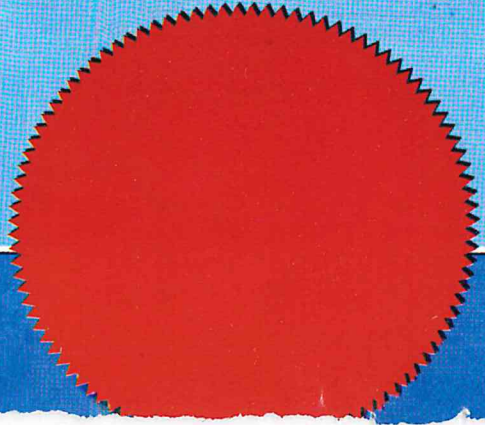




OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

	
THE NATIONAL ASSEMBLY	
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THE AUDITOR-GENERAL

ON

PUBLIC SERVICE COMMISSION

FOR THE YEAR ENDED
30 JUNE, 2020

Vision

A citizen-centric Public Service.

Mission

To Transform the Public Service for Efficient and Effective Service Delivery.

Core Values

- ➔ Citizen Focus
- ➔ Professionalism
- ➔ Innovation
- ➔ Teamwork

CONTENTS

LIST OF TABLES.....	iv
LIST OF FIGURES.....	v
I. KEY ENTITY INFORMATION AND MANAGEMENT.....	1
1.0 Background Information.....	1
1.1 Key Management.....	1
1.2 Fiduciary Management.....	1
1.3 Fiduciary Oversight Arrangements.....	1
1.3.1 Commission Board and Committees.....	1
1.3.2 Internal Oversight Arrangements.....	4
1.3.3 External Oversight Arrangements.....	4
II. FOREWORD BY THE CHAIRPERSON.....	5
2.0 Introduction.....	5
2.1 Budget Performance for the Financial Year 2019/20.....	5
2.2 Budget Performance by Programmes.....	7
2.3 Comparative performance for the Medium Term (2017/18 to 2019/20 Financial Years).....	8
2.4 Key Achievements.....	8
2.5 Emerging Issues.....	12
2.6 Implementation Challenges and Recommended Way Forward.....	13
III. STATEMENT OF PERFORMANCE AGAINST MDA'S PREDETERMINED OBJECTIVES.....	14
3.1 Introduction.....	14
3.2 Progress on Attainment of Strategic Development Objectives.....	14
IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING.....	17
4.1 Sustainability Strategy and Profile.....	17
4.2 Environmental performance.....	17
4.3 Employee welfare.....	18
4.4 Community Engagements.....	18
V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES.....	19
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE ENTITY.....	20
VII. STATEMENT OF RECEIPTS AND PAYMENTS.....	26
VIII. STATEMENT OF ASSETS AND LIABILITIES.....	27
IX. STATEMENT OF CASH FLOWS.....	28
X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED RECURRENT.....	29
XI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT.....	30
XII. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT RECURRENT.....	31
XIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES.....	32
XIV. SIGNIFICANT ACCOUNTING POLICIES.....	33
XV. NOTES TO THE FINANCIAL STATEMENTS.....	36

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE..... 44

ANNEX 2-SUMMARY OF FIXED ASSET REGISTER..... 45

LIST OF TABLES

Table 1-1: Key Management Personnel with Direct Fiduciary Responsibilities	6
Table 1-2: Summary Budget Performance 2018/19 Financial Year	10
Table 1-3: Summary Budget Performance 2018/19 FY by Programmes	12
Table 1-4: Comparative Analysis of Performance for the Medium Term (2016/17 to 2018/19 FYs)	13

LIST OF FIGURES

Figure 1-1: Overall Budget Performance Financial Year 2018/19	11
Figure 1-2: Summary of Expenditure by Economic Classification	11
Figure 1-3: Budget Performance 2018/19 Financial Year by Programmes	12
Figure 1- 4: Comparative Analysis of Performance for the Medium Term Financial Years (2016/17-2018/19)	13



FINANCIAL STATEMENTS

For Year Ended 30 June 2020

I. KEY ENTITY INFORMATION AND MANAGEMENT

1.0 Background Information

The Public Service Commission (PSC) is a constitutional body established under Article 233 of the Constitution of Kenya. It is the oldest constitutional Commission with a mandate which has expanded over the years. The reconstituted Commission consists of a chairperson, vice-chairperson and seven other members appointed by the President with the approval of the National Assembly in accordance with Article 233 of the Constitution. The Commission is assisted by a Secretariat headed by a Secretary who is also the Chief Executive Officer.

The mandate of the Commission as set out under Article 234 include: establish and abolish offices in the public service; appoint persons to hold or act in those offices; exercise disciplinary control over and remove persons holding or acting in those offices; promote the values and principles referred to in Articles 10 and 232 throughout the public service; investigate, monitor and evaluate the organization, administration and personnel practices of the public service; ensure that the public service is efficient and effective; develop human resources in the public service; review and make recommendations to the national government in respect of conditions of service, code of conduct and qualifications of officers in the public service; evaluate and report to the President and Parliament on the extent to which the values and principles mentioned in Articles 10 and 232 are complied with in the public service; and hear and determine appeals in respect of county governments' public service. The Commission additionally performs its mandate under Articles 155 (2) (a), 158 (2) (3) and (4), 171 (2) and 230 (2) (b).

The Public Service Commission Act, 2017 prescribes the manner in which the Commission fulfils its mandate.

1.1 Key Management

The Commission's day-to-day management is under the following key organs:

- a) The Commission Board sets general policy and strategic direction of the Commission and is chaired by the Chairperson of the Commission. The Commission does its business through eight committees each chaired by a Commissioner and draws membership from the Commission and senior Secretariat staff. Each Committee has specific terms of

reference dealing with broad areas of the Commission mandate.

- b) The Secretary/Chief Executive Officer is the Secretary to the Commission Board. The Office of the Secretary/CEO is assisted by Director, Board Management Services who oversees secretarial responsibilities and follows up on implementation of the Commission's directives. The administration and corporate affairs of the Commission is directed by the CEO assisted by the Deputy Commission Secretary (Corporate Services). The Office of the Secretary is also assisted by the Chief Commission Counsel who heads the Legal Unit of the Commission and offers legal advisory services to the Commission;
- c) The Management of the Commission is structured into seven directorates, headed by directors, namely: Finance and Planning; Corporate Services, Establishment and Management Consultancy Services; Recruitment and Selection; Human Resource Management and Development; and Compliance Audit and Quality Assurance; and

The Commission Chief Internal Auditor, who reports to the Audit Committee of the Commission, advises on internal control systems and fiduciary policy issues

1.2 Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibilities were:

1.3 Fiduciary Oversight Arrangements

The Commission's Board provides oversight arrangements through the following organs:

1.3.1 Commission Board and Committees

Section 12 of the Public Service Commission Act, 2017 allows the Commission to establish such committees as may be necessary for the better carrying out of its functions and the exercise of its powers. In line with this provision, the Commission has established eight (8) standing committees, each comprising of at least two Commissioners and members of the Secretariat appointed to the committees, one statutory committee. The recommendations from the committee.

Table 1- 1: Key Management Personnel with Direct Fiduciary Responsibilities

No.	Designation	Name
1.	Accounting Officer	Simon K. Rotich, EBS
2.	Deputy Commission Secretary (Corporate Services)	RemmyNambuchiMulati
3.	Director, Administration	Gerald Kuhaka
4.	Ag. Deputy Director, Finance	CPA Rebecca J. Kiplagat
5.	Ag. Deputy Director, HRM Administration	Gilbert Nyandiga
7.	Ag. Assistant Director Accounts	CPA Dr. Julius O. Moturi
8.	Deputy Director Chain Management Officer	Patrick Malakwen

tees are tabled before the Commission Board for consideration. The committees and their respective terms of reference are as follows:-

- | | |
|--|--|
| <p>A. Human Resource Planning, Establishment and Recruitment Committee</p> <p>i) Advise the Commission on Human Resource Planning, Establishment and Recruitment functions;</p> <p>ii) Develop and review recruitment and selection policy in the public service;</p> <p>iii) Develop and review policy guidelines for establishing and abolishing public offices;</p> <p>iv) Develop and review career management framework for the public service;</p> <p>v) Recommend the criteria for appointments in the public service in compliance with the requirements of the Constitution;</p> <p>vi) Consider requests on organization structure and staff establishment from MDAs;</p> <p>vii) Consider requests from MDAs on appointments and promotions and make appropriate recommendations and policies;</p> <p>viii) Consider job descriptions and specifications for career progression; and</p> <p>ix) Oversee the implementation of job evaluation report for the service.</p> <p>B. Committee on Terms and Conditions of Service</p> <p>i) Consider, review and make recommendations on terms and conditions of service for public officers;</p> <p>ii) Review and develop human resource management policies for the public service;</p> <p>iii) Recommend human resource management reforms in the public service;</p> | <p>iv) Develop a human resource master plan for the public service;</p> <p>v) Recommend talent management and retention programs in the service; and</p> <p>vi) Manage industrial relations in the service.</p> <p>C. Human Resource Development Committee</p> <p>i) Develop and review human resource development policies and guidelines;</p> <p>ii) Oversee institutionalization of induction and fit-for-purpose training and development programs;</p> <p>iii) Develop and manage public service competency framework;</p> <p>iv) Collaboration and resource mobilization for training and development; and</p> <p>v) Management of internship programs in the public service.</p> <p>D. Public Service Performance and Transformation Committee</p> <p>i) Develop national performance management policy framework for the public service;</p> <p>ii) Oversee the institutionalization of performance management framework in the public service;</p> <p>iii) Initiate service delivery improvement programs and strategies;</p> <p>iv) Develop strategies for inculcating a public service performance culture; and</p> <p>v) Recommend structures and systems for public service transformation.</p> <p>E. Compliance and Quality Assurance Committee</p> |
|--|--|

