



**TEACHERS
SERVICE
COMMISSION
KENYA**

DLS P
PARLIAMENT
OF KENYA
LIBRARY

ANNUAL REPORT

2016-2017

Vision:

To be a transformative teaching service
for quality education

Mission:

To professionalize the teaching service
for quality education and development

Core Values:

PROFESSIONALISM:

All TSC employees shall observe requirements for professional conduct. The employees are expected to apply the skills, knowledge, competencies that meet the standards needed for the work assigned.

CUSTOMER FOCUS:

The Commission places the customer first by upholding the philosophy of customer driven-service delivery. Employees are expected to demonstrate a high level of responsiveness to customer needs.

INTEGRITY:

Employees conduct themselves in a manner that demonstrates honesty, high moral and ethical standards, and commitment to work. This is in line to the aspirations of Chapter 6 of the Constitution, and the Code of Conduct and Ethics for Teachers.

INNOVATIVENESS:

Employees endeavor to inject new ideas and approaches in service delivery.

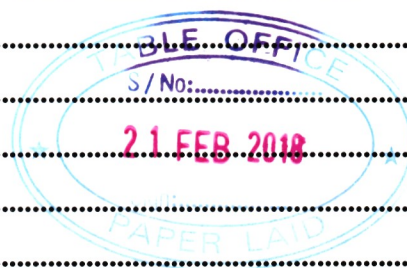
TEAM SPIRIT:

Commission employees are committed to working through cross-status and cross functional teams. All employees are equipped to handle work relationships and share new information with colleagues.

TABLE OF CONTENTS

ABBREVIATIONS & ACRONYMS.....	III
DEFINITION OF TERMS.....	IV
EXECUTIVE SUMMARY.....	1
MESSAGE FROM	3
THE COMMISSION CHAIRPERSON	3
MESSAGE FROM THE COMMISSION SECRETARY	5
CHAPTER ONE: INTRODUCTION	7
1.1 Background of Teachers Service Commission (TSC).....	7
1.2 The Composition and Structure of the Commission	7
1.3 The Commission's Reform Agenda	7
CHAPTER TWO: PERFORMANCE MILESTONES AND	
ACHIEVEMENTS	8
2.1 Introduction.....	8
2.2 Collective Bargaining Agreements (CBAs).....	8
2.3 Decentralization.....	9
2.3.1 Decentralization of discipline cases.....	9
2.3.2 Supervision of curriculum implementation	9
2.3.3 Construction of county offices	11
2.3.4 Multiprotocol Label Switching (MPLS) and internet connectivity.....	11
2.4 Performance management.....	12
2.4.1 Performance contract	12
2.4.2 Performance Appraisal for teachers	12
2.5 Inaugural TSC open day.....	12
CHAPTER THREE: PERFORMANCE IN CORE MANDATE	14
3.1 Teacher Registration.....	14
3.2 Quality Assurance and Standards.....	14
3.3 Recruitment of teachers	15
3.4 Teacher deployment and utilization	15
3.6 Separation from employment	17
3.7 Enhancing teacher professionalism and conduct	17
CHAPTER FOUR: PERFORMANCE IN SUPPORT SERVICES	18
4.1 Introduction.....	18
4.2 Information Communication Technology (ICT).....	18
4.2.1 Connectivity, Online services and ICT infrastructure	18
4.2.2 Online services.....	18
4.2.3 Training of teachers for Digital Literacy Programme (DLP).....	19
4.2.4 Human Resource Management Information System (HRMIS).....	19
4.3 Compliance with statutory obligations.....	19
4.3.1 Public Procurement (Preference & Reservations Amendment) Regulations 2013.....	19
4.3.2 Gender and Disability.....	20
4.3.3 Complaints Management.....	20
4.3.4 Public Financial Management (PFM).....	20

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THE MAJORITY
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DUALE, MP ON
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4.3.5 One third rule on salary payment.....	20
4.4 Training and capacity building.....	20
4.5 Teachers' medical cover.....	21
CHAPTER FIVE: EMERGING ISSUES AND WAY FORWARD.....	22
5.1 Introduction.....	22
5.2 Teacher shortage.....	22
5.3 Teacher career growth and progression.....	22
5.4 Digitization of records.....	22
5.5 Interruption of learning programmes.....	23
CHAPTER SIX: FINANCIAL REPORTS.....	24
6.1 TEACHERS SERVICE COMMISSION: EXTRACT OF UN - AUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE 2017.....	24
6.2. STATEMENT OF FINANCIAL POSITION.....	25
6.3 STATEMENT OF CASH FLOW.....	26
6.4 STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS.....	27
6.5 SIGNIFICANT ACCOUNTING POLICIES.....	28
6.6 NOTES TO THE FINANCIAL STATEMENTS.....	30
6.7 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS.....	34
APPENDIX I.....	36
APPENDIX II.....	37
APPENDIX III.....	38

