Ministry of Education (KShs 410,062,554) as at 30th June 2022	Amount Received by Kenya Institute of Special Education as at 30th June 2021 (E)	Differences (KShs)(F)=(D-E)
29 June, 2022	348,000		
29 June, 2022	12,600,000		
1.10.2021	75,500,000		
17.06.2022	55,000,000		
		246,802,981	
Total	279,562,554	246,802,981	163,259,573

In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Entity:



Name: Anthony Mwangi

Date: 30/09/2022