- i) Develop strategies for promotion of values and principles under Articles 10 and 232 of the Constitution;
 - ii) Oversee the preparation of the report to the President and Parliament on the extent to which the values and principles in Articles 10 and 232 are complied with in the public service;
 - iii) Consider reports on investigation, monitoring and evaluation, and audit of the organization, administration and personnel practices in the public service;
 - iv) Manage the public service Code of Conduct and Ethics; and
 - v) Oversee the administration of financial disclosures in the public service.
- F. County Appeals and Devolution Matters Committee**
- i) Oversee inter-governmental relations in collaboration with relevant government agencies to ensure application of uniform human resource management norms and standards in the service;
 - ii) Recommend strategies for capacity building and technical assistance to counties on human resource matters; and
 - iii) Consider county appeals and make recommendations to the Commission for determination and decision.
- G. Finance, Planning, ICT and General-Purpose Committee**
- i) Develop proposals for the formulation, implementation and review of the strategic direction of the commission;
 - ii) Monitor implementation of the Commission's strategic plan and performance contract;
 - iii) Consider the budget proposals for the Commission and make recommendations for approval;
 - iv) Consider the periodic budget performance and financial reports;
 - v) Propose modalities for fiscal resource mobilization;
 - vi) Oversee the formulation, review and implementation of the ICT policies, strategies,
- processes and systems of the Commission;
 - vii) Oversee the implementation, certification, sustainability and review of the ISO 2015: 9001 processes;
 - viii) Formulate and review proposals on structure and staffing of the Commission Secretariat;
 - ix) Develop proposals for monitoring, reviewing and implementing competitive terms and conditions of service for the Commission;
 - x) Monitor, review and develop capacity building proposals for the Commission;
 - xi) Develop, monitor and review implementation of the Commission's communication strategy; and
 - xii) Monitor, review and propose strategies for development, management and improvement of the Commission's assets, facilities, shared services and work environment.
- H. Audit Committee**
- This is an advisory committee that assists the Commission and the Secretary/CEO with respect to financial reporting, adequacy and effectiveness of Commission's risk management, internal controls, governance processes, and audit affairs. The Committee comprises of two members from the private sector, a representative of the National Treasury, one Commissioner and head of Commission's Internal Audit as the Secretary. The Committee is chaired by a representative of the private sector and its terms of reference are as follows:
- i) approves the internal audit unit charter;
 - ii) reviews the charter of the internal audit function and recommend to the Commission for approval;
 - iii) reviews the annual audit plan and make recommendations to the Commission for approval;
 - iv) receives and reviews reports from the internal audit/external audit, and make appropriate recommendations to the Commission;
 - v) evaluates the adequacy of management responses to audit queries;
 - vi) monitors the implementation of audit-based recommendations approved by the Commission;

- sion;
- vii) reviews audit reports of the Auditor-General that have implications on the Commission and makes recommendations to the Commission;
 - viii) advises the Commission on risk management and ensure that the Commission has in place an institutional risk management policy framework; and
 - ix) initiates special audit/investigation on any allegations, concerns and complaints

During the year under review, the Committees held several meetings to deliberate and make recommendations on policy issues relating to the mandate of the Commission. The recommendations were considered and approved by the Commission during its weekly board meetings. In total, the Commission held twenty-nine (29) board meetings while, the seven committees held several weekly meetings.

1.3.2 Internal Oversight Arrangements

The Accounting Officer authorises and approves all activities of the Commission and ensures that all Government regulations and policies are followed in execution of Commission's activities. The Authority to Incur Expenditure (AIE) holder certifies that all the expenditure of the Commission is incurred for authorised purposes and properly charged. Further, the oversight arrangements are undertaken through the following Committees;

- a) Evaluation Committees: The Accounting Officer of the Commission appoints ad-hoc evaluations committees for works, goods or services in accordance to the Procurement and Disposal Act, 2015 and the regulations thereof;
- b) Budget Implementation Committee: Oversees budget implementation process and advises the Accounting Officer on the budget performance of the Commission periodically during the financial year; and

- c) Commission Human Resources Management Advisory Committee: Considers and approves staff development strategies, training needs and projections, and Secretariat's human resource discipline and other terms and conditions of service.

1.3.3 External Oversight Arrangements

The National Assembly Departmental Committee on Administration and National Security oversighted the Commission's budget estimates for the Financial Year 2019/20. The activities of the Commission were also oversighted by the Offices of the Controller of Budget by continuously approving Commission's expenditure requests through exchange approval and deliberating on quarterly reports presented to them. Further, the Office of the Auditor General undertook annual audit of Commission's Financial Statements.

Public Service Commission Headquarters

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Principal Legal Adviser
The Attorney General
State Law Office
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II. FOREWORD BY THE CHAIRPERSON



2.1 Budget Performance for the Financial Year 2019/20

During the year under review, the Commission executed its work plans and budget through programmes. The programmes were allocated gross estimates of Kshs.2.38 billion made up of recurrent and development estimates of Kshs.2.35 billion and Kshs.22.48 million, respectively. The Commission utilized Kshs.2.24 billion, representing 94.45 per cent budget absorption rate, comprising of Kshs 2.22 billion or 94.42 per cent and Kshs.22.52 million or 100.18 per cent for recurrent and development estimates, respectively. The over absorption of development budget was caused by budget cut in Supplementary 2 by the National Treasury, where Kshs. 43 million was reduced from development budget out of the available vote balance of Kshs 42.9 million at the time.

Out of the recurrent expenditure of Kshs.2.22 billion, Kshs.1.58billion representing 71.2 per cent was used on compensation of employees, while Kshs.643.2, million representing 28.8 per cent, was used on operations and maintenance. The development sum of Kshs.22.52 million was used for undertaking refurbishment projects in the old Commission House. The summarized budget performance is as shown in Table 1-2, Figures 1-1 and 1-2.

2.0 Introduction

The year under review marked the beginning of the implementation of the Public Service Commission's new Strategic Plan for the period 2019-2024 that focuses on a citizen-centric approach to service delivery. The implementation of the Strategic Plan is realized through annual work plans which are cascaded into performance contracts signed between the secretariat and the Commission. During the Financial Year 2019/20 the Commission continued to facilitate the management with resources, which although limited, aims at enabling the delivery of the Commission's mandate.

Table 1-2: Summary Budget Performance 2019/20 Financial Year

Title and Details	Printed Estimates 2019/20	Expenditure 2019/20	Overall Absorption Rate
Recurrent	Kshs.	Kshs.	Percentage (%)
Compensation of Employees	1,663,088,166	1,578,225,132	94.90
Use of goods and services	540,901,887	492,383,517	91.48
Other grants and transfers	-	-	-
Social Security Benefits	75,082,647	74,460,642	99.17
Acquisition of Assets	74,045,800	73,950,682	99.87
Gross Recurrent	2,353,118,500	2,219,278,178	94.40
AIA	520,000	295,850	0
Net Recurrent	2,352,598,500	2,218,982,328	94.42
Development			
Acquisition of Assets	22,480,000	22,521,369	100.18
Gross Development	22,480,000	22,521,369	100.18
TOTAL	2,375,598,500	2,241,503,697	94.45

Figure 1-1 shows the overall budget performance for recurrent and development expenditure while

Figure 1-2 indicates expenditure by economic classification for the period under review.

