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## ANNUAL REPORT & AUDITED FINANCIAL STATEMENTS 2020/2021

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 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 19 MAY 2022	
DAY: <u>Thursday</u>	
TABLED BY:	<u>LOM</u>
CLERK-AT THE TABLE:	<u>Evans Oanda</u>



## **VISION:**

To be a transformative teaching service for quality education



## **MISSION:**

To professionalise the teaching service for quality education and development



## **CORE VALUES**

- Professionalism
- Customer Focus
- Integrity
- Innovativeness
- Team Spirit

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## ABBREVIATIONS

<b>ASALs</b>	Arid and Semi-Arid Lands
<b>BCP</b>	Business Continuity Plan
<b>BEVOT</b>	Biometric Enrolment and Validation of Teachers
<b>BOM</b>	Board of Management
<b>CAJ</b>	Commission on Administrative Justice
<b>CBA</b>	Collective Bargaining Agreement
<b>CBC</b>	Competency Based Curriculum
<b>CEMASTE</b>	Centre for Mathematics, Science & Technology Education in Africa
<b>CEO</b>	Chief Executive Officer
<b>CORT</b>	Code of Regulations for Teachers
<b>CSOs</b>	Curriculum Support Officers
<b>EDMS</b>	Electronic Document Management System
<b>GPE</b>	Global Partnership for Education
<b>HIV/AIDS</b>	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
<b>HRMIS</b>	Human Resource Management Information System
<b>ICT</b>	Information Communication Technology
<b>ICTA</b>	Information Communication & Technology Authority
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>KEPSHA</b>	Kenya Primary School Heads Association
<b>KESSHA</b>	Kenya Secondary School Heads Association
<b>KICD</b>	Kenya Institute of Curriculum Development
<b>KISE</b>	Kenya Institute of Special Education
<b>KNEC</b>	Kenya National Examination Council
<b>KUPPET</b>	Kenya Union of Post Primary Education Teachers
<b>KUSNET</b>	Kenya Union of Special Needs Education Teachers
<b>LAN</b>	Local Area Network



<b>MTP</b>	Medium-Term Plan
<b>MoE</b>	Ministry of Education
<b>PFMR</b>	Public Finance Management Reforms
<b>PRIEDE</b>	Primary Education and Development
<b>PSASB</b>	Public Sector Accounting Standards Board
<b>SAGA</b>	Semi-Autonomous Government Agency
<b>SEQIP</b>	Secondary Education Quality Improvement Project
<b>SFA</b>	Strategic Focus Area
<b>SNE</b>	Special Needs Education
<b>TIMEC</b>	Teacher Induction, Mentorship and Coaching
<b>ToTs</b>	Trainer of Trainers
<b>TPAD</b>	Teacher Performance Appraisal & Development
<b>TPD</b>	Teacher Professional Development
<b>TSC</b>	Teachers Service Commission
<b>VCT</b>	Voluntary Counselling & Testing

## DEFINITION OF TERMS

<b>Digitization:</b>	The process of converting information from a physical format into a digital one.
<b>Disability mainstreaming:</b>	The process of integrating formerly segregated or stigmatized people into the society and development programmes.
<b>Gender mainstreaming:</b>	A strategy to achieve equality between women and men.
<b>Intern teacher:</b>	A trained registered teacher hired and deployed by the commission to teach in a public institution for a specified period under the supervision of the staff of the institution in order to acquire practical experience in teaching.
<b>Local Area Network:</b>	A computer network that links devices within a building or group of adjacent buildings.
<b>Teacher Professional Development:</b>	Activities aimed at developing skills, knowledge, expertise and other characteristics of individual teachers to enhance their performance.
<b>Teleconferencing:</b>	Holding of a conference among people remote from one another by means of telecommunication devices.

## MESSAGE FROM THE COMMISSION CHAIRMAN



I am privileged to present the Commission's Annual Report for the 2020/2021 Financial Year in accordance with Article 254 (1) of the Constitution of Kenya (2010). During the period under review, the tenure of the inaugural Commission came to an end while a new team took office. Despite the Covid-19 pandemic which led to extraordinary times, the Commission continued to provide strategic direction inline with Article 237 of the Constitution of Kenya, the TSC Act (2012) as well as the TSC Strategic Plan (2019- 2023). With the country having to live with Covid- 19, the Commission was prompted to re-align itself in terms of policy and practice with a view to implementing its mandate in the "new normal" occasioned by coronavirus.

This report highlights the Commission's achievements during the year under review, the challenges and the milestones achieved. During the period under review, the Commission signed a recognition agreement with the Kenya Union of Special Education Teachers (KUSNET); developed a Flexible Working Arrangement

Policy; Risk Analysis and Management Policy and automated key functions of the Commission to expand the scope of access of its services.

To address cross cutting issues, the Commission continued to collaborate with other government and non-governmental agencies, as well as development partners. In particular, the Commission partnered with the World Bank and Global Partnership for Education (GPE) to improve the transition rate from primary to secondary schools and competencies in early grade Mathematics. As part of safeguarding its employees, the Commission put in place measures to mitigate the spread of Covid-19. Strict adherence to these interventions and protocols has helped the Commission to minimize the impact of the Covid-19 pandemic on its operations and functions.

Finally, I wish to thank the national government for its support; the inaugural Commission for their exemplary service; Board members and the secretariat staff for their dedication to service. I also salute all teachers working in our public learning institutions for their selflessness in curriculum implementation. I wish to reaffirm the Commission's commitment to our teachers, and all our stakeholders, towards the noble goal of provision of quality teaching service.

A handwritten signature in black ink, appearing to read "Jamleck", written over a horizontal line.

DR. JAMLECK MUTURI JOHN  
COMMISSION CHAIRMAN



## MESSAGE FROM THE COMMISSION SECRETARY



The 2020/2021 Financial Year was a unique period due to the disruptions and challenges occasioned by the Covid-19 pandemic. Despite this, the Commission and its staff remained steadfast in service delivery though some of our activities and programmes were interrupted and had to be re-scheduled.

For continuity of business, the Commission aligned its activities and programmes with the Ministry of Health Covid-19 protocols while at the same time taking care of the welfare of its employees. The Commission negotiated with its health care providers to cover Covid-19 related illnesses and has also been facilitating the vaccination of its employees against the virus. In the period under review, the Commission implemented the Policy on flexible Work Arrangements. The policy provides for a flexible working arrangement of secretariat staff that ensures continuity of service delivery.

The Commission also enhanced use of technology in conducting its business. For instance, meetings, trainings and sensitizations were all done virtually while communication was also channeled through

various online platforms. In addition, an online teacher transfer module was introduced.

Due to disruption of the school calendar between March and September 2020 occasioned by Covid-19 pandemic, the Commission in collaboration with the Ministry of Education put in place a recovery programme for lost learning time. In an effort to support the implementation of the Competency Based Curriculum (CBC), the Commission trained total of 131,275 Master trainers, Trainer of Trainers and teachers. Despite the changing working realities that defined most of the period under review, the Commission largely delivered on its mandate. During this period, 42,795 new teachers were registered. In addition, 13,124 teachers were employed by the Commission, 6,705 teachers were posted, transferred or deployed in different stations in line with the Staffing Policy and Norms, while 8,124 teachers exited service through natural attrition. Further, 12,000 intern teachers were hired to accord them an opportunity to acquire teaching skills and experience. This initiative resonates with the Government's commitment to youth empowerment and creation of employment opportunities.

Finally, I wish to thank the Commission for their continued support. I also wish to express my sincere gratitude to secretariat staff, teachers, partners and key stakeholders for their support and input in ensuring that the Commission delivered on its mandate.

DR NANCY NJERI MACHARIA, CBS  
SECRETARY/CHIEF EXECUTIVE

## EXECUTIVE SUMMARY

This report highlights key achievements in the implementation of the mandate of the Commission for 2020/2021 financial year. It also highlights challenges encountered and proposed recommendations.

During the period under review, the tenure of office for the inaugural Constitutional Commission came to an end. The chairperson and members exited on diverse dates having served a full term of six (6) years. By the close of the Financial Year, the Chairman and three (3) members of the new board had been sworn in.

A major achievement during the tenure of the previous Board was the development and implementation of Career Progression Guidelines (CPG) for teachers and policy on identification, appointment and deployment of institutional administrators. During the period under review 42,795 teachers were registered while 13,124 were recruited on permanent and pensionable terms. In support of the government's initiative to afford opportunities to the youth, 12,000 intern teachers were hired. A total of 115,110 teachers were promoted through a competitive process, affirmative action and common cadre establishment.

In order to reorient teachers with requisite pedagogical knowledge, skills and attitude for successful implementation of Competence-Based Curriculum (CBC), the Commission trained a total of 131,275 Master trainers, Trainer of Trainers and teachers. The Commission undertook to strengthen the integrated support systems and structures to improve efficiency, effectiveness and responsiveness to customer needs at all levels. Towards this end, an additional 58,000 teachers' files were captured electronically making a total of 205,000 files that are accessible digitally. The TSC Bomet County Office was also developed to 95% completion.

The Commission continuously engages the Ministry of Labor, Salaries and Remuneration Commission and Teachers' Trade Unions on matters relating to industrial relations in the teaching service. Through this initiative, the 5- year Collective Bargaining Agreement (CBA) signed in 2017 was fully implemented during the year under review. As a result, the strategy minimized industrial unrest in the teaching service throughout the period.

Despite the achievements realized during the period, the Commission encountered a number of challenges. These include teacher shortages ; enforcement of teaching standards particularly in private schools which engage unregistered teachers; teacher professional misconduct and Covid-19 related challenges that affected the operations of the Commission.

To address these challenges, the Commission will: lobby Parliament to provide funds for recruitment of additional teachers; develop mechanisms to enforce teaching standards; forge partnerships and collaborations and embark on awareness creation among teachers on teacher professionalism and integrity.

# CHAPTER ONE

## BACKGROUND

The Teachers Service Commission was established in 1967 by an Act of Parliament as a Semi- Autonomous Government Agency (SAGA) under the Ministry of Education (MoE). Upon the promulgation of the Constitution of Kenya (2010), TSC was established as a Constitutional Commission under Article 237 to regulate the teaching service and perform teacher management functions in the country.

Article 254 of the Constitution requires the Commission to prepare, publish and publicize reports annually and submit the same to the President and to Parliament. The report therefore serves as an accountability tool to the public. It informs members of the public on progress and status of implementation of the Commission's mandate and various reform initiatives in the teaching service.