LIST OF TABLES

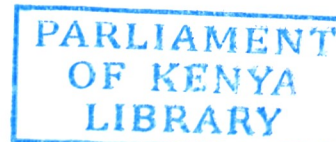
TABLE 1: RECRUITMENT OF TEACHERS.....	15
TABLE 2: NO. OF TEACHERS PROMOTED (2016/2017).....	16
TABLE 3: PROCESSED CLAIMS.....	17
TABLE 4: COUNTY CONNECTIVITY.....	18
TABLE 5: ACCESS TO TSC ONLINE SERVICES.....	19
TABLE 6: TEACHERS TRAINED ON DLP.....	19
TABLE 7: CAPACITY BUILDING.....	21

FIGURE LISTING

FIGURE 2: RECRUITMENT OF TEACHERS.....	15
FIGURE 3: TRENDS IN TEACHER RECRUITMENT IN THE LAST THREE YEARS.....	16

ABBREVIATIONS & ACRONYMS

ADA	Alcohol and Drug Abuse
CBA	Collective Bargaining Agreement
CBE	Curriculum Based Establishment
CSOs	Curriculum Support Officers
ECDE	Early Childhood Development Education
ERP	Enterprise Resource Planning
DLP	Digital Literacy Programme
HRMIS	Human Resource Management Information System
IEC	Information Education and Communication
LAN	Local Area Network
MPLS	Multiprotocol Label Switching
PRIEDE	Kenya Primary Education Development
PFM	Public Financial Management
PWDs	Persons with Disabilities
SRC	Salaries and Remuneration Commission
TPD	Teacher Professional Development
TPAD	Teacher Performance Appraisal and Development
TPC	Teacher Proficiency Course
TMIS	Teacher Management Information System



DEFINITION OF TERMS

Digital literacy	Ability to use information and Communication Technology to find, evaluate, create and communicate information requiring both cognitive and technical skills
Hits	The number of times the general website or a service in the website is accessed
Local Area Network	A set of connections that link computers and other devices in a relative small area
Online Service	A service provided by a software application making its facilities available to users over the Internet via an interface
Professional conduct	Set of qualities, attributes and behavior of members that is considered to be acceptable by the governing body of a profession
Quality assurance	A systematic review of educational programmes to ensure maintenance of acceptable standards
Third parties	A person or an organization that may be indirectly involved but is not a principal party to an arrangement, contract, deal, lawsuit or transaction.
Teaching standards	A set of requirements for the professional conduct of teachers that define the minimum level expected of teachers in Kenya
T-pay system	A system that enable employees to access their pay slips and process loans Online
Wide Area Network	A telecommunications or computer network that extends over a large geographical area

EXECUTIVE SUMMARY

Background of the Commission

The Constitution of Kenya (2010) established the Teachers Service Commission as a Constitutional Commission under Article 237 with a mandate to undertake all teacher management functions. The Commission currently manages a work force of 306,060 teachers deployed in 31,661 public primary and post primary educational institutions across the country. The Commission has further amplified its mandate in section 11 of the TSC Act 2012.

The preparation of this Annual report is in compliance with the provisions of Article 254 of the Constitution of Kenya. The report covers the period 1st July, 2016 to 30th June, 2017. It provides a detailed account of the Commission's achievements and milestones in the execution of its mandates. The report also highlights emerging issues and challenges experienced during the period under review. Detailed financial statements for the period are also provided in the report.

1. The Signing of Collective Bargaining Agreements with Teachers Unions

During the year under review, the Commission negotiated and signed CBAs with the Kenya National Union of Teachers (KNUT) and Kenya Union of Post Primary Education Teachers (KUPPET) after a job evaluation process by Salaries and Remuneration Commission (SRC). The CBAs were registered with the Employment and Labour Relations Court in accordance with Section 60 of the Labour Relations Act (2007). The CBAs will cover the period 1st July 2017 to 30th June 2021 with the first phase being implemented w.e.f 1st July 2017. The implementation of the CBA will be done in four years at a cost of Kshs.54.9 billion and has recognized school administrators at various levels for the first time.. The first phase will require Kshs.13.7 billion.