Figure 1-1: Overall Budget Performance Financial Year 2019/20

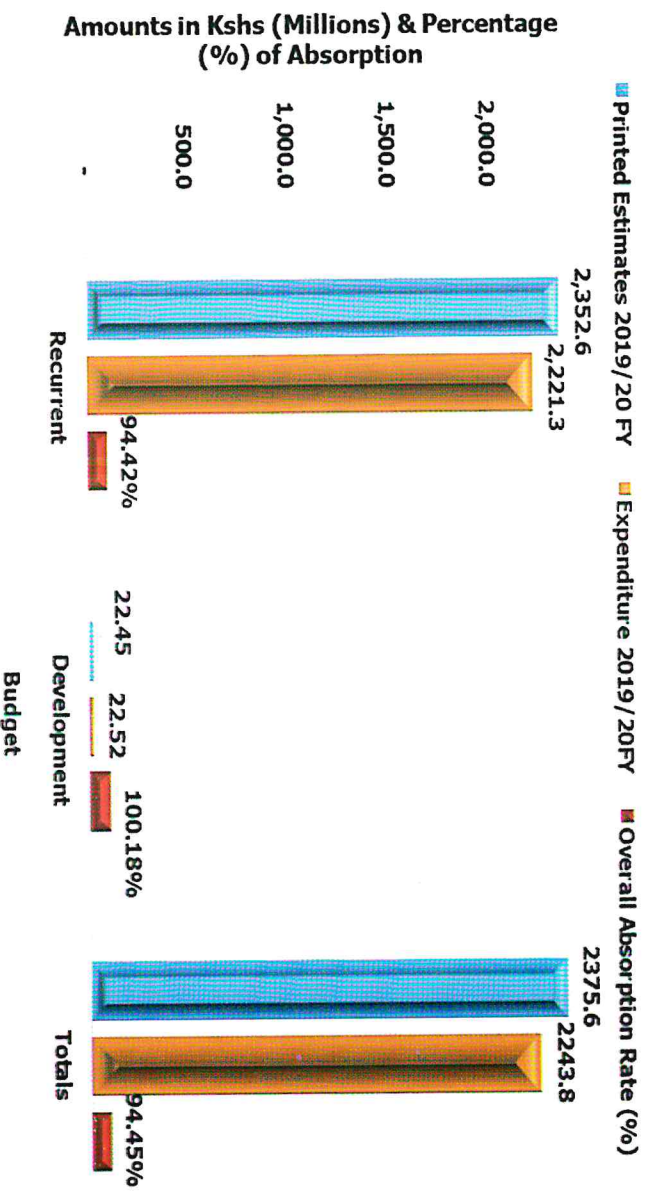


Figure 1-2: Summary of Expenditure by Economic Classification

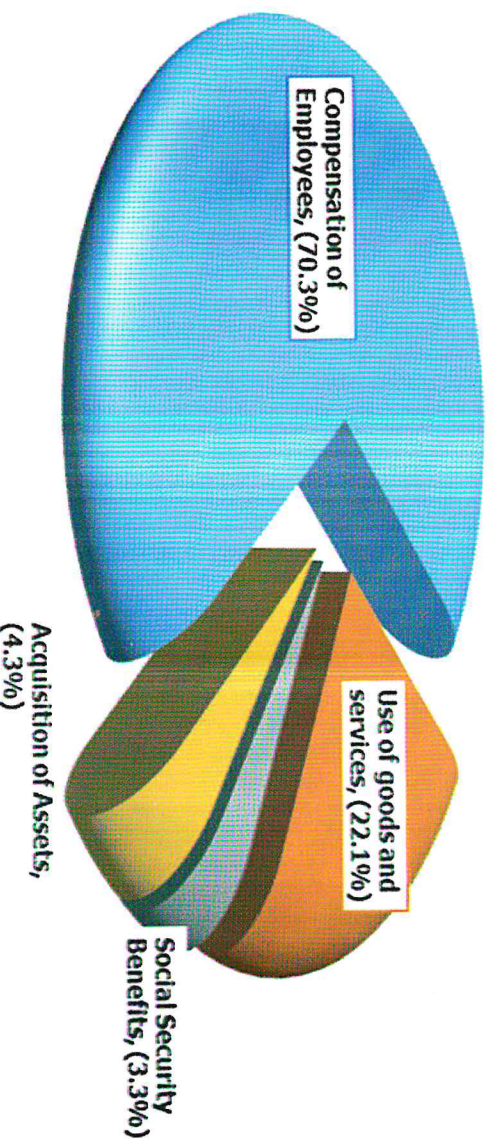


Figure 1-2 shows that compensation to employees consumed the highest percentage, 70.3 per cent of Commission's expenditure for the period under review. This is expected because the Commission sets strategic policy directions on human resource matters in the public service. Hence a sizeable number of staff are policy makers whose compensation is fairly high. In addition, the Public Service Internship Programme (PSIP) stipend of Kshs. 1 billion forms part of compensation of employees.

About 22.1 per cent of the expenditure was on use of goods and services in support of the Commission's mandate programmes. The Commission applied 3.3 per cent of its budget on social security benefits which include Commission's contributions to defined pension contributions and gratuity payments.

Finally, the Commission used 4.3 per cent of its voted budgetary provisions on acquisition of assets, which includes Kshs.67 million funds for staff mortgage and car loan scheme and Kshs.

22.5 million for the refurbishment of the old Commission House to improve work environment for the staff and Commission's customers including candidates attending interviews.

2.2 Budget Performance by Programmes

During the period under review, the Commission discharged its functions through four programmes

namely: general administration, planning and support services programme; human resource management and development programme; governance and national values programme; and performance and productivity management programme. The expenditure trends for the 2019/20 fiscal year are as shown in Table 1-3 and Figure 1-3.

Table 1-3: Summary Budget Performance 2019/20 FY by Programmes

Programmed/Sub-programme	Approved Estimates	Actual Expenditure	Budget Utilization Difference	Overall Absorption Rate
	2019/20	2019/20	2019/20	
	Kshs	Kshs	Kshs	
Programme 1: General Administration, Planning and Support Services	1,948,427,998	1,828,963,500	119,464,498	93.87
Programme 2: Human Resource Management and Development	255,790,477	249,775,072	6,015,405	97.65
Programme 3: Governance and National Values	146,107,804	140,387,520	5,720,284	96.08
Programme 4: Performance and Productivity Management	25,272,221	24,538,400	733,821	97.09

Figure 1-3: Budget Performance 2019/20 Financial Year by Programmes

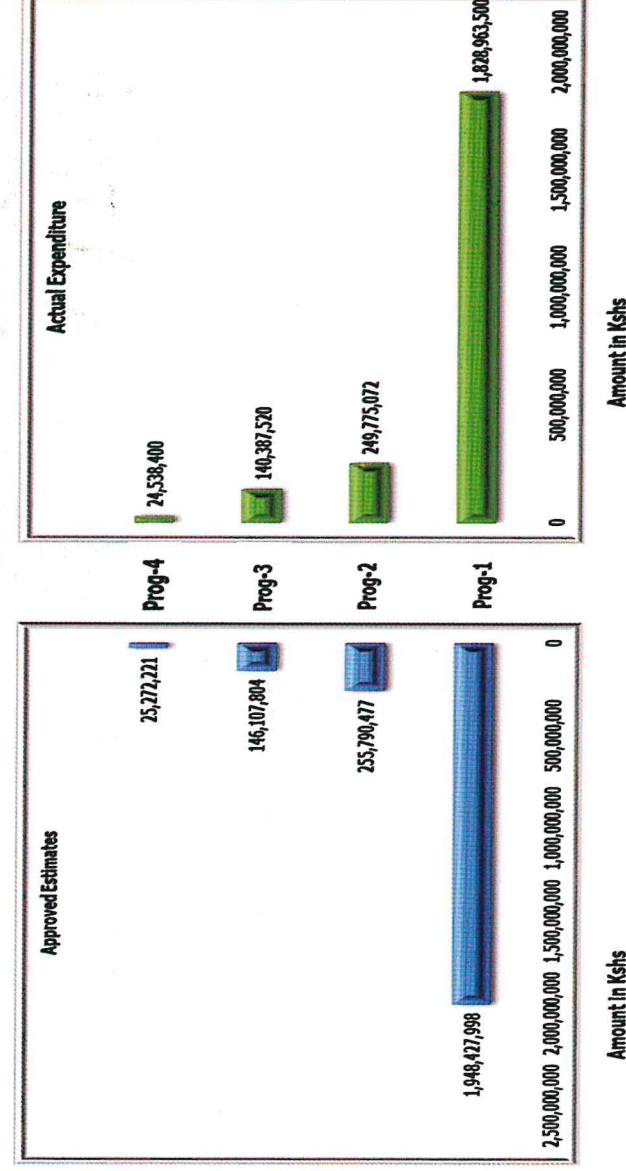


Table 1-3 and Figure 1-3 show that the general administration, planning and support programme was allocated a higher percentage of the Commission's budgetary allocation compared to the

other three programmes of human resource management and development, governance and national values, and Performance and productivity management. This is because general

administration, planning and support services programme figures include Kshs. 1 billion for payment of stipend under Public Service Internship Programme. The programme also consolidates shared services that support the Commission in the delivery of the core Commission's mandate. The areas include staff pension, gratuity, medical insurance, mortgage and car loan scheme, fuel and vehicles maintenance, maintenance and refurbishment of buildings and conducive work environment, among others.

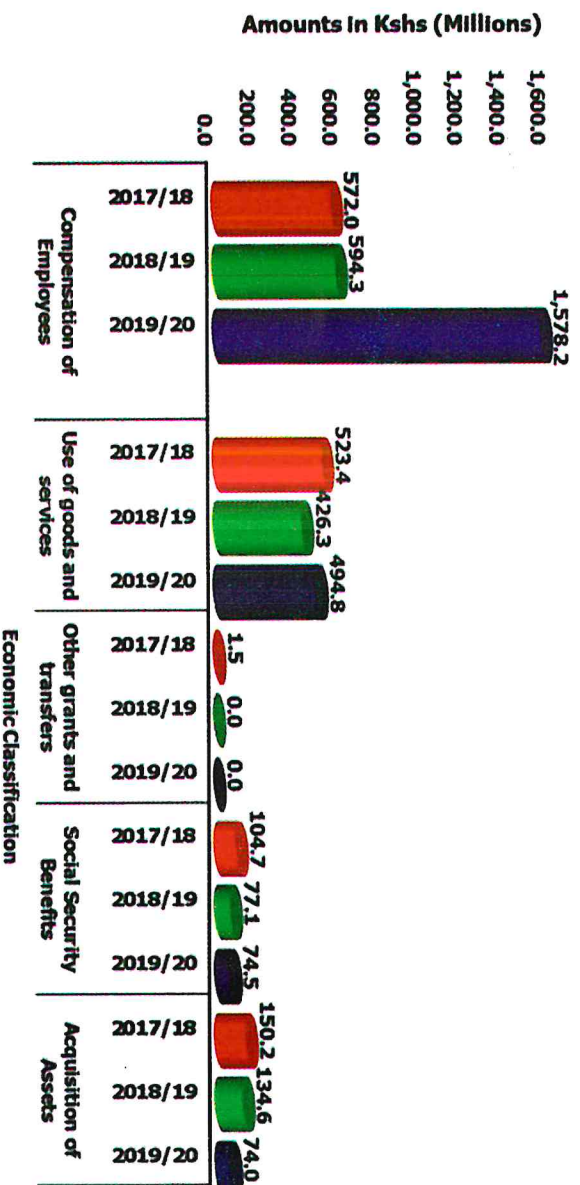
2.3 Comparative performance for the Medium Term (2017/18 to 2019/20 Financial Years)