### 1.1 Mandate of TSC

Article 237 (2) & (3) of the Constitution mandates the Commission to regulate and manage the teaching service in Kenya. Specifically, the Commission is mandated to: register trained teachers; recruit and employ registered teachers; assign teachers employed by the Commission for Service; promote and transfer teachers; exercise disciplinary control over teachers; review the standards of education and training of persons entering the teaching service; review the demand for and supply of teachers; and advise the national government on matters relating to the teaching profession.

The TSC Act (2012) further operationalizes the provisions of Article 237 of the Constitution in management of the teaching service. It provides for specific functions for the realization of the Commission's mandate.

### 1.2 Composition and the Structure of the Commission

Article 250 of the Constitution outlines the composition and the considerations required for one to be appointed as a Chairperson or member of the Commission. The Commission comprises of a Chairperson and eight (8) members.

The Commission Secretary is appointed pursuant to Article 250 (12) of the Constitution as the Chief Executive Officer (CEO) and the head of the Secretariat staff. The CEO is responsible for implementation of decisions of the Board and the day-to-day running of the Commission's operations.

In line with Section 13 (1) of the TSC Act, the Commission has established five (5) Committees to help carry out its functions and the exercise of its powers. The Committees are; Strategy and Innovation, Finance, Field Services, Audit and Human Resource. On



the other hand, the Secretariat is organized into nine (9) Directorates through which it executes its operations.

### 1.3 Exit of the Inaugural Independent Commission

The Chairperson and members of the inaugural Constitutional Commission exited service on diverse dates having served a full term of six (6) years as shown in table 1.1.

**Table 1.1: The dates the inaugural Commission Chair and Commissioners exited service**

S/N NO	NAME	POSITION	DATE OF APPOINTMENT	DATE OF EXIT
1.	Dr Lydia N. Nzomo, CBS	Chairperson	19/11/2014	18/11/2020
2.	Cleopas Tirop, OGW	Vice Chairman	24/04/2013	23/04/2019
3.	Dr Salome Gichura, OGW	Member	06/08/2013	05/08/2019
4.	Saadia Kontoma, OGW	Member	06/08/2013	05/08/2019
5.	Mbarak Twahir, FKIM	Member	20/03/2015	19/03/2021
6.	Kinoti Imanyara	Member	20/03/2015	19/03/2021
7.	Beatrice M. Adu, HSC	Member	20/03/2015	19/03/2021
8.	Tache Bonsa Gollo	Member	20/03/2015	19/03/2021
9.	Albert Ekirapa	Member	20/03/2015	19/03/2021

Source: TSC Records 2020

The inaugural Commission came up with a reform agenda to improve the quality of education, professionalize the teaching service and enhance service delivery. The agenda was based on four key pillars namely; provision of quality education; professionalization of the teaching service; protection of learners and paradigm shift in service delivery.

To actualize the reform agenda, the Commission developed and reviewed various policies that govern the structures and operations in the teaching service. Among the key policies developed are: Career Progression Guidelines (CPG) for teachers and policy on identification, appointment and deployment of institutional administrators. Development of the CPG was a major shift in policy from the traditional “schemes of service” approach to a career-based strategy that embraces principles of performance management in career progression.



*Members of the Board pose for a photo during the exit ceremony of the inaugural Constitutional Commissioners. (Seated L - R) Tache Gollo, Beatrice Adu, HSC, Chairperson Dr. Lydia Nzomo CBS, Mbarak Twahir, FKIM and Albert Ekirapa. (Standing, L - R) Leila Abi Ali, Saadia Kontoma, OGW, Commission Secretary, Dr. Nancy Macharia, CBS, Cleophas Tirop, OGW, Dr. Salome Gachura, OGW and Mbage Njuguna Ng'ang'a.*



#### 1.4 Appointment of New Chairperson and Commissioners

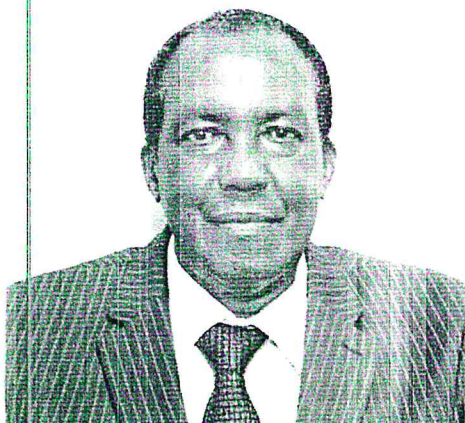
Upon the exit of the Inaugural Board, the process of appointing Chairperson and Members of the Commission began on a staggered basis. By the close of the Financial Year, the Chairman and three (3) members had been sworn in.



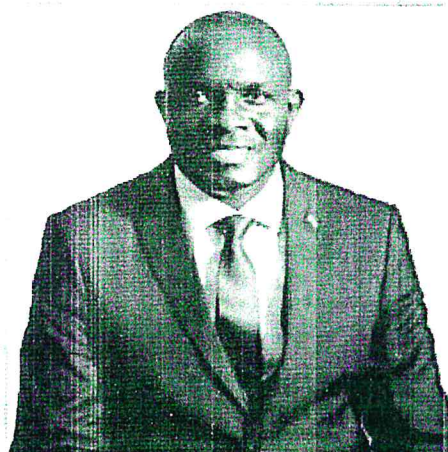
*Dr Jamleck Muturi John*  
*Commission Chairman*



*Leila A Ali*  
*Vice Commission Chairperson*



*Commissioner Mbage Ng'ang'a*



*Commissioner Timon Oyicho*



# CHAPTER TWO

## ACHIEVEMENTS IN THE IMPLEMENTATION OF STRATEGIC PLAN

This chapter provides the achievements realized in the implementation of the 2019/2023 Strategic Plan during the period under review. The TSC strategic plan is structured into three (3) broad Strategic Focus Areas addressing the Commission's mandate and intended reforms on the teaching service spread over a period of five years. The Strategic Focus Areas (SFA) include:

### 2.1 Teacher Competence, Conduct and Performance Management

This focus area seeks to ensure quality of the teacher at entry, effective support systems for teacher professional conduct and development during a teacher's career path. During the period under review, the following were the achievements under this SFA;

#### 2.1.1 Teacher Registration

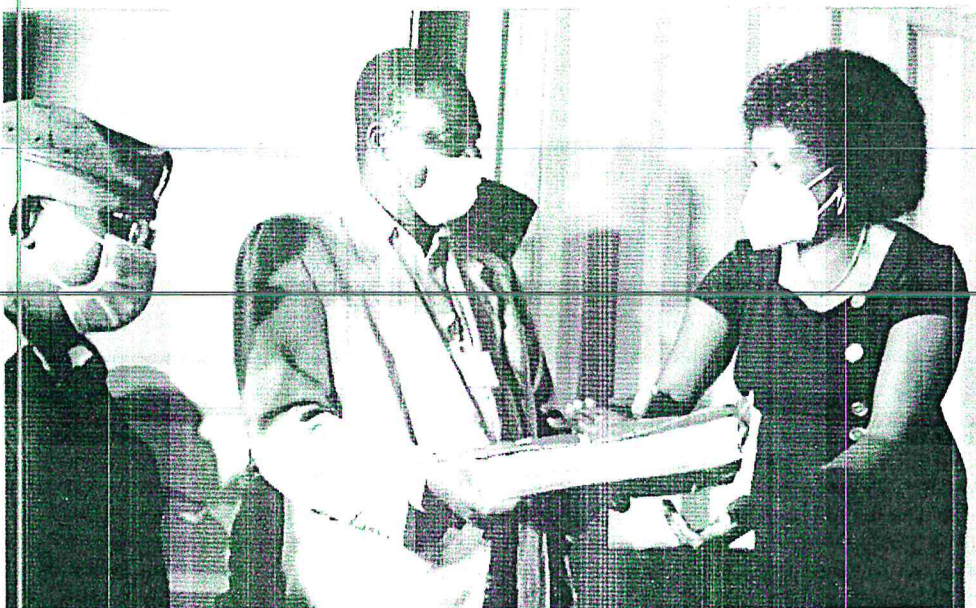
The Constitution and the TSC Act mandates the Commission to register trained teachers. The Commission has the sole responsibility to regulate the teaching profession by registering qualified teachers and maintaining a register which is updated on a regular basis. During the period under review, 42,795 new teachers were registered.

#### 2.1.2 Improved quality of teaching services

The Commission rolled out a review of performance management tool for the teaching service. During the period under review, 47 Information Communication Technology (ICT)/Teacher Performance Appraisal & Development (TPAD) master trainers (one from each county), 52,966 champion teachers from public primary and secondary institutions were trained on the reviewed performance management tools. In addition, all Regional Directors, County Directors, Sub county Directors & Curriculum Support Officers were trained.

#### 2.1.3 Strengthened Quality Assurance and Standards in the Counties

To ensure that continuous Quality Assurance and Standards assessments are conducted at the county level, seven (7) Regional Quality Assurance and Standards officers were recruited.



*Dr. Nancy Njeri Macharia Dispatching the 2020 KCPE Exams at a container station*

#### 2.1.4 Professionalism in the teaching service

During the period under review, the Commission trained 160 field staff and 3,545 Board of Management (BOM) members in 2,000 schools. In addition, 1,788 teachers were placed on Teacher Induction, Mentorship and Coaching (TIMEC) programme. These include the newly recruited teachers, new school administrators and those from disciplinary process. Further, 60 sub county staff were trained as Trainer of Trainers (ToTs) on TIMEC. This was aimed at institutionalizing coaching and mentorship in the teaching service to mitigate misconduct among teachers.

#### 2.1.5 Promotion of Teachers

Promotion of teachers is guided by the Career Progression Guidelines for Teachers (2017). The Guidelines specify entry requirements for administrative positions and grading structures for institutional administrators as per the category of institution and learner enrolment. During the year under review, the Commission promoted a total of 115,110 teachers. Out of these, 99,078 were promoted under common cadre establishment, 15,407 through competitive selection, while 625 institutional administrators in ten (10) ASAL counties were promoted on affirmative action as shown in tables 2.1 and 2.2.