2. Decentralization

The hearing of discipline cases of teachers was decentralized to the counties with a view to improving efficiency and effectiveness in dispensation. A total Kshs.28, 190,636 was allocated for the first time to enhance operations in the Sub-Counties. To oversee the supervision of curriculum implementation by the Curriculum Support Officers (CSOs), two hundred forty eight (248) motorcycles were procured to facilitate their movement. In addition, 292 laptops were also procured and distributed to County and Sub-County Directors to enhance data management. Connectivity between TSC headquarters and County offices was established by installing Multiprotocol Label Switching (MPLS) and internet.

In order to address the challenge of office accommodation in the counties, the Commission successfully acquired allotment letters for land in four counties namely; Kilifi, Bomet, Tana River and Laikipia. Consequently, construction of TSC County offices in Bomet and Kilifi commenced.

3. Signing of Performance Contracts (PC) and Teacher Performance Appraisal Development (TPAD)

A total of 27,638 Heads of Institution across the country signed Performance Contracts while 260,061 teachers were appraised through Teacher Performance Appraisal Development. An Online reporting tool for teachers and head teachers was developed and put into use. The

Commission also conducted assessment of the implementation of PC and TPAD in 5,601 public learning institutions to ensure compliance with the teaching standards.

4. Appointment and inauguration of the Audit Committee

To enhance objectivity, the regulations require members of the Audit Committee to be drawn from outside the institution. The Commission has fully complied with this regulation. During the period, the Commission appointed and inaugurated an Audit Committee in accordance with the Public Financial Management (PFM) Act (2012). The purpose of the Committee is to oversee the financial reporting process, audit process, system of internal controls and compliance with the law and relevant regulations. The Committee guides the Commission in ensuring accountability in the management of its operations and resources.

5. Performance in Core Mandate

The report has outlined several achievements in the execution of its core mandate which include the following; an increase in registration of teachers from 54,743 in 2015/2016 to 64,980; recruitment of 13,173 teachers; promotion of 34,432 teachers in accordance with various schemes of service, decrease in registered discipline cases of teachers from 1,795 in 2015/16 to 1,119, processing and submission of 6,952 retirement benefit claims to relevant institutions for payment and sensitization of 3,715 teachers aged 58 years and above in sixteen (16) selected counties to prepare them for retirement.

6. Other achievements and emerging issues

The report outlines the Commission's performance in compliance with statutory obligations and presents a summary of capacity building activities carried out to improve productivity of employees. The capacity building involved training and sensitization of various categories of employees and was done in accordance with the TSC training plan. Among the emerging issues cited are teacher shortage, teacher career growth and progression, automation of manual records and insecurity. The report concludes with a presentation of the financial reports for the period ending 30th June 2017..



Message From

THE COMMISSION CHAIRPERSON

I am delighted to present the Annual Report and the financial statement of the Teachers Service Commission for the period 2016-2017.

During the period, the Commission successfully negotiated and signed Collective Bargaining Agreements (CBAs) with the Kenya National Union of Teachers (KNUT) and Kenya Union of Post Primary Education Teachers (KUPPET) on 25th October 2016 and 26th October 2016, respectively. The CBAs were informed by Job Evaluation conducted by the Salaries and Remuneration Commission (SRC) and will cover the period 1st July 2017 to 30th June 2021. The CBAs were registered with the Employment and Labour Relations Court in accordance with Section 60 of the Labour Relations Act (2007) on 30th November, 2016. The implementation of the CBAs will be done in two phases for the lower cadre and four phases for the upper cadre at a cost of Kshs.54.9 billion and has recognized school administrators at various

levels for the first time.. The first phase will require Kshs.13.7 billion.

I am pleased to report that during the period, the Commission witnessed the appointment and inauguration of an Audit Committee in accordance with the Public Financial Management Regulations. The Committee is responsible for providing oversight on the compliance with financial management and reporting. It is expected that this Committee will provide appropriate guidance to the Commission in ensuring accountability in the management of its operations and resources. In an effort to take services close to our stakeholders, the Commission has decentralized some services including the discipline of teachers.

I sincerely wish to register our appreciation to the Government of Kenya, various institutions, partners and stakeholders for their invaluable support. I wish to reassure all of them of our commitment in undertaking our mandate in

line with our mission to professionalize the teaching service for quality education and development.