The Commission's budget performance in terms of expenditure absorption by economic classifications for the last three fiscal years is presented in Table 1-4 and Figure 1-4

Table 1-4: Comparative Analysis of Performance for the Medium Term (2017/18 to 2019/20 FYs)

Title and Details	Expenditure 2017/18	Expenditure 2018/19	Expenditure 2019/20
	Kshs.	Kshs.	Kshs.
Compensation of Employees	572,004,010	594,276,550	1,578,187,488
Use of goods and services	523,414,796	426,345,328	492,383,517
Other grants and transfers	1,482,984	-	-
Social Security Benefits	104,747,613	77,088,041	74,460,642
Acquisition of Assets	150,172,597	134,641,197	73,950,682
Total Net Expenditure	1,351,822,000	1,232,351,116	2,241,503,697

Figure 1-4: Comparative Analysis of Performance for the Medium Term Financial Years (2017/18-2019/20)



The Table 1-4 and Figure 1-4 indicate that the budgetary expenditure for the last three years. The compensation of employees recorded significant jump in growth in 2019/20 of 165 per cent resulting from inaugural budgetary allocation of Kshs.1 billion for payment of interns' stipend under the Public Service Internship Programme. Use of goods also recorded a slight increase of 16 per cent arising from budgetary allocation for administrative costs of the internship programme. However, budgetary provision for social benefits and acquisition of assets recorded 3 per cent and 45 per cent reduction, respectively. The reduction

mainly affected implementation of strategic plan programmes for the period under review.

2.4 Key Achievements

During the year under review, several strategic initiatives were implemented in the 2019-24 Strategic Plan. The Commission implemented an inaugural Public Service Internship Programme in 2019/20 financial year. The purpose of the internship programmes is to enhance transition of the youth from college to the work. Every year, thousands of young people graduate from universities

and other institutions, after studying a wide range of academic and technical disciplines face a shrinking job market and dwindling job opportunities. Therefore, there is need to develop inclusive models that contribute to the empowerment and employability of Kenya's youth. The programme

also aims to inculcate public service values and ethos in young graduates, from where the public service can recruit in the future. During the year in review, the Commission recruited and placed in MDAs 5,560 interns in two cohorts.



PSC Chairman Mr. Stephen Kirogo Addressing interns during the induction program in December, 2019

The Commission undertook functional analysis and reviewed organizational structures for 14 MDAs and staff establishments for various MDAs based on allocated functions in the Executive Orders and workload analysis. A total of five thousand four hundred and two (5,402) posts were established in 13 Ministries and State Departments. In addition, officers were appointed to various positions in the public service in compliance with constitutional requirements.

In the year under review, the Commission developed and reviewed human resource policies, guidelines and instruments to ensure efficient and improved human resource management practices for efficient service delivery. Some of the policies, manuals and guidelines that were developed/reviewed included; policy on contract employment, policy paper on the office administrative cadre, policy on Volunteerism, discipline manual, and guidelines on appropriate training for the desired culture of performance, Professionalism and career progression in the public service.

The Commission continued to provide technical Support to county governments through capacity

support programme for all the 47 county public service boards and county assembly boards. The main objective of the programme was to provide a platform for sharing knowledge, experiences and challenges in the management of human resource in the public service. In addition during the fiscal year 2019/20 the Commission provided technical support to the boards of TVET institutions in the recruitment of 2,000 vocational and technical trainers.

The Commission occupies a unique position among the Constitutional and Independent Offices. It is the agency specifically charged with recruitment of civil servants and other public institutions as provided in the constitution, as a major function. Because of that expertise and experience gained over the period the Commission has been in existence, it is from time to time called upon to carry out recruitment, especially of top offices for other agencies outside its constitutional mandate on a need basis. During the FY 2019/2020, the Commission undertook recruitment for; one Constitutional Commission, two (2) Independent Offices, one (1) statutory commission and senior managers for eight Public universities.



National Gender and Equality Commission (NGEC) Commissioner Priscilla Nyokabi takes oath of office during the inauguration of the selection panel for nominating a member of the National Cohesion and Integration Commission (NCIC). Administering the oath is PSC Director Legal Services Jacqueline Manani at Commission House on 4th February 2020

Whereas creating appropriate reward mechanisms for good performance in the public service is a challenging task, it is still important to develop and implement suitable mechanisms that encourage and underpin improvements in performance and to put in place an effective performance management process. During the period under review the Commission recognized and

rewarded 15 public servants for exemplary performance in 3 categories during the 2019 Public Service Excellence Awards (PSEA) held at Hotel Intercontinental Nairobi on 6th December, 2019. The three categories of awards were: Citizen-Focused Service Delivery, Public Service Values and Ethics and Innovation for Efficiency and Productivity.



Public Service Excellence Award (PSEA) 2019 winners in a group photo with the head of public service Dr. Joseph Kinjua, PSC Chairman Mr. Stephen Kirogo, Vice Chairperson Ms Charity Kisotu, Commissioner Joan Otieno and other dignitaries

The COVID 19 Pandemic presented both a challenge and opportunity for the Commission to leverage technology in order to ensure continuity in service delivery. An on-line jobs application system was introduced through which 512,183 applicants submitted applications for various vacancies that were advertised in the public service. The commission has also adopted the use

of SMS messaging notifications when contacting job applicants as well as when scheduling interview for shortlisted candidates. The commission further adopted online remote interviewing of candidates and a total of 3,462 interviews were conducted online applications, mainly on Webex and Google Meet.



PSC Vice Chairperson Ms Charity Kisotu (Left) and Nairobi Metropolitan Services Health Secretary Dr.JosphineKabiru conducting online interviews at Commission House Nairobi, on 29th April, 2020

In order to enhance citizen service delivery across the public service, the Commission established a Citizens Service Delivery Contact Centre to receive real time feedback on service delivery

concerns across the entire public service and act upon them expeditiously in collaboration with the implementing MDAs through a digital interface system.



Mr. Erick Buhasio (left) from Dimensions Data giving highlights on how the call centre will operate to CEO Mr Simon Rotich (right). Looking on is Deputy Director Public Communication Mr Browne Kutswa (second right) and an ICT intern on 9th August, 2019

Further, the Commission continued to enhance prudent financial management in deployment of the Commission's financial resources. In addition, during the 18th edition of the financial reporting award ceremony which was held on 30th November, 2019 in Nairobi, the Commission was

named the overall winner for the Financial Year 2017/18 in the Independent and Constitutional Offices category, demonstrating commitment to proper financial reporting in accordance with the PFM Act, 2012.



PSC staff pose for a photo as the FRe Award is presented to PSC's Director of Finance and Planning Mr Dismas Ogot (fourth left) during the award ceremony at the Carnivore Restaurant on 8th November, 2019

2.5 Emerging Issues

The Commission has identified the following emerging issues that may affect the implementation of its programmes: The Commission has identified the following emerging issues that may affect the implementation of its programmes:

- i). **Service Delivery Transformation:** the citizen is now more than ever more aware of its rights and demand for better public services. There is therefore, need to re-orient the public service delivery strategy to focus on the citizen and ensure prompt, timely, affordable, transparent, accountable, impartial and equitable services to Kenyans. The Commission plans to also establish a contact Centre to receive instant feedback from the citizenry on service delivery and efficiently respond to citizens' complaints.
- ii). **Public Service Internship Programme:** The high number of unemployed youth in the society requires urgent intervention. The Commission will collaborate with public institutions to increase internship opportunities to enable the youth acquire experience, work skills and ethos for public service. The
- iii). **Covid-19 pandemic:** The impact of the Covid-19 pandemic in the world will affect the economic development of the country, especially from the effect to the revenue collection in addition to redirection of funds to fighting of the pandemic. This affected the implementation of Commission's Programmes to the end of the Financial Year.
- iv). **Leveraging on ICT:** COVID – 19 pandemic in the country has revealed that now more than ever the Commission needs to leverage on ICT in implementation of its mandate. The recruitment for MDAs was affected by the banning of physical meetings and the lockdown of the country thus the candidates could not travel to the Commission to attend the interviews. The Commission will require upgrading its infrastructure to ensure seamless interconnectivity to candidates all over the country in order to undertake e-recruitment.

2.6 Implementation Challenges and Recommended Way Forward

Despite the aforementioned achievements the Commission experienced challenges during the year under review especially as a result of the Covid-19 infections which was first reported in the country on 12th March thus stopping all the programmes that were yet to be implemented. Budget cuts have continued to affect the implementation of the Commission's programmes. Additionally, lack of common framework on uniform norms and standards in the management of the human resource across the two levels of Government affects and high number of applicants for advertised vacancies leading to delays in filling of posts and Succession management gaps in the public service.

Going forward, the Commission will enhance optimal utilization of resources to eliminate wastage while at the same time engaging relevant government stakeholders in seeking adequate budgetary provision to the Commission for optimal implementation of the Commission's mandate. The Commission plans to develop Public Service Human Resource Management Bill to address

uniform norms and standards across both levels of government. We shall leverage on ICT by improving IT infrastructure in order to ensure continuity of service provision despite the COVID -19 pandemic and fast track recruitment process in order to address succession management gaps in the public service.