**Table 2.1: Promotion of teachers through competitive selection**

Position	Female	Male	Total
Deputy Principal II	489	607	1,096
Senior Lecturer I	24	15	39
Deputy Principal III	713	877	1,590
CSO	56	153	209
Head teacher	639	1,472	2,111
Senior Master IV	2,889	3,791	6,680
Deputy Head teacher II	1,211	554	1,765
Senior Lecturer IV	19	26	45
Senior Master IV	43	91	134
Head Teacher	99	352	451
Deputy Head Teacher II	347	376	723
Secondary Teacher I	25	75	100
TOTAL	6,785	8,622	15,407

Source: TSC Staffing Directorate, 2021

Table 2.2: Summary of Promotion on Affirmative Action

S/No	Position	Grade	Male	Female	Total
1	Deputy Principal II	D2	6	21	27
2	Senior Master II/Deputy Principal III	D1	2	15	17
3	Deputy Head Teacher I/Head Teacher	C5	13	61	74
4	Senior Master III	C5	0	1	1
5	Deputy Head Teacher II	C4	7	29	36
6	Senior Master IV	C4	44	204	248
7	Secondary Teacher I	C3	5	33	38
8	Senior Teacher I	C3	10	43	53
9	Secondary Teacher II	C2	0	1	1
10	Senior Teacher II	C2	5	32	37
11	Primary Teacher I	C1	10	83	93
	Grand Total		102	523	625

Source: TSC Staffing Directorate, 2021



### Promotion under the Common Cadre Establishment

During the period under review a total of 94, 176 teachers were promoted under the Common cadre establishment as summarized in Table 2.3

**Table 2.3 Promotion of Teachers Under Common Cadre per Grade, county and Gender.**

COUNTY	B5 TO C1		C1 TO C2		C2 TO C3		TOTALS
	M	F	M	F	M	F	
Baringo	675	920	40	52	66	96	1849
Bomet	783	929	85	71	107	99	2074
Bungoma	1761	2324	158	83	179	118	4623
Busia	956	1284	59	43	86	78	2506
Elgeyo-Marakwet	468	579	29	24	64	66	1230
Embu	374	670	53	35	57	42	1231
Garissa	104	50	18	1	32	7	212
Homa-Bay	1410	1503	115	48	148	68	3292
Isiolo	187	182	7	5	18	6	405
Kajiado	465	707	12	8	30	13	1235
Kakamega	2035	2905	145	94	207	134	5520
Kericho	898	1243	64	41	86	96	2428
Kiambu	523	1432	54	62	146	184	2401
Kilifi	1242	1401	67	42	83	64	2899
Kirinyaga	284	476	48	47	58	58	971
Kisii	1492	1519	110	73	173	124	3491
Kisumu	1062	1472	69	46	123	92	2864
Kitui	1552	2100	79	48	131	142	4052
Kwale	769	803	31	17	50	28	1698
Laikipia	334	477	31	24	55	30	951
Lamu	153	201	7	1	19	9	390
Machakos	1198	1983	62	75	150	121	3589
Makueni	1255	1841	87	67	130	94	3474
Mandera	239	63	10	0	82	9	403
Marsabit	278	149	14	2	37	10	490
Meru	1205	1912	97	74	197	157	3642
Migori	1417	1496	105	45	142	65	3270
Mombasa	151	387	10	14	33	25	620
Muranga	556	981	76	72	164	163	2012
Nairobi	296	697	24	24	72	99	1212



Nakuru	1296	2101	100	74	158	143	3872
Nandi	908	1236	61	51	90	84	2430
Narok	1145	1204	37	17	87	43	2533
Nyamira	719	695	49	34	90	69	1656
Nyandarua	614	839	52	35	76	69	1685
Nyeri	344	721	46	57	83	79	1330
Samburu	268	213	13	5	35	16	550
Siaya	1169	1415	94	50	107	68	2903
Taita-taveta	297	407	34	14	36	23	811
Tana-River	327	267	9	2	35	14	654
Tharaka-Nithi	559	802	45	32	70	52	1560
Trans-Nzoia	849	1188	73	47	100	97	2354
Turkana	445	351	23	8	49	16	892
Uasin-Gishu	657	1251	39	47	90	119	2203
Vihiya	743	1021	62	45	85	59	2015
Wajir	159	49	11	0	30	8	257
West-Pokot	581	693	27	16	84	36	1437
<b>TOTALS</b>	<b>35202</b>	<b>47139</b>	<b>2541</b>	<b>1772</b>	<b>4230</b>	<b>3292</b>	<b>94176</b>

Source: TSC HRM&D Directorate -IPPD (2021)

## 2.2 Reforms and Innovations in Provision of Teaching Services

The expected result under this SFA is to attain equitable distribution and optimal utilization of the teaching resource at all levels. In addition, the Commission ensures inclusivity in the management of the teacher resource and adopts appropriate alternative modes of curriculum implementation. The achievements under this SFA include: -

### 2.2.1 Teacher Recruitment

During the year under review, 5,000 additional teachers and 8,124 replacement teachers were recruited. In addition, 12,000 teacher interns were hired as provided in table 2.3.

**Table 2.4: Number of Teachers recruited**

S/No	CATEGORY	NUMBER OF TEACHERS RECRUITED				TOTAL
		PRIMARY		POST-PRIMARY		
		Male	Female	Male	Female	
1.	Additional teachers to address the 100% transition from primary to secondary	0	0	2,933	2,067	5,000
2.	Replacement teachers	3,020	3,573	953	578	8,124
3.	Teacher Interns	1,832	2,168	4,640	3,360	12,000
	TOTAL	4,852	5,741	8,526	6,005	25,124

Source: TSC Staffing Directorate, 2021

### 2.2.2 Teacher Utilization

Equitable distribution of teachers and deployment of qualified and competent administrators in public learning institutions were undertaken through posting, transfers and deployment as provided in table 2.4.

**Table 2.5: Teacher Posting, Transfers and Deployment**

S/NO		PRIMARY	POST PRIMARY	TOTAL
1.	Posting after Study Leave and disciplinary Process	44	64	108
2.	Transfers both at the Regions and Head quarters	4,388	1,993	6,381
3.	Transfers of Institutional Administrators	31	319	350
4.	Deployment of Institutional Administrators	-	173	173

Teacher transfer at the Counties totaled to 6,381 with 4,388 being for primary and 1,993 being for post primary. This is a reduction for the same period in the previous year, which recorded 15,817 (11,387 for primary and 4,430 for post primary). This could be attributed to the fact that many teachers could not apply for the manual transfers due to challenges related to the Covid-19 pandemic. The Commission has mitigated this low performance by rolling out the on-line transfer module in March 2021.

### 2.2.3 Alternative Modes of Curriculum Delivery

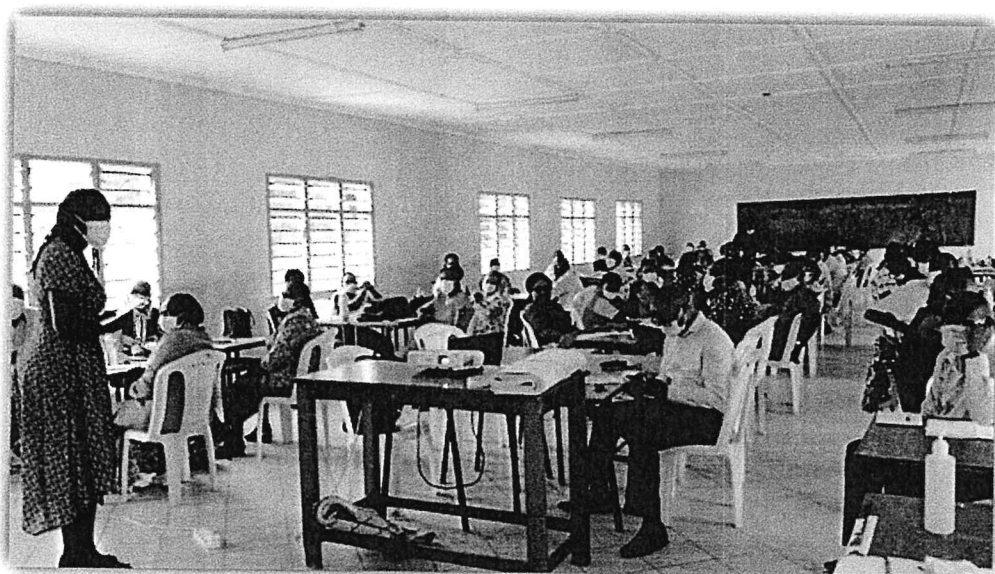
In an effort to ensure continuous implementation of the curriculum, the Commission adopted remote learning as an alternative mode. Subsequently, a manual on remote learning methodologies was developed and disseminated to all teachers. The manual supports teachers to continue teaching their learners even when they are in different locations using different modes such as the radio, television, video conferencing, computers among other emerging technologies. During the period under review, 102,000 teachers were trained on use of ICT as an alternative mode of curriculum implementation.

### 2.2.4 Capacity Building on Competence Based Curriculum (CBC)

Following the roll out of CBC, there was need to reorient teachers with requisite pedagogical knowledge, skills and attitudes for successful implementation of the curriculum. In order to do this, it is important to support and build capacity of teachers to be highly knowledgeable, reflective and professional. During the period under review, Ksh.1billion was allocated for capacity building of teachers under the programme. The Commission trained 131,275 Master Trainers, Trainer of Trainers (CSOs and CBC Champions) and teachers on CBC as shown in table 2.5.

Table 2.6: Training on CBC

S/NO	PARTICULARS	NUMBER		
		MALE	FEMALE	TOTAL
1.	CSOs Regular	703	293	996
2.	SNE CSOs	178	188	366
3.	CBC Champions Regular	1,293	1,138	2,431
4.	SNE CBC champions	169	172	341
5.	Head Teachers Public	17,727	4,911	22,638
6.	Head teachers Public SNE	634	398	1,032
7.	Head Teachers Private	1,816	1,083	2,899
8.	Teachers Public	26,661	18,206	44,867
9.	Teachers Private	3,597	3,321	6,918
10.	Teachers SNE	1,826	1,735	3,561
11.	CBC Mathematics Champions	955	627	1,582
12.	CBC Mathematics Teachers	24,023	19,621	43,644
	TOTAL	79,582	51,693	131,275