Finally, may I take this opportunity to thank the Commissioners, Management and Staff of Teachers Service Commission for their commitment and contribution towards the Vision and Mission of the Commission.



DR LYDIA NZOMO, OGW, CBS



Message From

THE COMMISSION SECRETARY

It is my pleasure to present the Annual Report of the Teachers Service Commission for the period 1st July 2016 to 30th June 2017. During the period, the Commission continued to deliver its mandate as stipulated in the Constitution and registered several achievements. Key achievements realized were: an increase in registration of teachers from 54,743 in 2015/2016 to 64,980; recruitment of 13,173 additional and replacement teachers; promotion of 34,432 teachers to various grades and a decrease of registered discipline cases from 1,795 in 2015/16 to 1,119. A total of 6,952 retirement benefits claims were also processed and submitted to the relevant institutions for payment while 3,715 teachers aged 58 years and above in sixteen (16) selected counties were sensitized in preparation for retirement. During the period under review, the Commission also completed a job evaluation for teachers that shall lead the new grading and career

progression structures for all teachers in public education institutions.

In the Commission's endeavor to professionalize the teaching service at the Sub County level, a total of Kshs. 28,190,636 was allocated to facilitate operations. In addition, 248 motorcycles were procured to facilitate the movement of Curriculum Support Officers (CSOs) in overseeing implementation of curriculum at the sub-counties. Further, 292 laptops were procured and distributed to County and Sub-County Directors to enhance data management. Connectivity between the headquarters and all County offices was also established by installing Multiprotocol Label Switching (MPLS) and internet. These institutions are expected to strengthen decentralization of TSC functions and improve teacher supervision at the institutional level.

In an endeavor to address the challenge of office accommodation in the counties, the Commission successfully acquired allotment

letters for land in four counties namely; Kilifi, Bomet, Tana River and Laikipia. This culminated in the commencement of construction of TSC County offices in Bomet and Kilifi.

Although the Commission realized several achievements during the 2016/2017 period, it was not without challenges. Among the challenges were teacher shortage, insecurity in certain parts of the country, financial constraints for teacher promotion and digitization of teachers' records.

Finally, I wish to take this opportunity to thank the Commission Staff and partners for their continued support which has contributed to the achievements realized. The Commission remains committed to continuous improvement in service delivery..



DR. NANCY NJERI MACHARIA, CBS

Chapter One

INTRODUCTION

1.1 Background of Teachers Service Commission (TSC)

Teachers Service Commission is a constitutional Commission established under Article 237 of the Constitution of Kenya to regulate the teaching service in the Country. The Commission has a Constitutional mandate to; register trained teachers, recruit and employ registered teachers, assign teachers employed for service in any public school or institution, promote and transfer teachers, exercise disciplinary control over teachers and terminate the employment of teachers. The Commission is also responsible for reviewing the standards of education and training of persons entering the teaching service, reviewing the demand for and the supply of teachers as well as advising the National Government on matters relating to the teaching profession. The TSC Act further mandates the Commission to facilitate career progression and professional development of teachers as well as monitoring the conduct and performance of teachers.

The Commission currently manages a work force of 306,060 teachers deployed in 31,661 public educational institutions in the country (22,939 primary school, 8,592 secondary, 31 Teacher Training Colleges and 99 Technical Vocational Education and Training (TVET) institutions).

1.2 The Composition and Structure of the Commission

The Teachers Service Commission has a well-established system of governance that directs and controls its processes and operations in order to balance its interest with those of its stakeholders. The TSC Act Section 5 (1) provides for the establishment of the Commission consisting of nine members who include the Chairperson and eight others appointed under Article 250 of the Constitution of Kenya. In addition, Section 13 (1) of the TSC Act mandates the Commission to establish Committees to assist in the performance of its mandate. The Committees thus established include; Human Resource, Strategy and Innovation, Field Services Finance and Audit Committee. The Commission consists of seven (7) Directorates headed by the Commission Secretary/Chief Executive

1.3 The Commission's Reform Agenda

In its effort to support the wider government reform agenda, the Commission has initiated programmes whose overall goal is to provide quality education and protect the rights of the Kenyan child within the learning environment. The reform agenda is articulated in the TSC Strategic Plan (2015-2019) and is anchored on three pillars namely; teacher competence, conduct and performance management; reforms and innovations in provision of teaching services and service delivery re-engineering and decentralization.