It is our expectation that the reform path that the Commission has embarked on will translate into better performance which will guarantee the transformation of our society into a more prosperous nation, guided by the Commission's mantra of REFORM, PERFORM and TRANSFORM.

Finally, I wish to reiterate the Commission's commitment to efficient and effective public service productivity and quality service delivery to the public.



Stephen Kirogo, CBS, FPRS

CHAIRMAN

PUBLIC SERVICE COMMISSION

III. STATEMENT OF PERFORMANCE AGAINST MDA'S PREDETERMINED OBJECTIVES

3.1 Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of the Commission under 2019-2024 Strategic Plan are to:

- a) Improve performance and productivity;
- b) Improve service delivery;
- c) Improve human resource management practices;

- d) Promote constitutionalism, values and principles; and
- e) Build Commission's internal capacity.

3.2 Progress on Attainment of Strategic Development Objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement. Below we provide the progress on attaining the stated objectives:-

MDA Program	Objective	Outcome	Indicators	Performance
Human Resource Management and Development	To improve human resource management practices;	Skilled and experienced interns to match labour market demands	No. of Youth recruited for internship	In FY 2019/20 5,560 youth were recruited under the Internship Programme
		HR Policies aligned and harmonized with relevant legislations	No. of policies developed/ reviewed	5 Human Resource policies, guidelines and instruments developed / reviewed
		Timely provision of human capital needs in MDAs	% of HR Master Plan developed	10% of the HR Master plan developed in 2019/20
		Optimal Staffing in MDAs	No. of officers recruited in MDAs	1,977 persons from various counties appointed to new entry positions (1027 Male -51.9%) & 950 (48.1%) Female; 43 PWDs were appointed to various posts in the service accounting for 2.2% of the total appointments
		Succession management gaps addressed in MDAs	No. of Officers promoted in MDAs	Promoted (2 Male; 2 Female)
	To improve service delivery	Fit for purpose structures	No. of MDAs reviewed	Reviewed organizational structures for 14 MDA

MDA Program	Objective	Outcome	Indicators	Performance
		Optimal Staffing for efficient delivery of public services	No. of posts established	5,402 posts were established in 13 Ministries and State Departments
		Improved public service delivery in MDAs	No. of research conducted	Conducted research on SLDP Training Impact Assessment
			No. of programmes implemented	100-day Rapid Results Initiative on the clearing of payment of pension claims backlog was undertaken through a collaboration between Public Service Commission, the National Treasury and Teachers Service Commission. - A total of 8,276 files processed and 39.4 Million disbursed
		Prompt and responsive feedback on quality of public services	Call Centre	Established and deployed officers to operationalized contact call centre for feedback from citizens on level and quality of service delivery
Governance and National Values	Promote Constitutionalism, Values and Principles	Ethical and Value-Based Public Service	No. of Programmes implemented	- Promoted values through donation of trophies for winning teams on the values and principles in the 93rd edition of the Kenya Schools and Colleges National Music Festivals held at Kabarak University; - Conducted 1 programme where 603 Officers in 298 public institutions were trained on values and principles at KSG
			No. of Institutions submitted returns	241 out of 270 institutions submitted their returns and compliance level was 89.3% as at 30th June, 2020
			Compliance Index	Report prepared and submitted to president and parliament on 27/12 and the Compliance index was 42.4%.

MDA Program	Objective	Outcome	Indicators	Performance
General Admin- istration, Plan- ning and Support services	Build Commis- sion's Internal Capacity	Enhanced skills and competencies for staff	No. of staff trained	216 attended individual and group trainings
		Strategic Plan 2019-2024	New Commis- sion Strategic Plan 2019- 2024	Strategic Plan 2019- 2024 developed and launched in October, 2019
		Improved corpo- rate image	Communica- tion Strategy	Draft Communication Strategy developed
		Safe, secure and healthy work place	No. of Statu- tory Audits conducted	Conducted EMCA & OSHA statutory audits
Performance and Productivity Man- agement	Improving Performance and Produc- tivity	Efficient and ef- fective delivery of public services in MDAs	No. of MDAs whose busi- ness process has been reviewed	Undertook Business Process Reviews for the following Public Institu- tions:- • Pensions Department • Teachers Service Commission
		Improved perfor- mance and pro- ductivity in MDAs	No. of Officers awarded	Recognized and reward- ed 15 public servants for exemplary performance in various award cat- egories during the 2019 Public Service Excel- lence Awards (PSEA) which was held 6th December 2019

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

As Public Service Commission our vision is a citizen centric public service. We aim to achieve this through transforming the public service for efficient and effective service delivery. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on four pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

4.1 Sustainability Strategy and Profile

The Sustainable Development Goals (SDGs) are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. In aligning with global development aspirations, the Commission takes cognizance of the relevance of Goal 16 to its reform and transformation agenda in the current planning cycle. Specifically, two targets under Goal 16 are at the core of the Commission's agenda. While Target 16.6 focuses on developing effective, accountable and transparent institutions at all levels, Target 16.7 is concerned with ensuring responsive, inclusive, participatory and representative decision-making at all levels.

From a development perspective, good governance, as espoused under Sustainable Development Goal 16, constitutes the foundation upon which all the other Goals are built. The Commission's strategy for the uptake and implementation of the values and principles of governance and public service is, therefore, consistent with efforts aimed at establishing capable, efficient, effective and inclusive public institutions as the foundation for reforms and transformation.

4.2 Environmental performance

The Commission is committed to ensuring that the environment is preserved in the day to day activities. During the period under reviewed the Commission was represented in tree planting at the Ngong Hills Forest to mark this year's Africa Public Service Day, 23rd June 2020. In an effort to conserve energy and water, the Commission has a caretaker who ensures all the light and water points are switched off on non-working hours and days. Use of water dispensers in the Commission offices as opposed to water bottles enhanced reduction in plastic waste that is released to the environment. In addition, the Commission implemented an online recruitment and selection module that ensures all applications are received online. This has automated service delivery to enhance efficiency and to reduce use of paper.



Commissioner Amb. Salma Ahmed planting a tree in Ngong forest during the 2020 Africa Public Service Day

4.3 Employee welfare

One of the main roles of the Commission is to recruit staff for the civil service. In undertaking this role, the Commission ensures that it adheres to the gender provisions in the constitution. It also ensures that there is representation of People with Disabilities (PWDs). At the close of June 2020, the Commission had staff complement of 222, 51 per cent male and 49 per cent female. The Commission developed and implemented internal Staff Performance Appraisal System (SPAS) in order to establish performance management culture within the Commission.

In order to attract and retain staff, the Commission implemented a defined contributory pension scheme and outsourced group medical, Group Personal Accident (GPA) and Work Injury Benefits Act (WIBA) insurance covers for the Secretariat staff. In addition, to boost staff morale and productivity, the Commission implemented staff mortgage and car loan facility. Further, the Commission has a health and fitness gymnasium as part of staff welfare, healthy lifestyle and work-life balance as well as offering psychosocial support to staff.

During the period under review, the Commission Conducted staff awareness programs on occupational safety and health, sustainable work environment and annual work place safety inspection and audit in compliance with the provisions of the Occupational Safety and Health Act (2007) and Environmental Management and Coordination Act (1999). In addition the Commission undertook the following Work Place Audits and Safety Measures:-

- a) Carried out Annual Occupational Safety and Health Audit at the Public Service Commission in compliance with Section 11(1) of the Occupational Safety and Health Act (OSHA), 2007;
- b) Carried out Annual Environmental Audit at the Public Service Commission in compli-

ance with the Environmental Management & Coordination Act (EMCA), 1999;

- c) Carried out Baseline Work Place Risk Assessment at the Public Service Commission in compliance with Section 6 (3) of the Occupational Safety and Health Act (OSHA), 2007;
- d) Conducted one (1) mock fire drill at PSC building on 31st January 2020 – to test the serviceability of fire fighting facilities and assess level of staff preparedness in case of fire disasters – fire drill coordinated by Fire Officers from State Department of Public Works; and
- e) Carried out a technical inspection of fire fighting facilities, fire alarm and smoke detection systems at PSC buildings on 10th June 2020 to determine adequacy and serviceability

4.4 Community Engagements

The Commission developed thematic areas on promotion of Values & Principles for Kenya Music Festival to be used during the annual 2020 music and drama festivals competition. It then participated in the 93rd edition of the National Music Festival held at Kabarak University of Technology in August 2019 by donating trophies for the winning teams on thematic area.

The Commission joined the fight against Covid-19, where the Commission and secretariat staff contributed Kshs. 1.4 million to the Covid-19 Fund. Further, during the fiscal year under review, the Commission awarded 22.5 per cent of the total budget for the procurement of goods and services to the special groups (youth, women and persons with disability). The procurement of goods and services by the Commission was undertaken fully from the local contractors and suppliers.

V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the Public Service Commission is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year(period) ended on June 30, 2020. This 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 entity; (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 entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the Public Service Commission accepts responsibility for the entity's financial statements, which have been



Simon K. Rotich, CBS
Secretary/CEO
Public Service Commission

prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 20XX, and of the entity's financial position as at that date. The Accounting Officer in charge of the Public Service Commission further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Public Service Commission confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The Public Service Commission financial statements were approved and signed by the Accounting Officer on 30/9/2020.