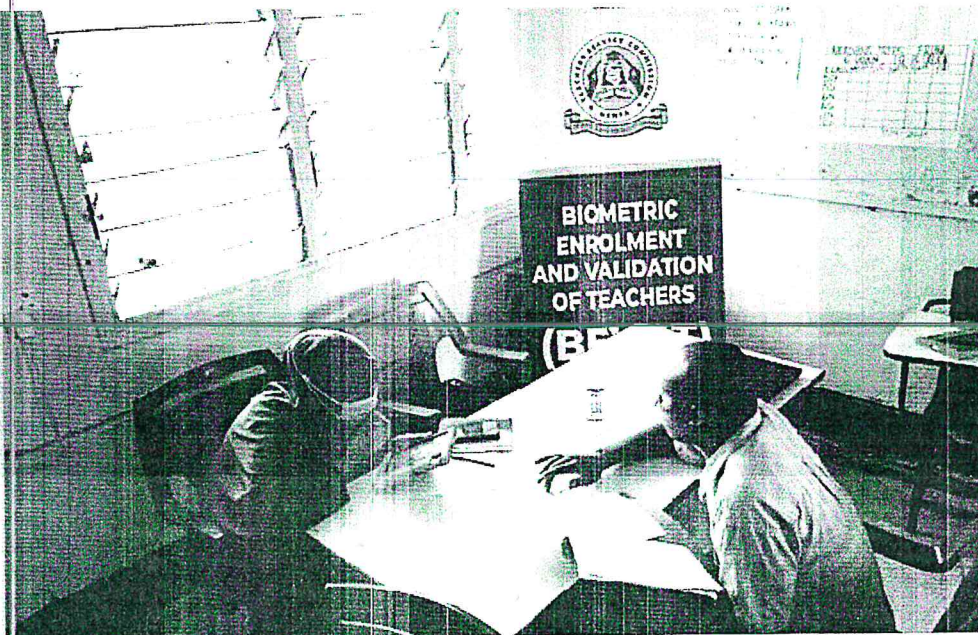


*File Photo: Teachers participating in a CBC training*

#### **2.2.5 Enhanced corporate governance in teacher management**

The Commission has embraced good corporate governance through capacity building of Commissioners, senior management and critical staff on selected programmes. During the period under review, the Public Finance Management Reforms (PFMR) supported these programmes by sponsoring training of the Commissioners and Directors on various corporate governance programs, 47 County directors and 47 county risk champions on risk management, training of staff on the use of TeamMate system and conducted a pilot Biometric Enrolment and Validation of Teachers (BEVOT) exercise. In this regard, the Commission held countrywide stakeholder engagement fora to seek views and recommendations on TSC's Biometric Enrolment and Validation of Teachers (BEVOT). These initiatives have gone a long way in strengthening the Boards oversight capacity, the internal audit and assurance as well as institutionalizing the risk management systems at the Commission.





*Biometric Enrolment and Validation of Teacher (BEVOT): A teacher in Garissa County validates his biometric data during the pilot BEVOT exercise.*

### 2.3 Service Delivery Re-Engineering

This focus area seeks to strengthen the integrated support systems and structures to improve efficiency and effectiveness in service delivery at the Commission. The strategy aims at enhancing responsiveness to customer and stakeholder concerns by TSC employees at all levels. Under this focus area, the Commission reviewed its processes and systems and strengthened its capacity development and utilization.

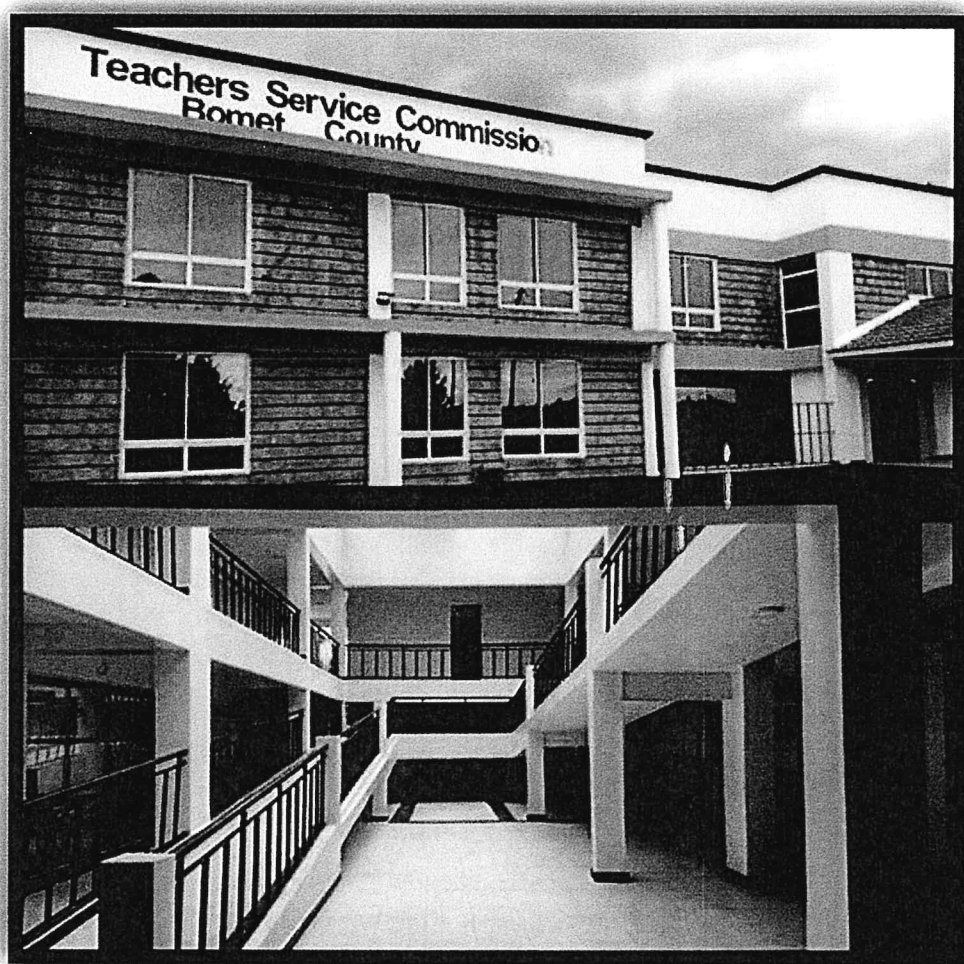
#### 2.3.1 Automation of TSC Core Processes and service improvement projects

In an endeavor to achieve efficiency and effectiveness in service delivery, key functions of the Commission were automated. During 2020/21 period, the Commission upgraded its ICT infrastructure, connectivity and information security both at the headquarters and the counties. Further, applications for transfer are now done online. The Commission also enhanced its ICT infrastructure by distributing an additional 343 computers and 47 printers (one per county) to the county offices.

The Commission has progressively enhanced connectivity with its county offices. During the year under review, 8 additional Counties (Tana River, Marsabit, Kiambu, Narok, Nakuru, Kakamega, Vihiga and Homabay) were connected to Local Area Network (LAN) bringing the total number of connected counties to 26.

In the last two years the Commission commenced digitization of its records which entails scanning, indexing, uploading and converting teachers' files into an Electronic Document

Management System. During the period under review, an additional 58,000 teachers' files were captured electronically totaling to 205,000 files that are now accessible digitally. The Commission also constructed an office for the TSC staff in Bomet County. The construction is 95% completed.



*Front view of the TSC Bomet County office, constructed as some of the service improvement initiatives. The project is 95% complete.*

### **2.3.2 Employee Communication**

Effective communication is an integral part of improving efficiency in service delivery. To actualize effective employee communication, the Commission has continued to expand communication channels for its employees. In the review period, the Commission introduced an e-platform for official emails, virtual meetings and remote learning for all employees. Further, 99% of teachers activated their e-platform accounts and have been



using them for official communication with the Commission including transmission of official letters, circulars, pay- slips and responses to inquiries.

### 2.3.3 Compliance with Statutory Regulations & Complaints Resolution

In the year under review, the Commission was issued with a certificate of compliance from the Commission on Administrative Justice (CAJ) having fulfilled all the laid down requirements in management of customer related issues. The Commission attained a composite score of 96 % on resolution of public complaints.

In the category of Access to Government Procurement Opportunities (AGPO), the Commission awarded tenders to Special Interest Groups worth Kshs.71.225Million out of which 63% was awarded to women, 33% to Youth and 4% to Persons with Disabilities.

Table 2.7: Tenders awarded to Special Groups

Category	Value of Tenders (Ksh)	Percentage (%)
Women	44,871,750	63
Youth	23,504,250	33
Persons With Disability (PWDs)	2,849,000	4
TOTAL	71,225,000	100

The Commission also complied with remittance of statutory obligations; Pay As You Earn) PAYE), National Social Security Fund (NSSF), National Hospital Insurance Fund (NHIF); Higher Education Loans Board (HELb) and Widows and Children's Pension Scheme (WCPS).

### 2.3.4 Gender and Disability Mainstreaming

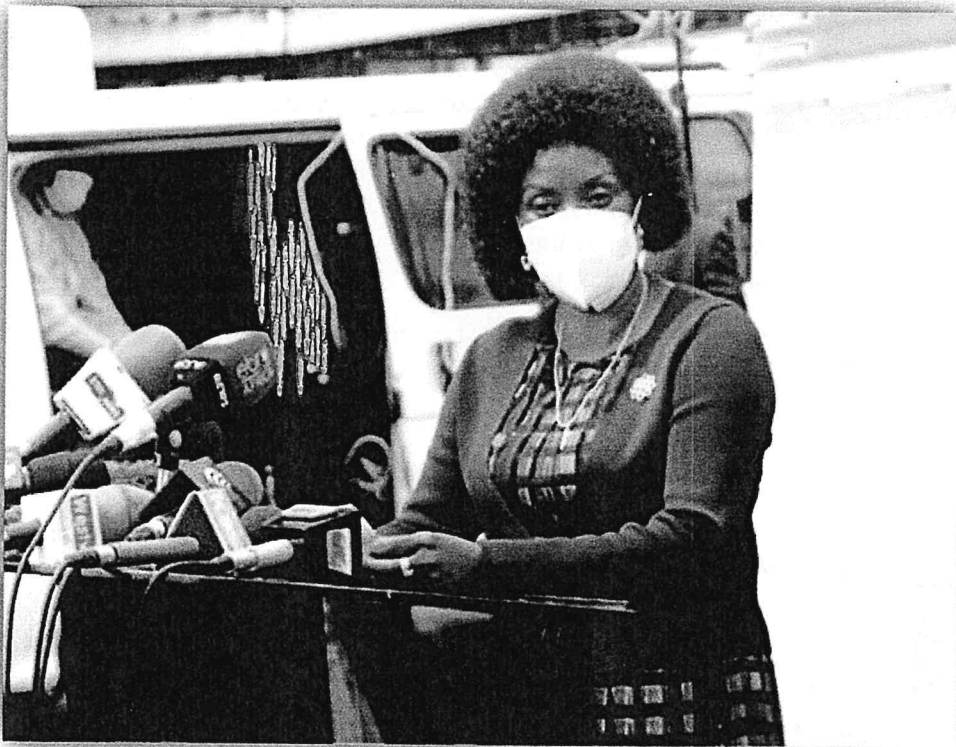
The Commission is committed to ensuring that Gender and Disability mainstreaming initiatives are implemented at the workplace. The Commission implements affirmative action in recruitment of PWDs to progressively achieve the 5% compliance with government requirement. During the period under review, 580 teachers with disabilities were recruited bringing the total number of teachers with disabilities in the employment of the Commission to 3791 up from 3211 in the previous year representing an 18% increase.