Ag. Head Of Accounting Unit
Dr. Julius Ongera Moturi
ICPAK Member Number: 5458

VI. REPORT OF THE INDEPENDENT AUDITORS ON THE ENTITY

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON PUBLIC SERVICE COMMISSION FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Public Service Commission set out on pages 37 to 59, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and the statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Public Service Commission as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

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

Report of the Auditor-General on Public Service Commission for the year ended 30 June, 2020

Other Matter

1. Pending Bills

As disclosed in Note 18 to the financial statements, the Commission had pending bills of Kshs.9,360,827 as at 30 June, 2020. Management has not provided an explanation for failure to settle the bills. Failure to settle bills during the year to which they relate to distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

2. Unresolved Prior Year Matter

Irregular Extension of Group Personal Accident Insurance Cover

As previously reported, the statement of receipts and payments for the year ended 30 June, 2019 reflected an expenditure of Kshs.426,345,328 under use of goods and services. Included in the expenditure was an amount of Kshs.86,018,429 relating to insurance costs that includes Kshs.2,930,327 paid to an insurance Company in respect of group personal accident cover for the staff, covering the period from 1 October, 2018 to 30 September, 2019. However, the insurance contract used in support of the payment had expired on 30 June, 2018. The contract was renewed on existing basis without subjecting the extension through the procurement process in line with Section 139(2) (a) of the Public Procurement and Asset Disposal Act, 2015 which requires the Accounting Officer to approve changes to a contract upon recommendation by the Evaluation Committee. Although Management provided a letter of extension, minutes of the Evaluation Committee were not provided for audit review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Irregular Payments of Special Duty Allowances

The statement of receipts and payments reflects an expenditure of Kshs.1,578,187,488 under compensation of employees which includes an amount of Kshs.1,091,587 special duty allowances. The allowance was paid to thirteen (13) members of staff who had performed duties of higher posts for a duration exceeding six (6) months contrary to Section C15 (4) of the Human Resource Policies and

Report of the Auditor-General on Public Service Commission for the year ended 30 June, 2020

Procedures Manual for the Public Service of May, 2016 which provides that special duty allowance will not be payable to an Officer for more than six (6) months.

Under the circumstances, the Commission was in breach of the Human Resource Policies and Procedures for the Public Service.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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 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 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 control, 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 those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control 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 control, risk management and governance.

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Commission 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 review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control 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 internal

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

As part of an audit conducted in accordance with ISSAs, I exercise professional judgement 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 control.
- 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 Commission'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 Commission to cease 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 Commission 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 control 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.


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

25 May, 2021

VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019-2020	2018-2019
		Kshs	Kshs
RECEIPTS			
Exchequer releases	1	2,242,795,012	1,240,086,547
Proceeds from Sale of Assets	2	295,850	287,600
Other Receipts	3	736,519	775,475
TOTAL RECEIPTS		2,243,827,381	1,241,149,622
PAYMENTS			
Compensation of Employees	4	1,578,187,488	594,276,550
Use of goods and services	5	492,383,517	426,345,328
Subsidies		-	-
Transfers to Other Government Units		-	-
Other grants and transfers		-	-
Social Security Benefits	7	74,460,642	77,088,041
Acquisition of Assets	8	96,472,051	134,641,197
Finance Costs, including Loan Interest		-	-
Repayment of principal on Domestic and Foreign borrowing		-	-
Other Payments		-	5,516,071
TOTAL PAYMENTS		2,241,503,697	1,237,867,187
SURPLUS/DEFICIT		2,323,684	3,282,435

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/9/ 2020 and signed by:


 Simon K. Rotich, CBS
 Secretary/CEO
 Public Service Commission


 Ag. Head Of Accounting Unit
 Dr. Julius Ongera Moturi
 ICPAK Member Number: 5458

VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10A	14,002,412	15,790,331
Cash Balances	10B	149,373	53,345
Total Cash and cash equivalent		14,151,786	15,843,676
Accounts receivables – Outstanding Imprests	11	859,310	558,749
TOTAL FINANCIAL ASSETS		15,011,096	16,402,425
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	12	13,510,298	13,856,958
NET FINANCIAL ASSETS		1,500,798	2,545,467
REPRESENTED BY			
Fund balance b/fwd	13	2,545,467	5,364,756
Prior year adjustment	14	(3,368,353)	(6,101,725)
Surplus/Deficit for the year		2,323,684	3,282,435
NET FINANCIAL POSITION		1,500,798	2,545,467

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/9/ 2020 and signed by:



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Secretary/CEO
Public Service Commission



Ag. Head Of Accounting Unit
Dr. Julius Ongera Moturi
ICPAK Member Number: 5458

IX. STATEMENT OF CASH FLOWS

	Notes	2019-2020	2018-2019
		Kshs	Kshs
Receipts for operating income			
Exchequer Releases	1	2,242,795,012	1,240,086,547
Other Revenues	3	736,519	775,475
Payments for operating expenses			
Compensation of Employees	4	(1,578,187,488)	594,276,550
Use of goods and services	5	(492,383,517)	426,345,328
Interest payments		-	-
Subsidies		-	-
Transfers to Other Government Units		-	-
Other grants and transfers		-	-
Social Security Benefits	7	(74,460,642)	77,088,041
Finance Costs, including Loan Interest		-	-
Other Expenses		-	5,516,071
		(2,145,031,646)	1,103,225,990
Adjusted for:			
Adjustments during the year			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	(300,561)	26,906
Increase/(Decrease) in Accounts Payable: (deposits and retention)	16	(346,660)	(4,595,696)
Prior Year Adjustments	14	(3,368,353)	3,010,738
			78,929
Net cash flow from operating activities		94,484,311	136,156,909
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	295,850	287,600
Acquisition of Assets	8	(96,472,051)	(134,641,197)
Net cash flows from Investing Activities		(96,176,201)	(134,353,597)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Domestic Borrowings		-	-
Proceeds from Foreign Borrowings		-	-
Repayment of principal on Domestic and Foreign borrowing		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		-1,691,890	1,803,312
Cash and cash equivalent at BEGINNING of the year		15,843,676	14,040,364
Cash and cash equivalent at END of the year		14,151,786	15,843,676

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30/9/ 2020 and signed by:



Simon K. Rotich, CBS
Secretary/CEO
Public Service Commission



Ag. Head Of Accounting Unit
Dr. Julius Ongera Moturi
ICPAK Member Number: 5458

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Compa- rable Basis	Budget Utiliza- tion Difference	% of Utilization
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
	a	b	c=a+b	D	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	2,235,960,000	139,118,500	2,375,078,500	2,242,795,012	132,283,488	94.4
Proceeds from sale of non-financial As- sets (A-I-A)	520,000	-	520,000	295,850	224,150	56.9
Other Receipts – Training Levy	-	-	-	736,519	(736,519)	
TOTAL RECEIPTS	2,236,480,000	139,118,500	2,375,598,500	2,243,827,381	131,771,119	94.5
PAYMENTS						
Compensation of Employees	1,626,850,000	36,238,166	1,663,088,166	1,578,187,489	84,900,677	94.9
Use of goods and services	399,567,353	141,334,534	540,901,887	492,383,517	48,518,370	91.0
Other grants and transfers	-	-	-	-	-	-
Social Security Benefits	75,082,647	-	75,082,647	74,460,642	622,005	99.2
Acquisition of Assets	134,980,000	(38,454,200)	96,525,800	96,472,051	53,749	99.9
Other Payments	-	-	-	-	-	-
TOTAL PAYMENTS	2,236,480,000	139,118,500	2,375,598,500	2,241,503,698	134,094,802	94.4
Surplus/ Deficit				2,323,684	(2,323,684)	-

1. Proceeds from A-I-A was realized at 56.9 per cent as some of the bidders had not paid for the items by the end of the financial year.
2. The changes between the original and final budget of the Commission was as a result of reallocations within the budget for recurrent budget and additional budget that the Commission was granted during Supplementary I for Recurrent budget and reductions during Supplementary II for recurrent and Development budget.

The entity financial statements were approved on 30/9/2020 and signed by:

Simon K. Rotich, CBS
Secretary/CEO
Public Service Commission

Ag. Head Of Accounting Unit
Dr. Julius Ongera Moturi
ICPAK Member Number: 5458

XI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	2,170,480,000	182,118,500.00	2,352,598,500	2,221,874,583	130,723,917	94.4
Proceeds from Sale of Assets	520,000	-	520,000	295,850	224,150	56.9
Other Receipts	-	-	-	736,519	(736,519)	-
TOTAL RECEIPTS	2,171,000,000	182,118,500	2,353,118,500	2,222,906,952	130,211,548	94.5
PAYMENTS						
Compensation of Employees	1,626,850,000	36,238,166.00	1,663,088,166	1,578,187,489	84,900,677	94.9
Use of goods and services	399,567,353	141,334,534.00	540,901,887	492,383,517	48,518,370	91.0
Other grants and transfers	-	-	-	-	-	-
Social Security Benefits	75,082,647	-	75,082,647	74,460,642	622,005	99.2
Acquisition of Assets	69,500,000	4,545,800.00	74,045,800	73,950,682	95,118	99.9
Other Payments	-	-	-	-	-	-
TOTAL PAYMENTS	2,171,000,000	182,118,500	2,353,118,500	2,218,982,329	134,136,171	94.3
Surplus/Deficit	0	0	0	3,924,623	(3,924,623)	

1. Proceeds from A-I-A was realized at 56.9 per cent as the disposal process for boarded items for 2019/20 Financial year was not yet completed at end of financial year thus the receipts from the sale will be realized in 2020/21FY.
2. The changes between the original and final budget of the Commission was as a result of reallocations within the budget, additional budget and reductions granted in Supplementary I and II for recurrent and development budget.

The entity financial statements were approved on 30/9/ 2020 and sign



Simon K. Rotich, CBS
Secretary/CEO
Public Service Commission



Ag. Head Of Accounting Unit
Dr. Julius Ongera Moturi
ICPAK Member Number: 5458

XII. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT/RECURRENT

Receipt/Expense Item	Original Budget	Adjusted-ments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	65,480,000	43,000,000	22,480,000	20,920,429	1,559,571	93.1
Proceeds from Sale of Assets						
Other Receipts						
TOTAL RECEIPTS	65,480,000	43,000,000	22,480,000	20,920,429	1,559,571	93.1
PAYMENTS						
Compensation of Employees						
Use of goods and services						
Other grants and transfers						
Social Security Benefits						
Acquisition of Assets	65,480,000	(43,000,000)	22,480,000	22,521,369	(41,369)	100.2
Other Payments						
TOTAL PAYMENTS	65,480,000	(43,000,000)	22,480,000	22,521,369	(41,369)	100.2
Surplus/Deficit				(1,600,940)	(1,600,940)	

The development budget on acquisition of assets was over absorbed at 100.2 per cent. This was as a result of budget cuts in Supplementary 2 by the National Treasury, where Kshs. 43 million was reduced from development budget out of the available vote balance of Kshs 42.9 million at the time.

The entity financial statements were approved on 30/9/2020 and signed by:

Simon K. Rotich, CBS
Secretary/CEO
Public Service Commission

Ag. Head Of Accounting Unit
Dr. Julius Ongera Moturi
ICPAK Member Number: 5458

XIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2020	2020	2020	June 30, 2020	
	Kshs	Kshs	Kshs	Kshs	Kshs
Programme 1: General Administration, Planning and Support Services	1,796,049,259	152,378,739	1,948,427,998	1,828,963,500	119,464,498
Sub-programme 1: Administration	1,757,026,723	150,332,645	1,907,359,368	1,788,143,422	119,215,946
Sub-programme 2: Board Management Services	39,022,536	2,046,094	41,068,630	40,820,078	248,552
Programme 2: Human Resource Management and Development	261,328,622	-5,538,145	255,790,477	249,775,072	6,015,405
Sub-programme 1: Establishment and Management Consultancy Services	65,032,806	(5,256,571)	59,776,235	57,919,182	1,857,053
Sub-programme 2: Human Resource Management	142,138,251	2,762,526	144,900,777	143,648,449	1,252,328
Sub-programme 3: Human Resource Development	54,157,565	(3,044,100)	51,113,465	48,207,441	2,906,024
Programme 3: Governance and National Values	152,678,869	(6,571,065)	146,107,804	140,387,520	5,720,284
Sub-Programme 1: Compliance and Quality Assurance	104,375,465	(4,042,127)	100,333,338	97,392,697	2,940,641
Sub-programme 2: Ethics Governance and National values	48,303,404	(2,528,938)	45,774,466	42,994,823	2,779,643
Programme 3: Performance and Productivity Management	26,423,250	(1,151,029)	25,272,221	24,538,400	733,821
Sub-Programme 1: Performance and Productivity Management	26,423,250	(1,151,029)	25,272,221	24,538,400	733,821

The entity financial statements were approved on 30/9/ 2020 and sign



Simon K. Rotich, CBS
Secretary/CEO
Public Service Commission



Ag. Head Of Accounting Unit
Dr. Julius Ongera Moturi
ICPAK Member Number: 5458

XIV. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for: a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the Public Service Commission. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012 and also comprise of the following development projects implemented by the entity:

- i. Project xxx
- ii. Project yyy

(List the projects that have been consolidated under this financial statements in case of any)

3. Reporting Currency

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

a) Recognition of Receipts

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

• Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

• Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

• External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 20xx, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

• Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognised in the financial statements the time associated cash is received.

b) Recognition of payments

The Entity recognises all payments when the event occurs, and the related cash has been paid out by the Entity.

• **Compensation of Employees**

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

• **Use of Goods and Services**

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

• **Interest on Borrowing**

Borrowing costs that include interest are recognized as payment in the period in which they are paid for.

• **Repayment of Borrowing (Principal Amount)**

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

• **Acquisition of Fixed Assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

5. In-kind contributions

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

6. Third Party Payments

Included in the receipts and payments, are payments made on its behalf to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties in the statement of receipts and payments as proceeds from foreign borrowings.

7. 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.

Restriction on Cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2020, this amounted to Kshs 13,510,298 compared to Kshs 13,856,958 in prior period as indicated on note 12

There were no other restrictions on cash during the year.

8. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

9. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a

portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

10. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Entity at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1st July 2019 to 30th June 2020 as required by Law and there were two supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

Government Development Projects are budgeted for under the MDAs but receive budgeted funds

as transfers and account for them separately. These transfers are recognised as inter-entity transfers.

12. Comparative Figures

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

13. 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 30th June 20

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 26 explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

XV. NOTES TO THE FINANCIAL STATEMENTS

1 EXCHEQUER RELEASES

Description	2019-2020	2018-2019
	Kshs	Kshs
Total Exchequer Releases for quarter 1	246,936,437	216,000,000
Total Exchequer Releases for quarter 2	509,172,152	343,511,600
Total Exchequer Releases for quarter 3	732,044,900	251,179,300
Total Exchequer Releases for quarter 4	754,641,524	429,395,647
Total	2,242,795,012	1,240,086,547

2 PROCEEDS FROM SALE OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from the Sale of Inventories, Stocks and Commodities	295,850	287,600
Total	295,850	287,600

3 OTHER REVENUES

Description	2019-2020	2018-2019
	Kshs	Kshs
Receipts from Administrative Fees and Charges	736,519	775,475
Receipts from Administrative Fees and Charges - Collected as AIA	-	-
Total	736,519	775,475

4 COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic salaries of permanent employees	612,729,881	594,276,550
Basic wages of temporary employees	937,682,530	-
Personal allowances paid as part of salary	27,775,076	-
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Pension and other social security contributions	-	-
Employer Contributions Compulsory national social security schemes	-	-
Employer Contributions Compulsory national health insurance schemes	-	-
Total	1,578,187,488	594,276,550

Compensation to employees in comparison to previous year there is a positive increase because of the internship program which was introduced during the year.

5 USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Utilities, supplies and services	8,782,906	12,227,820
Communication, supplies and services	20,313,096	21,083,993

	2019-2020	2018-2019
	Kshs	Kshs
Domestic travel and subsistence	75,512,680	60,355,656
Foreign travel and subsistence	9,193,393	8,168,158
Printing, advertising and information supplies & services	31,499,999	30,224,322
Rentals of produced assets	15,078,572	6,799,999
Training expenses	39,893,388	46,829,885
Hospitality supplies and services	118,926,223	59,868,039
Insurance costs	73,598,261	86,018,429
Specialized materials and services	6,954,568	10,777,097
Office and general supplies and services	12,179,534	13,737,796
Fuel Oil and Lubricants	9,823,988	10,386,370
Other operating expenses	53,130,877	44,432,357
Routine maintenance – vehicles and other transport equipment	11,754,959	8,203,260
Routine maintenance – other assets	5,741,073	7,232,149
Exchange Rate Losses	-	-
Total	492,383,517	426,345,328

6 OTHER GRANTS AND TRANSFERS

Explanation	2019-2020	2018-2019
	Kshs	Kshs
Membership dues and subscriptions to international organizations	-	-
	-	-
	-	-
Total	-	-

7 SOCIAL SECURITY BENEFITS

Explanation	2019-2020	2018-2019
	Kshs	Kshs
Government pension and retirement benefits	74,460,642	77,088,041
	-	-
	-	-
Total	74,460,642	77,088,041

This refers to the government pension and retirement benefits paid for the employees retirement.

8 ACQUISITION OF ASSETS

Non-Financial Assets	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	45,800	441,538
Construction of Roads	-	-
Construction and Civil Works	22,521,369	47,353,962

Non-Financial Assets	2019-2020 Kshs	2018-2019 Kshs
Overhaul and Refurbishment of Construction and Civil Works	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	5,399,721	371,432
Purchase of Furniture and Institutional Equipment	500,000	498,135
Purchase of Office Furniture and General Equipment	596,875	587,264
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	408,286	388,867
Purchase of Certified Seeds, Breeding Stock and Live Animals	-	-
Research, Studies, Project Preparation, Design & Supervision	-	-
Rehabilitation of Civil Works	-	-
Acquisition of Strategic Stocks and commodities	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Sub-total	29,472,051	49,641,197
Financial Assets		
	-	-
	-	-
	-	-
Domestic Lending and On-lending	67,000,000	85,000,000
Foreign Payables - From Previous Years	-	-
Sub-total	67,000,000	85,000,000
Total	96,472,051	134,641,197

The assets acquired and included in the figure is staff mortgage and car loan at a total of ksh.67 Million. The difference refers to additions, maintenance of GK motor vehicles contracted by various prequalified car dealers & auto garages and furniture purchased during the financial year

9 OTHER EXPENSES

	2019-2020 Kshs	2018-2019 Kshs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Other expenses not classified elsewhere		(5,516,071)
		(5,516,071)

There was no other expenses incurred during the financial year as compared to the previous financial year.