At the end of the period, the ratio of employees with disabilities stood at 1.093% and 3.73% for teachers and secretarial staff respectively. Gender and Disability Committee members were trained on emerging concerns while 500 teachers were sensitized virtually on disability mainstreaming. Quarterly reports on Gender and Disability were submitted to the National Gender and Equality Commission (NGEC) and the National Council of Persons with Disabilities (NCPWD) respectively.

### 2.3.5 Employee Wellbeing

The Covid-19 pandemic continued to disrupt operations of the Commission. Implementation of the Commission's programmes, projects and activities was also affected. In order to effectively mitigate the effects of Covid-19 Pandemic, the Commission was proactive in facilitating vaccination of staff against Covid-19. To further cushion employees, the Commission negotiated with its medical insurance service providers to cover Covid-19 related illnesses. Further, in the same period, the Commission procured enhanced Medicare Insurance for teachers with AON worth Kshs 12,196,750,000 billion.

In the period under review, the Commission provided Voluntary Counseling and Testing (VCT) services to 1,498 clients. Additionally, 827 secretariat staff received general counseling services. Three wellness sub-units in Nairobi, Machakos and Kajiado were operationalized and 608 teachers sensitized on HIV/AIDS stigma reduction in the three counties.



*Dr. Nancy Njeri Macharia gives her address during the launch of the Walimucare App in May 2021. The App enables teachers to access Covid-19 health tips, talk to a doctor and get medical advice.*



## CHAPTER THREE

### STAKEHOLDER ENGAGEMENT AND PARTNERSHIPS

The Commission engages stakeholders and development partners in implementing its mandate. Stakeholders play diverse roles in complimenting the Commission's efforts in improving service delivery. This has resulted in optimal utilization of resources and achievements of shared goals.

During the period under review, the Commission undertook several programmes in collaboration with its stakeholders. The programmes include: -

#### 3.1 Kenya Primary Education and Development (PRIEDE) Project

PRIEDE is a project funded by the Global Partnership for Education (GPE) and is implemented jointly by TSC, Ministry of Education and Kenya National Examinations Council (KNEC). The project seeks to improve competencies in early grade mathematics and strengthening management systems at school and national level. The project has been aligned with the Commission's mission of being a transformative teaching service for quality education. In this regard, the Commission is implementing TPAD that aims at strengthening supervision and continuous monitoring of teacher performance in maintenance of teaching standards at institutional levels.

In addition, the Commission partnered with GPE to develop Remote Learning Methodologies and training of teachers. A multi-agency approach was used to bring Ministry of Education (MoE), Kenya Institute of Curriculum Development (KICD), Kenya National Examination Council (KNEC), Information Communication Technology Authority (ICTA), Kenya Secondary School Heads Association (KESSHA), Kenya Primary School Heads Association (KEPSHA) and Kenya Institute of Special Education (KISE) together in implementing the programme.

#### 3.2 Kenya Secondary Education Quality Improvement Project (SEQIP)

Kenya Secondary Education Quality Improvement Project (SEQIP) is a World Bank funded project aimed at improving the transition rate from primary to secondary school in 110 sub counties in 30 marginalized counties. SEQIP is a joint undertaking by MoE, TSC, KNEC, KICD and Center for Mathematics, Science, Technology and Education in Africa (CEMASTE). It also aims at improving the retention rate of learners in secondary school. To enhance inclusivity, the project also targets learners with special needs and Special Needs Education (SNE) schools.

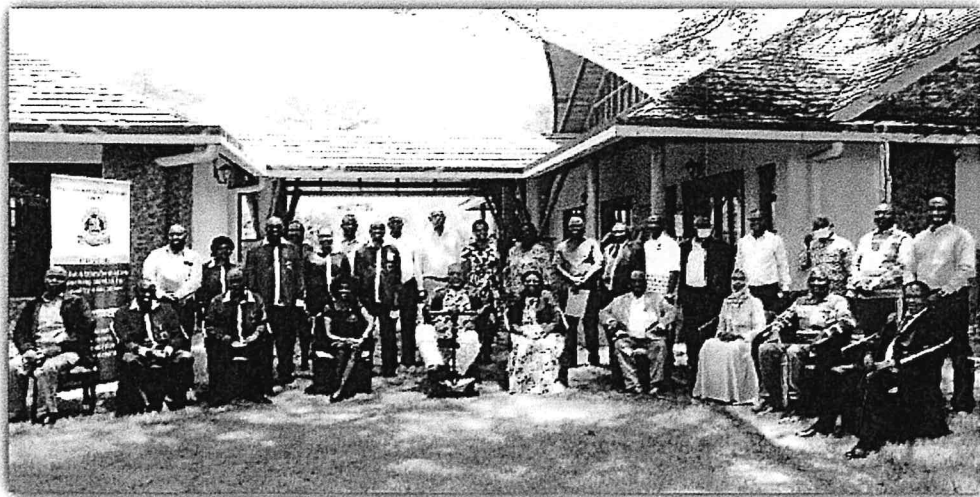
In the period under review 17,000 primary and 8,500 secondary teachers of Science, Mathematics and English in targeted schools were trained on new pedagogical skills under the School-Based Teacher Support System (SBTSS). SBTSS is a sub component of

SEQIP that equips teachers with teaching skills and is undertaken by TSC. In addition, the Commission recruited 748 secondary and 157 primary school teachers and posted them to the 30 counties under SEQIP in 2020/2021.

### 3.3 Labour Relations

The Commission engages Ministry of Labour, Salaries and Remuneration Commission, Trade Unions and other relevant Government Institutions on matters relating to industrial relations in the teaching service. Through this initiative, implementation of a 5-year Collective Bargaining Agreement (CBA) covering the period 2017 - 2021 was finalized during the year under review. As a result, industrial unrests in the teaching service were minimized throughout the period.

It is also worth noting that for a long period of time, the issues and concerns affecting Special Needs Teachers have not been handled in a structured manner. It is for this reason that the Commission developed and executed a Recognition Agreement between the Teachers Service Commission and the Kenya Union of Special Needs Education Teachers (KUSNET). The agreement recognized KUSNET as one of the Teachers' Unions to champion SNE teachers' concerns and interests in the teaching service. Further, a sensitization exercise was conducted with the Kenya Union of Post Primary Education Teachers (KUPPET) on emerging labour and industrial relations trends and challenges.



*Officials of the Kenya Union of Special Needs Teachers (KUSNET) with TSC Board and Management after signing a recognition agreement with the Commission in Naivasha on 03/03/2021*

### 3.4 Parliamentary Business Liaison

The Commission interacts with Parliament which is mandated by the Constitution to play an oversight role on state organs. Parliament plays a critical role in ensuring that the Commission's operations are adequately financed. The Commission receives and



comprehensively responds to invitations, requests for statements, questions and petitions from the relevant committees of both houses of parliament in a timely manner. In addition, the Commission submits all the statutory reports within the deadlines provided under the law.



*Dr. Nancy Macharia when she hosted a team of legislators from Kajiado County. They included: Hon. Ole Metito Katoo, George Sunkuyia, Judith Pareno and Mary Seneta. The team discussed teacher management issues affecting Kajiado County.*

### 3.5 Advise the National Government on matters relating to the teaching profession.

Under Article 237 (3) (c) of the Constitution, the Commission is required to advise the National Government on the teaching profession. During the year under review the following advisories were implemented and shared with the National Government:

- i. Implementation of recommendations and reforms detailed in the Competency Based Curriculum (CBC) Taskforce Report
- ii. Teacher requirement for the implementation of Competency Based Curriculum for Junior and Senior School
- iii. The Competency Based Curriculum teacher projection requirements

# CHAPTER FOUR

## CHALLENGES & RECOMMENDATIONS

This chapter highlights the challenges experienced and provides way forward to enable the Commission successfully implement its mandate.

### 4.1 Staffing Gaps

Under the Medium-Term Plan III (MTP) of the Vision 2030, the Government empowered the Commission to recruit 5,000 teachers annually to alleviate teacher shortage. Despite these efforts, the demand for teachers has not been met due to financial constraints. Currently, the staffing gap stands at 99,213 teachers (primary 44,134 and secondary 55,079).

Recommendation: There is need to engage the National Assembly to appropriate adequate funds for recruitment of additional teachers to alleviate teacher shortage.

### 4.2 Adherence to Teaching Standards

The Constitution and the TSC Act (2012) stipulates that no person shall be engaged in the teaching service unless they are registered by the Commission. Nevertheless, the Commission has experienced challenges in ensuring adherence to this requirement.

Recommendation: The Commission will develop a robust mechanism to enforce the registration of all those involved in teaching, particularly in the private institutions.

### 4.3 Teacher Professionalism and Integrity

Teachers are required to abide by the Code of Regulations for Teachers (CORT) and other relevant policies on teacher professionalism. However, teacher professional misconduct continues to be a challenge to the Commission. A breach of the provision of the CORT leads to disciplinary action that may result to teacher absenteeism and loss of teaching time.

Recommendation: There is need to enhance collaboration with partners and continuously create awareness among teachers on adherence to CORT and other relevant policies.

### 4.3 Covid-19 related challenges

Implementation of the Commission's programmes, projects and activities were affected by the Covid-19 pandemic. In order to effectively mitigate the effects of Covid-19 pandemic, the Commission will continue to comply with the MoH protocols and guidelines.

Recommendation: There is need to encourage intensive use of ICT and flexible working culture to ensure continuity of the TSC programmes and operations in the event of unforeseen disruptions and calamities.



# CHAPTER FIVE

## FINANCIAL REPORT & STATEMENTS

### 5.1 Summary of Annual Allocations and Expenditure

During the year under review, the total annual budget of the Commission increased from Kshs. 256.1B in 2019/2020 to Kshs. 275.5 B in 2020/2021. This enabled the Commission to undertake major projects such as recruitment of additional teachers, implementation of the Collective Bargaining Agreement (CBA) and training of teachers on Competence Based Curriculum (CBC).

The Commission's budgetary allocation was 275,189,784,137 on Gross expenditure where compensation of employees was Kshs. 273,124,839,000 and Kshs. 1,864,945,137 for Operation and Maintenance (O&M). The allocations included an Appropriation in Aid (A-I-A) of Kshs. 587 million. A total of Kshs. 200 M was allocated under Secondary Education Quality Improvement Project (SEQIP) while development budget was allocated Kshs. 20 M.