10A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, development, deposit e.t.c	Exc rate (if in foreign currency)	2019-2020	2018-2019
				Kshs	Kshs
Central Bank of Kenya Rec./A/c No. 1000181297 (Ksh.)	-	-	-	450,016	290,335
Central Bank of Kenya Dev./A/c No. 1000182199 (Ksh.)	-	-	-	42,099	1,643,038
Central Bank of Kenya Dep./A/c No. 1000182133(Ksh.)	-	-	-	13,510,298	13,856,958
Total				14,002,412	15,790,331

10B: CASH IN HAND

	2019-2020	2018-2019
	Kshs	Kshs
Cash in Hand – Held in domestic currency	149,373	53,345
Total	149,373	53,345

Cash in hand should also be analyzed as follows:

	2019-2020	2018-2019
	Kshs	Kshs
Location 1	149,373	53,345
Total	149,373	53,345

11. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS AND SALARY ADVANCES

Description	2019-2020	2018-2019
	Kshs	Kshs
Government Imprests	-	-
Salary advances	859,310	558,749
Clearance accounts	-	-
Total	859,310	558,749

Breakdown of salary advance as at 30th June 2020

Name of Officer or Institution	Date salary advance Taken	Amount Taken	Amount Sur-rendered	Balance
		Kshs	Kshs	Kshs
Victor Owino Achola	01-Jul-19	234,421.80	234,421.80	-
Caroline Cheptoo Kiget	01-Nov-19	348,716.40	232,480.00	116,236.40
Anastancia W. Kariuki	01-Aug-19	601,236.00	551,133.00	50,103.00
Julius Ongera Moturi	01-Oct-19	330,679.20	220,452.80	110,226.40

Name of Officer or Institution	Date salary advance Taken	Amount Taken	Amount Sur-rendered	Balance
Charles Atura Mayieka	01-Mar-20	106,480.20	35,493.40	70,986.80
Gilbert Nyandiga	01-Jul	200,000.00	191,666.85	8,333.15
Jackson Oryango Oganga	01-Jun	70,224.60	70,224.60	-
Pariken Ole Sankei	01-Dec	250,000.00	145,833.45	104,166.55
Rahama Fatma Hassan	01-Dec	420,865.20	245,504.70	175,360.50
Victor Owino Achola	15-Jun	244,251.80	20,354.30	223,897.50
TOTAL				859,310.30

12. ACCOUNTS PAYABLE

Description	2019-2020	2018-2019
	Kshs	Kshs
Retention	13,510,297.60	13,856,958
Deposits	-	-
Total	13,510,297.60	13,856,958

The figure relates to outstanding moety as at 30th June 2020.

13. FUND BALANCE BROUGHT FORWARD

Description	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	15,790,331	13,933,431
Cash in hand	53,345	106,933
Accounts Receivables	558,749	585,654
Accounts Payables	(13,856,958)	(9,261,262)
Total	2,545,467	5,364,756

14. PRIOR YEAR ADJUSTMENTS

Description of the error FY 2019/2020 as per Financial Statements FY 2018/2019	Balance B/F	Adjustments	Adjusted Balance B/F
	Kshs	Kshs	Kshs
Bank account Balances	(1,570,295)	-	-
Cash in hand	-	-	-
Accounts Payables	(23,084)	-	-
Receivables	-	-	(585,654)
Others (specify)	(1,774,974)	-	(5,516,071)
Total	(3,368,353)	-	(6,101,725)

The prior year adjustments relates to the funds which were transferred back to the National treasury and receivables not recognized in the prior year which negatively affected the fund balances for the prior year.

15. CHANGES IN RECEIVABLE

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding salary advances as at 1st July 2019 (A)	0	-
Salary advance issued during the year (B)	2,248,126.20	-
Salary advance surrendered during the Year (C)	1,947,564.90	-
Net changes in account receivables D= A+B-C	(300,561)	-

The net balance is the difference between the amount of salary advances advanced and the amounts recovered.

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1st July 2019 (A)	13,856,958	9,261,262
Deposit and Retentions held during the year (B)	943,117	-
Deposit and Retentions paid during the Year (C)	(1,289,777)	-
Net changes in account receivables D= A+B-C	13,510,298	13,856,958

The change in accounts payables of ksh. 346,660 is the difference between the accounts payable brought forward, retentions during the year and the amounts paid out during the year

17. RELATED PARTY DISCLOSURES

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the (Public Service Commission)

- Key management personnel that include the Cabinet Secretaries and Accounting Officers
- Other Ministries Departments and Agencies and Development Projects;
- County Governments; and
- State Corporations and Semi-Autonomous Government Agencies.

17.1 Related party transactions:

	2019- 2020	2018- 2019
	Kshs	Kshs
Key Management Compensation	60,062,580	77,700,621
Total Transfers from related parties	60,062,580	77,700,621

17.2 Donations:

During the financial year the Public Service Commission got donations towards the Internship programme from ABSA Bank and Cooperative Bank. The monetary value of the donations was as below;

- ABSA Bank Ksh. 12,000,000 (Paid direct to Kasarani Sports Complex to reduce the cost of venue for induction of interns)
- CO-OP Bank Ksh. 300,000 (Cash received and paid to facilitators of induction programme for interns)
- Ksh. 11,000,000 donations in-kind from ICT Department relates to Financial year 2020/2021 and therefore it will feature in the financial statements for Financial year 2020/2021

17.3 Prior year Adjustment

The prior year adjustments relates to the funds which were transferred back to the National treasury and payables not recognized in the prior year which negatively affected the fund balances for the prior year.

18. OTHER IMPORTANT DISCLOSURES

18.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

Description	Balance b/f FY 2018/2019	Additions for the period	Balance c/f FY 2019/2020	Paid during the year
	Kshs	Kshs	Kshs	Kshs
Construction of buildings	-	-	-	-
Construction of civil works	-	-	-	-
Supply of goods	13,958,800	4,070,240	(13,958,800)	4,070,240
Supply of services	-	5,290,587	-	5,290,587
Total	13,958,800	9,360,827	(13,958,800)	9,360,827

18.2: PENDING STAFF PAYABLES (See Annex 2)

Description	Balance b/f FY 2018/2019	Additions for the period	Balance c/f FY 2019/2020	Paid during the year
	Kshs	Kshs	Kshs	Kshs
Senior management	-	-	-	-
Middle management	-	-	-	-
Unionisable employees	-	-	-	-
Others	-	-	-	-
Total	-	-	-	-

18.3: OTHER PENDING PAYABLES (See Annex 3)

Description	Balance b/f FY 2018/2019	Additions for the period	Balance c/f FY 2019/2020	Paid during the year
	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	-	-	-	-
Amounts due to County Government entities	-	-	-	-
Amounts due to third parties	-	-	-	-
Total	-	-	(-)	-

19. PROGRESS ON FOLLOW UP OF PRIOR YEARS AUDITOR'S RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Report on Lawfulness and effectiveness in use of Public Resources	Non-Compliance with Public Procurement and Asset Disposal Act 2015 – Insurance Costs	The contract with the Insurance Company for group personal accident cover for staff was renewed taking into account the set procurement process in line with Section 139(2) of the Public Procurement and Asset Disposal Act, 2015	Mr. Patrick Kiprotich Malakwen Deputy Director Supply Chain Management	Resolved	N/A

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.



Simon K. Rotich, CBS
Secretary/CEO
Public Service Commission



Ag. Head Of Accounting Unit
Dr. Julius Ongera Moturi
ICPAK Member Number: 5458

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
Supply of goods	A	B	C	d=a-c		
Penkez Investments	1,617,000			1,617,000		Paid
Litmus Printers and Supplies	318,000			318,000		Paid
Kenya Literature Bureau	938,790			938,790		Paid
Kenya Literature Bureau	957,600			957,600		Paid
Third Lane Technologies	238,850			238,850		Paid
Sub-Total	4,070,240			4,070,240		
Supply of Services						
Nairobi City Water and Sewerage	384,000			384,000		Paid
National Social Security Fund	1,100,000			1,100,000		Paid
Vivo Energy Kenya Ltd	500,000			500,000		Paid
Kenya School of Government	1,504,800			1,504,800		Paid
Richan Eco Consult Limited	754,000			754,000		Paid
Chriso Auto Garage	23,084			23,084		Paid
Toyota Kenya Limited	79,111			79,111		Paid
Tom Autocare Limited	285,592			285,592		Paid
Upstream Solution Enterprises	600,000			600,000		Paid
Telkom Kenya Limited	60,000			60,000		Paid
Sub-Total	5,290,587			5,290,587		
Grand Total	9,360,827			9,360,827		

ANNEX 2-SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) 2019/2020
Land					
Buildings and structures	341,750,837.10	3,365,114.20			345,115,951.3
Transport equip- ment	197,493,813.00				197,493,813.00
Office equipment, furniture and fit- tings	59,965,755.00	14,835,100.00			74,800,855.00
ICT Equipment	168,183,515.15	3,038,227.35			171,221,742.50
Machinery and Equipment	1,412,204.00	2,011,230.00			3,423,434.00
Biological assets					
Infrastructure As- sets- Roads, Rails					
Heritage and cul- tural assets					
Intangible assets	-	6,222,379.45			6,222,379.45
Work in Progress					
Total	768,806,124.25	29,472,051.00			798,278,175.25

Intangible Assets relates to overhaul of motor vehicles and plant & equipment.