The overall absorption was Kshs. 275,264,403,501 where Kshs. 274,201,400,729 was incurred on Personal Emoluments (PE) and Kshs. 963,229,524 utilized under Operation and Maintenance (O&M) translating to 100% and 52% respectively. The absorption of SEQIP funds was 99,773,248 translating to 50%.

### 5.2 Statement of TSC Management Responsibilities

Section 81 (1) of the Public Finance Management Act, 2012 and Section 40 of the Teachers Service Commission Act, 2012 requires that at the end of each financial year, the accounting officer for Teachers Service Commission shall prepare financial statements in respect of the Commission. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the Teachers Service Commission is responsible for the preparation and presentation of the Commission's financial statements, which give a true and fair view of the state of affairs of the Commission as at the end of the financial year ended on June 30, 2021. These responsibilities include:

- 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 Commission.
- v. Selecting and applying appropriate accounting policies.
- vi. Making accounting estimates that are reasonable in the circumstances.


The Accounting Officer in charge of the Teachers Service Commission accepts responsibility for the Commission's financial statements which have been 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 Commission's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the Commission's financial position as at that date. The Accounting Officer in charge of the Teachers Service Commission further confirms the completeness of the accounting records maintained for the Commission, which have been relied upon in the preparation of the Commission's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Teachers Service Commission confirms that the Commission has complied fully with applicable Government Regulations and the terms of external financing covenants and that the Commission'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 Commission'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 Commission's financial statements were approved and signed by the Accounting Officer on 24th September, 2021.


  
 DR. NANCY NJERI MACHARIA, CBS  
 COMMISSION SECRETARY  
 Date: 24-09-2021


  
 CPA.CHEPTUMO AYABEI  
 DIRECTOR (FINANCE AND ACCOUNTS)  
 ICPAK MEMBER NUMBER: 8372  
 Date: 24-09-2021

5.3 STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2020/2021	2019/2020
		Kshs '000'	Kshs '000'
RECEIPTS			
Exchequer Releases (Recurrent)	1A	274,402,784	255,340,526
Exchequer Releases (Development-SEQIP)	1B		347,526
Proceeds from Sale of Assets	2	400	-
Other Revenues	3	646,155	634,097
TOTAL REVENUES		<u>275,049,339</u>	<u>256,322,149</u>
PAYMENTS			
Compensation of Employees	4	274,201,401	254,450,752
Use of goods and services	5	763,764	844,115
SEQIP Expenses	6	99,773	271,066
Acquisition of Assets	7	199,465	366,408
TOTAL PAYMENTS		<u>275,264,403</u>	<u>255,932,341</u>
DEFICIT/SURPLUS		<u>(215,066)</u>	<u>389,808</u>

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 24<sup>th</sup> September, 2021 and signed by:

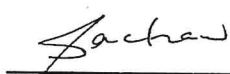
  
 DR. NANCY NJERI MACHARIA, CBS  
 COMMISSION SECRETARY  
 Date: 24-09-2021

  
 CPA. CHEPTUMO AYABEI  
 DIRECTOR (FINANCE AND ACCOUNTS)  
 ICPAK MEMBER NUMBER: 8372  
 Date: 24-09-2021

**5.4 STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2021**

	Note	2020/2021	2019/2020
		Kshs '000'	Kshs '000'
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8A	1,302,613	1,543,696
Cash Balances	8B	2	23
Total Cash And Cash Equivalents		1,302,615	1,543,719
Accounts Receivables	9	865,064	847,227
TOTAL FINANCIAL ASSETS		2,167,679	2,390,946
LESS: FINANCIAL LIABILITIES			
Accounts Payables	10	459,796	457,530
NET FINANCIAL ASSETS		<u>1,707,883</u>	<u>1,933,416</u>
REPRESENTED BY			
Fund balance b/fwd	11	1,933,416	1,543,608
Deficit/Surplus for the year		(215,066)	389,808
Prior year adjustments	13	(10,467)	-
NET FINANCIAL POSITION		<u>1,707,883</u>	<u>1,933,416</u>

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 24th September, 2021 and signed by:



DR. NANCY NJERI MACHARIA, CBS  
COMMISSION SECRETARY  
Date: 24-09-2021



CPA.CHEPTUMO AYABEI  
DIRECTOR (FINANCE AND ACCOUNTS)  
ICPAK MEMBER NUMBER: 8372  
Date: 24-09-2021



## 5.5 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2020/2021	2019/2020
		Kshs '000'	Kshs '000'
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts for operating income			
Exchequer Releases (Recurrent)	1A	274,402,784	255,340,526
Exchequer Releases (Development-SEQIP)	1B	-	347,526
Other Revenues	3	646,155	634,097
		<u>275,048,939</u>	<u>256,322,149</u>
Payments for operating expenses			
Compensation of Employees	4	274,201,401	254,450,752
Use of goods and services	5	763,764	844,115
SEQIP Expenses	6	99,773	271,066
		<u>275,064,938</u>	<u>255,565,933</u>
Adjusted for:			
Decrease/(Increase) in Accounts Receivable	14	(17,837)	(470,541)
Increase/(Decrease) in Accounts Payable	15	2,265	61,510
Prior Year Adjustments	13	(10,467)	-
Net cash flows from operating activities		(42,038)	347,185
CASHFLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	400	-
Acquisition of Assets	7	(199,465)	(366,408)
Net cash flows from Investing Activities		(199,065)	(366,408)
NET DECREASE/INCREASE IN CASH AND CASH EQUIVALENT		(241,103)	(19,223)
Cash and cash equivalent at BEGINNING of the year		1,543,719	1,562,942
Cash and cash equivalent at END of the year		<u>1,302,616</u>	<u>1,543,719</u>

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 24th September, 2021 and signed by:



DR. NANCY NJERI MACHARIA, CBS  
COMMISSION SECRETARY

Date: 24-09-2021



CPA.CHEPTUMO AYABEI  
DIRECTOR (FINANCE AND ACCOUNTS)

ICPAK MEMBER NUMBER: 8372

Date: 24-09-2021

# 5.6 SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

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TSC ANNUAL REPORT 2020/2021

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization Difference to Final Budget
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs '000'	Kshs '000'	Kshs '000'	Kshs '000'	Kshs '000'	
RECEIPTS						
Exchequer Releases (Recurrent)	264,975,584	9,427,200	274,402,784	274,402,784	-	100%
Exchequer Releases (Development)	600,000	(400,000)	200,000	-	200,000	0%
Receipts Collected as AIA	517,000	70,000	587,000	646,555	(59,555)	110%
Total Receipts	<u>266,092,584</u>	<u>9,097,200</u>	<u>275,189,784</u>	<u>275,049,339</u>	<u>140,445</u>	100%
Payments						
Compensation of Employees	263,624,839	9,500,000	273,124,839	274,201,401	(1,076,562)	100%
Use of goods and services	1,530,745	(72,800)	1,457,945	763,764	694,181	52%
SEQIP Expenditure	600,000	(400,000)	200,000	99,773	100,227	50%
Acquisition of Assets	337,000	70,000	407,000	199,465	207,535	49%
Grand Total	<u>266,092,584</u>	<u>9,097,200</u>	<u>275,189,784</u>	<u>275,264,403</u>	<u>(74,619)</u>	100%

Commentary on significant under-utilization/over-utilization

- The under absorption at 52% of the budget for operations and maintenance was due to reduced operations as a result of the COVID-19 pandemic.

- ii. The under absorption at 49% of Acquisition of the fixed assets budget was as a result of the rigorous procurement processes and effects of the COVID – 19 pandemic.
- iii. The under-utilization at 50% for SEQIP was as a result of reduced project activities due to COVID – 19 pandemic.

#### 5.7 BUDGET UTILIZATION AS PER ECONOMIC ITEMS

ECONOMIC ITEMS	Actual Payments
	Kshs '000'
Compensation of Employees	274,201,401
Use of goods and services	763,764
SEQIP Expenditure	99,773
Acquisition of Assets	199,465
Total Payments	<u>275,264,403</u>



## 5.8 SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization Difference to Final Budget
	a	b	c=a+b	d	e=d-c	f=d/c %
	Kshs '000'	Kshs '000'	Kshs '000'	Kshs '000'	Kshs '000'	
RECEIPTS						
Exchequer releases	264,975,584	9,427,200	274,402,784	274,402,784	-	100%
Receipts Collected as AIA	517,000	30,000	547,000	606,555	(59,555)	111%
Total Receipts	<u>265,492,584</u>	<u>9,457,200</u>	<u>274,949,784</u>	<u>275,009,339</u>	<u>(59,555)</u>	100%
PAYMENTS						
Compensation of Employees	263,624,839	9,500,000	273,124,839	274,201,401	(1,076,562)	100%
Use of goods and services	1,530,745	(72,800)	1,457,945	763,764	694,181	52%
Acquisition of Assets	337,000	30,000	367,000	179,087	187,913	49%
Grand Total	<u>265,492,584</u>	<u>9,457,200</u>	<u>274,949,784</u>	<u>275,144,252</u>	<u>(194,468)</u>	100%

Commentary on significant under-utilization/over-utilization

- The under absorption at 52% of the budget for operations and maintenance was due to reduced operations as a result of the COVID – 19 pandemic.
- The under absorption at 49% of Acquisition of the fixed assets budget was as a result of the rigorous procurement processes and effects of the COVID – 19 pandemic.

## 5.9 SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization Difference
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs '000'	Kshs '000'	Kshs '000'	Kshs '000'	Kshs '000'	
RECEIPTS						
Exchequer releases	600,000	(400,000)	200,000	-	200,000	0%
Receipts Collected as AIA	-	40,000	40,000	40,000	-	100%
Total Receipts	<u>600,000</u>	<u>(360,000)</u>	<u>240,000</u>	<u>40,000</u>	<u>200,000</u>	17%
Payments						
SEQIP Expenditure	600,000	(400,000)	200,000	99,773	100,227	50%
Acquisition of Assets	-	40,000	40,000	20,378	19,622	51%
Grand Total	<u>600,000</u>	<u>(360,000)</u>	<u>240,000</u>	<u>120,151</u>	<u>119,849</u>	50%

Commentary on significant under-utilization/over-utilization

- The under absorption at 51% of Acquisition of the fixed assets budget was as a result of the COVID – 19 pandemic which delayed the construction of the Bomet County office.
- The under-utilization at 50% for SEQIP was as a result of reduced project activities as a result of the COVID – 19 pandemic.

# 5.10 BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

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Programme/Sub-programme	Original Budget Kshs '000'	Adjustments Kshs '000'	Final Budget Kshs '000'	Actual on comparable basis Kshs '000'	Budget utilization difference Kshs '000'
Teacher Resource Management	257,973,382	9,086,290	267,059,670	268,032,844	(973,174)
Teacher Management-Primary	165,543,176	5,595,288	171,138,463	172,211,869	1,073,406
Teacher Management-Secondary	88,740,780	3,491,002	92,231,781	92,131,553	100,228
Teacher Management-Tertiary	3,689,426	-	3,689,426	3,689,422	4
Governance and Standards	1,005,170	(1,935)	1,003,235	449,921	553,314
Quality assurance and standards	2,375	(836)	1,539	522	1,017
Teacher professional development	1,745	(510)	1,235	373	862
Teacher capacity development	1,001,050	(589)	1,000,461	449,026	551,435
General Admin, Planning and Support Services	7,114,032	12,845	7,126,879	6,781,638	345,241
Policy, Planning and Support Service	6,613,210	36,334	6,649,545	6,517,073	132,472
Field Services	198,235	(22,894)	175,342	97,108	78,234
Automation of TSC Operations	302,587	(595)	301,992	167,457	134,535
TOTAL	266,092,584	9,097,200	275,189,784	275,264,403	(74,619)

**5.11 BUDGET ALLOCATION BY PROGRAMMES**

Programmes	Approved Budget Allocation KShs'000'	Actual Payments KShs'000'	Variance KShs'000'
Teacher Resource Management	267,059,670	268,032,844	(973,174)
Governance and Standards	1,003,235	449,921	553,314
General Administration, Planning and Support Services	7,126,879	6,781,638	345,241
	<u>275,189,784</u>	<u>275,264,403</u>	<u>(74,619)</u>

NB: The excess expenditure of KES. 973,174.000 arose due to underfunding on the compensation to employees' annual allocation during the 2020/2021 FY. The National Treasury allowed the Commission to regularize the same in the 2021/2022 Financial Year.

**5.12 SIGNIFICANT ACCOUNTING POLICIES**

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

**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 in all the years presented.



## i. Reporting Entity

The financial statements are for the Teachers 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:

- a. Kenya Secondary Education Quality Improvement Project (SEQIP) - Component 1: Subcomponents 1.1 and 1.2

- b. Kenya Primary Education Development (PRIEDE) project - Component 2: Sub component 2.2

**Reporting Currency**

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Commission and all values are rounded to the nearest one thousand Kenya Shillings.

## ii. Significant Accounting Policies

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

## a) Recognition of Receipts

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

## i) 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 Commission.

## ii) 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 Commission.

During the year ended 30<sup>th</sup> June 2021, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

### iii) Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from Commission on 3<sup>rd</sup> parties, rental income, 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 Commission recognises all payments when the event occurs and the related cash has actually been paid out by the Commission.

#### i) Compensation of Employees

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

#### ii) 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.

#### iii) 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 the Commission and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

### iii. In-kind contributions

In-kind contributions are donations that are made to the Commission 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 Commission 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.

#### iv. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at the Central Bank of Kenya and at National Bank of Kenya as at the end of the financial year.

#### v. 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. The financial statements have been modified to include historical balances that were outstanding when the commission was reporting using IPSAS Accrual. Other accounts receivables are disclosed in the financial statements.

#### vi. 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. The financial statements have been modified to include historical balances that were outstanding when the commission was reporting using IPSAS Accrual. Other liabilities including pending bills are disclosed in the financial statements.

#### vii. 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 are 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.

viii. 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 2020 for the period 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2021 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.

ix. Comparative Figures

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

x. 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 30<sup>th</sup> June 2021.

xi. 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.

xii. 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.



## 5.13 NOTES TO THE FINANCIAL STATEMENTS

1A	EXCHEQUER RELEASES - RECURRENT		
	Description	2020/2021	2019/2020
		Kshs	Kshs
	Total Exchequer Releases for quarter 1	67,452,943,707	62,643,529,043
	Total Exchequer Releases for quarter 2	65,143,302,017	63,101,453,963
	Total Exchequer Releases for quarter 3	65,269,649,802	61,807,333,758
	Total Exchequer Releases for quarter 4	76,536,888,611	67,788,209,163
	TOTAL	<u>274,402,784,137</u>	<u>255,340,525,927</u>
1B	EXCHEQUER RELEASES - DEVELOPMENT (SEQIP)		
	Total Exchequer Releases for quarter 1	-	-
	Total Exchequer Releases for quarter 2	-	-
	Total Exchequer Releases for quarter 3	-	347,526,267
	Total Exchequer Releases for quarter 4	-	-
	TOTAL	=	<u>347,526,267</u>
2	PROCEEDS FROM SALE OF ASSETS		
	Receipts from the Sale of Vehicles	400,000	-
	TOTAL	<u>400,000</u>	=
3	OTHER REVENUES		
	Interest Received	9,295,044	9,139,670
	Rental Income - Collected as AIA	4,998,152	6,947,616
	Commission on Third Parties - Collected as AIA	587,246,060	609,979,734
	Other Receipts - Collected as AIA	44,615,432	8,030,120

	TOTAL	<u>646,154,688</u>	<u>634,097,140</u>
4	COMPENSATION OF EMPLOYEES		
	Basic salaries of permanent employees	176,376,605,346	164,718,732,879
	Basic wages of Contractual employees	2,416,413,998	1,215,413,998
	Personal allowances paid as part of salary	80,489,502,561	78,192,344,978
	Personal allowances paid as reimbursements	96,042,901	99,999,999
	Employer Contributions to Staff Pension Schemes	880,282,869	849,999,999
	Employer Contributions to national social security schemes	10,259,992	8,259,992
	Employer Contributions to medical insuranceschemes	13,932,293,062	9,365,999,985
	TOTAL	<u>274,201,400,729</u>	<u>254,450,751,830</u>
5	USE OF GOODS AND SERVICES		
		2020/2021	2019/2020
	Description	Kshs	Kshs
	Utilities, supplies and services	23,018,368	36,347,962
	Communication, supplies and services	17,353,294	22,352,920
	Domestic travel and subsistence	29,479,521	41,764,437
	Foreign travel and subsistence	1,022,683	8,292,119
	Printing, advertising and information supplies & services	2,346,238	4,045,281
	Rent Expenses (County Offices)	33,500,421	29,316,051
	Training expenses	458,320,396	425,346,858

	Hospitality supplies and services	20,301,504	30,897,608
	Insurance costs-Motor Vehicle	47,793,308	91,839,685
	Specialized materials and services	5,728,288	1,962,022
	Office and general supplies and services	4,509,962	5,696,713
	Fuel Oil and Lubricants	25,894,943	32,361,257
	Other operating expenses	56,573,381	59,542,321
	Routine maintenance – vehicles and other transport equipment	23,833,593	33,181,581
	Routine maintenance – other assets	14,088,140	21,168,433
	TOTAL	<u>763,764,040</u>	<u>844,115,248</u>

6	SECONDARY EDUCATION QUALITY IMPROVEMENT PROJECT (SEQIP)		
	Domestic travel and subsistence	13,729,150	19,171,759
	Foreign travel and subsistence	2,473,215	-
	Communication, supplies and services	23,805,474	1,767,315
	Training expenses	54,474,500	245,790,835
	Routine maintenance – vehicles and other transport equipment	5,500	-
	Fuel Oil and Lubricants	393,164	-
	Office and general supplies and services	3,912,990	2,296,000
	Other operating expenses	979,255	2,040,013

	TOTAL	<u>99,773,248</u>	<u>271,065,923</u>
7	ACQUISITION OF ASSETS		
		2020/2021	2019/2020
	Description	Kshs	Kshs
	Construction of Buildings	20,377,677	-
	Refurbishment of Buildings	19,831,975	9,458,865
	Purchase of Vehicles and Other Transport Equipment	-	189,386,675
	Purchase of Office Furniture and General Equipment	35,160,944	28,044,507
	Purchase of ICT Equipment, Software and Other ICT Assets	124,094,888	139,517,775
	TOTAL	<u>199,465,484</u>	<u>366,407,822</u>

8A	Bank Accounts			
	Name of Bank, Account No. & currency	Type of Account	2020/2021	2019/2020
			Kshs	Kshs
	National Bank of Kenya-Secretariat A/C No.01001005707400 ,KShs	Recurrent	15,778,723	15,779,773
	National Bank of Kenya-Teachers A/C No.01001000905000 ,KShs	Recurrent	394,666,713	858,192,879
	Central Bank of Kenya, 1000181117,KShs	Recurrent	249,513	13,270,924
	Central Bank of Kenya-PRIEDE A/C No. 1000291133,KShs	Project	3,393,670	8,720,207



	Central Bank of Kenya-SEQI-PA/C No. 1000370882,KShs	Project	73,520,235	100,964,534
	Central Bank of Kenya-TSC-KENYA GPE COVID 19 ProjectA/C No. 1000469797,KShs	Project	8,942,550	-
	National Bank of Kenya- FixedDeposit A/C No.01300083109300 ,KShs	Fixed Deposit	806,062,361	546,767,316
	National Bank of Kenya- Teachers Registration Fees A/CNo.0100100050001 ,KShs	Revenue	-	-
	Total		<u>1,302,613,764</u>	<u>1,543,695,633</u>

83	Cash in hand		
		2020/2021	2019/2020
	Location and Currency	Kshs	Kshs
	Teachers Service Commission HQS – Held indomestic currency	1,551	23,451
	TOTAL	<u>1,551</u>	<u>23,451</u>

9	Accounts Receivables		
	Government Imprests	8,539,813	14,920,238
	Salary advances	10,531,874	8,210,390
	County Disbursements	578,837,154	291,979,799
	Other receivables	370,924,085	532,116,853
	TOTAL	<u>968,832,926</u>	<u>847,227,280</u>

10	Accounts Payables		
	AP liabilities	8,409,042	10,734,330.90

	Clearance accounts	509,416,124	405,121,295
	Ministerial Agency Accounts	45,738,914	41,674,381
	<b>TOTAL</b>	<u>563,564,080</u>	<u>457,530,007</u>

Included in the figure of Kshs. 45,738,914 under Inter-Ministerial Agency Accounts is Kshs 33,685,957 relating to CBC funds from MOE, Kshs. 3,143,207 relating to PRIEDE project and Kshs. 8,909,750 TSC-KENYA GPE COVID-19 project.

11	BALANCES BROUGHT FORWARD		
	Bank accounts	1,543,695,633	1,562,924,388
	Cash in hand	23,451	17,335
	Accounts Receivables	847,227,280	376,685,951
	Accounts Payables	457,530,007	396,019,829
	<b>TOTAL</b>	<u>1,933,416,357</u>	<u>1,543,607,845</u>

12	RELATED PARTY DISCLOSURES		
	Transfers from Ministry of Education (PRIEDE Project)	99,868,709	28,786,590
	Transfers from Ministry of Education (TSC Kenya GPE COVID 19 project)	200,000,000	-
	<b>TOTAL</b>	<u>299,868,709</u>	<u>28,786,590</u>

13	PRIOR YEAR ADJUSTMENTS			
		Balance b/f FY 2019/2020 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted Balance b/f FY 2019/2020
	Description of the error	Kshs	Kshs	Kshs
	Bank account Balances	1,543,695,633	-	1,543,695,633

Cash in hand	23,451	-	23,451
Accounts Payables	457,530,008	-	457,530,008
Receivables	847,227,279	10,467,519	836,759,760
TOTAL	<u>2,848,476,371</u>	<u>10,467,519</u>	<u>2,838,008,852</u>

The prior year adjustment relate to loss of CISCO switches in 2012/2013 financial year. The National Treasury vide letter Ref: AG/3/14/Vol.1 (66) dated 19th March, 2021 granted the Commission authority to write off the loss of Kshs. 10,467,519 which reduced the Commission's accumulated fund.

14	(INCREASE)/ DECREASE IN RECEIVABLE		
		2020-2021	2019-2020
		KShs	KShs
	Receivables as at 1 <sup>st</sup> July	847,227,279	376,685,951
	Receivables as at 30 <sup>th</sup> June	968,832,926	847,227,279
	(Increase)/ Decrease in Receivables	<u>(121,605,647)</u>	<u>(470,541,328)</u>

15	INCREASE/ (DECREASE) IN ACCOUNTS PAYABLE		
		2020-2021	2019-2020
		Kshs	Kshs
	Payables as at 1 <sup>st</sup> July	457,530,008	396,019,829
	Payables as at 30 <sup>th</sup> June	563,564,080	457,530,008
	Increase/ (Decrease) in payables	<u>106,034,072</u>	<u>61,510,179</u>

**5.13 OTHER IMPORTANT DISCLOSURES**  
**PROPERTY PLANTS AND EQUIPMENTS (PPE) SCHEDULE 2020/2021**

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs)
	2019/2020	2020/2021	2020/2021	2020/2021
Land	1,000,000,000			1,000,000,000
Construction of Buildings	1,208,895,070	20,377,677.10		1,229,272,747
Refurbishment of Buildings	80,398,882	21,068,749.70		101,467,632
Purchase of Vehicles and Other Transport Equipment	965,217,522	-	2,520,102	962,697,420
Purchase of Office Furniture and General Equipment	467,474,589	35,160,943.80		502,635,533
Purchase of ICT Equipment, Software and Other ICT Assets	857,794,399	125,233,068.40		983,027,467
Total	<u>4,579,780,452</u>	<u>201,840,439</u>	<u>2,520,102-</u>	<u>4,779,100,799</u>



#### 5.14 PROGRESS ON FOLLOW UP OF AUDITOR'S RECOMMENDATIONS

The following is the summary of issues raised by the external auditor in their letter and the management comments. Focal persons have been nominated to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Ref No. on external audit Report	Issue / Observations from Auditor	Management comments	Focal Person to resolve the issue	Status	Time frame
1	Stores and Cash Losses Note 9 to the financial statements reflect accounts receivables balance of Kshs. 847,227,279 as at 30 June 2020. The figure of Ksh. 847,227,279 includes unrecoverable losses of stores and cash losses amounting to Kshs. 10,487,516 and Kshs. 2,928,398 respectively, which as previously reported occurred between the years 1988 and 2000.	Loss of Stores Ksh. 10,487,516 These were losses occasioned by theft of stores which the Commission followed up and the suspect was charged at the Kibera Law Courts vide O.B. NO.46/3/6/2013 with the offense of stealing by person employed in public service contrary to section 280 of the penal code.	Director Legal	Resolved	

Ref No. on external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status	Time frame
	<p>The matter was investigated and the Director of Public Prosecutions directed the suspect to be charged with the offence of stealing by person employed in the Public Service contrary to Section 280 of the penal code. A review of the matter during the year under review indicates that the court ruling on 12 March 2019 determined that the accused had no case to answer and that the next defense hearing</p>	<p>Though the Commission did not have control over the progress of the case, our legal officer followed up the matter and has been able to ascertain from the court records that;</p> <p>a) On diverse dates all prosecution's witnesses and the defense rendered their respective submissions before Court; and;</p> <p>b) On 6/3/2020, the judgment was delivered where the Court exonerated the accused from all the charges. The accused was therefore acquitted and the copy of judgment is hereby attached.</p>			

Ref	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status	Time frame
No. on external audit Report	<p>date was set for 12 June, 2019 which was adjourned to 23 December, 2019 and later to January 2020.</p> <p>The Management has however indicated that on 6 March, 2020 the judgement was delivered where the court exonerated the accused from all the charges.</p> <p>It is therefore not possible to confirm the recoverability of Kshs. 10,487,516 and Kshs 2,928,398 being the value of stores and cash losses respectively.</p>	<p>c) The Commission sought authority for write off of the loss from the National Treasury vide letter Ref: TSC/FIN/60/VOL.V/68 dated 18th February, 2021.</p> <p>d) The National Treasury vide letter Ref: AG/3/14/Vol.1 (66) dated 19th March, 2021 granted the Commission authority to write off the loss.</p> <p>Cash Losses Ksh. 2,928,398</p> <p>i) These were cash losses which occurred in the period 1988- 2000 and</p>	<ul style="list-style-type: none"> <li>Director Finance</li> <li>Director Legal</li> </ul>	In Progress	

Ref No. on external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status	Time frame
	Consequently, the accuracy of the accounts receivable balance of Kshs. 847,227,279 reflected in the statement of assets and liabilities as at 30 June, 2020 and could not be confirmed.	<p>the Commission followed up the matter in the Courts over several years culminating with the Investigating Officer's letter Ref: CID/IB/SEC/4/3/1/A/VOL.III/64 dated 5/9/2014 indicating the insurmountable challenges in charging the culprits. The Commission, during the Commissioners meeting held on 24/9/2015 decided it was uneconomical to continue with the cases, recommended a write-off and sought for the National Treasury's approval before recognizing the write-off in our books.</p> <p>ii) After several correspondences between the Commission and the National Treasury in respect of the</p>			



Ref No. on external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status	Time frame
		<p>request for approval of a write-off, the National Treasury vide letter Ref: AG/3/149/Vol.1/</p> <p>(54) dated 13<sup>th</sup> February, 2019 gave guidelines the Commission needed to follow in order to conclude the matter. The Commission followed the guidelines, re- submitted the request vide letter Ref: TSC/FIN/60/VOL.V/20 dated 5<sup>th</sup> March, 2019 and as also guided, sought the Attorney General's legal opinion on the matter.</p> <p>iii) The Attorney General vide letter Ref: AG/CONF/9/29 VolIII (43) dated 10<sup>th</sup> May, 2019 advised on a waiver if all reasonable steps have been taken to recover the loss and if it would be uneconomical to continue to pursue the recovery. This is similar to what the Commissioners had recommended during their above cited meeting.</p>			

Ref No. on external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status	Time frame
		<p>(iv) The Commission vide letter Ref: TSC/FIN/60/VOL.V/68 dated 18<sup>th</sup> February, 2021 resubmitted a request to the National Treasury for authority to write off the loss since the Commission during a meeting held on 24/09/2015 had determined that reasonable steps had been taken to recover the loss and it would be uneconomical to continue with the cases.</p> <p>(v) The National Treasury vide letter Ref: AG/3/14/Vol.1 (66) dated 19<sup>th</sup> March, 2021 advised the Commission to pursue further efforts as had been advised by the Attorney General. The Commission has initiated the process of follow up on the Cash losses of Kshs. 2,928,398</p> <p>(vi) The Commission has since introduced a policy which requires that teachers' monthly salary be paid through bank accounts and currently there are no cash losses since all teachers are paid by Electronic Funds Transfer through their respective bank accounts.</p>			

Ref No. on external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status	Time frame
	Property, Plant & Equipment As reported in the previous years, the property, plant and equipment schedule balance of Kshs. 4,556,808,968 under Annexure XVI, other important disclosures as at	Motor vehicle Net Book Value of Ksh. 88,096 The original log book was submitted to KRA on 30/6/2011 to verify the rightful owner upon their request vide letter ref: KRA/RTD/TRANS-DUP/10027/0-11 dated 13/6/2011. The case has been ongoing and after court hearings on diverse dates judgment was finally delivered on 15 <sup>th</sup> September, 2020, where the court ruled that the motor vehicle registration No. KAR 246L be released to the plaintiff. A copy of the judgment is hereby attached. The Commission has appealed the ruling vide the Memorandum of Appeal dated 20 <sup>th</sup> November, 2020. 30 June 2020 includes kshs. 88,096 being the residual value of one (1) motor vehicle procured in 2004 at a total cost of Kshs. 2,085,869. A review of the matter in January 2018 revealed that the vehicle had earlier			

Ref No. on external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status	Time frame
		<p>been taken and auctioned by the auctioneers after obtaining a duplicate log book No. 20063490279 from Kenya Revenue Authority. The Motor Vehicle Registration No. KAR 246L - Nissan Urvan whose residual value is Ksh. 88,096.00 was repossessed from auctioneers. Although the Commission repossessed the vehicle, a case is pending before a court of law. A review of the matter in 2018/2019 indicate that, the Commission (defendant) prepared an application to dismiss the suit for want of prosecution which was heard on 22 November, 2018. According to the management, the plaintiff objected on the ground that the failure for the matter to proceed was due to the file missing from the</p>			



Ref	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status	Time frame
No. on external audit Report 2	<p>registry. The case was not dismissed but set for hearing on 3 October, 2019. The case was later adjourned to 20 February, 2020. On 15 September, 2020 the court ruled that the motor vehicle be released to the plaintiff but the Commission appealed the ruling on 20 November, 2020. No further updates on the case had been presented for audit review as at the date of this report.</p> <p>In the circumstances, it has not been possible to confirm that the property plant and equipment schedule balance of Kshs. 4,556,808,968 as at 30 June 2020 is fairly stated.</p>		Director Legal	In Progress	

Date: 24-09-202

ICPAK MEMBER NUMBER: 8372

Date: 24-09-2021



W/R. NANCY NJERI MACHARIA, CBS  
COMMISSION SECRETARY



CPA. CHEPTUMO AYABEI  
DIRECTOR (FINANCE AND ACCOUNTS)