The expected results from these reform initiatives include; optimal utilization of teachers in all public educational institutions, increased teacher-learner contact time, improved learning outcomes and increased uptake in provision of education on a digital platform among others.

Chapter Two

PERFORMANCE MILESTONES AND ACHIEVEMENTS

2.1 Introduction

The Constitution of Kenya empowers the Teachers Services Commission to perform teacher management functions with a view to promoting quality and improving learning outcomes. During the 2016/2017 period, the Commission undertook various activities and programmes to achieve its objectives. Highlights of milestones are outlined below::

2.2 Collective Bargaining Agreements (CBAs)



TSC Chairperson Dr Lydia Nzomo and Kenya National Union of Teachers (KNUT) Chairman Mudzo Nzili sign a Collective Bargaining Agreement on the 25th October 2016. On the right, Nancy Macharia TSC CEO and Kenya Union of Post Primary Teachers (KUPPET) Secretary Akello Misori also sign a Collective Bargaining Agreement on 26th October 2016.

Following a job evaluation by the Salaries and Remuneration Commission (SRC) in consultation with Teachers Service Commission, TSC successfully negotiated Collective Bargaining Agreements (CBAs) with the teachers unions KNUT and KUPPET. This culminated in the signing of the CBAs with KNUT on 25th and KUPPET on 26th October 2016, respectively.

The Collective Bargaining Agreements were subsequently registered by the Employment and Labour Relations Court as required under Section 60 of the Labour Relations Act (2007) on 30th November, 2016 and will cover the period 1st July, 2017 to 30th June, 2021 with the first phase being implemented from 1st July, 2017. The implementation of the CBAs will cost the Government Kshs.54.9 billion within the four years. The first phase will require Kshs.13.7 billion.

The implementation of the CBA will be guided by the just concluded job evaluation for teachers by the SRC which provides a new expanded grading and career progression structures for all teachers in public educational institutions. The new grading structure is based on the worth of each job with distinct career paths for teachers who are either institutional administrators or non-administrators

2.3 Decentralization

The Commission in pursuant to Article 6 (3) and 174 (h) of the Constitution has established County and Sub-County offices across the country to facilitate decentralization with a view to taking services closer to the teachers. This process requires a well-planned approach in terms of personnel, enabling policies, infrastructure and the requisite facilities. During the period, the Commission carried out the following activities in regard to decentralization:

2.3.1 Decentralization of discipline cases

The hearing of discipline cases of teachers was decentralized to the counties. The Commission, in preparation for the same sensitized all TSC field staff, Regional Coordinators of Education, County Directors of Education (CDEs) and Boards of Management (BOMs) on the disciplinary processes. This is expected to enhance professionalism, efficiency and effectiveness in the management of teachers' discipline cases.

2.3.2 Supervision of curriculum implementation

In order to enhance teacher management functions at the Sub County level, the Commission allocated Kshs.28, 190,636 to facilitate their operations. The Commission also acquired 300 motorbikes for use by Curriculum Support Officers (CSOs) to improve curriculum supervision in public learning Institutions. In enhancing digitization, 292 laptops were provided to the County and Sub-county Directors for use in data management and submission of reports.



Commission Chairperson, Dr Lydia Nzomo, flags off the motor cycles to the counties at the TSC House.



Wanja Kamau (TSC ICT) hands over a laptop to Rosemary Sokotian TSC County Director Kericho, two of her staff also receive laptops from Mary Kimani and Halima Aden

2.3.3 Construction of county offices

The Commission successfully acquired allotment letters for land in four Counties namely; Kilifi, Bomet, Tana River and Laikipia. Construction of County offices has since commenced in Bomet and Kilifi



Construction of TSC Office in Bomet County

2.3.4 Multiprotocol Label Switching (MPLS) and internet connectivity

The Commission established connectivity with its County offices by installing Multiprotocol Label Switching (MPLS) and internet. This enabled all the 47 County offices to access TSC online services.



2.4 Performance management

The Commission has embraced performance management as a means of obtaining better results from individual employees and teams and has put in place appropriate structures to monitor the conduct and performance of teachers in accordance with the provisions of section 11 of the TSC Act. The Performance Contract for heads of institution and Teacher Performance Appraisal and Development (TPAD) for teachers have now been entrenched in all public education institutions in the Country.

2.4. Performance contract

To enhance performance management in the teaching service, a total of 27,638 Heads of Institutions across the country signed Performance Contracts (PC) which translates to 89% compliance.

2.4.2 Performance Appraisal for teachers

During the period under review, a total of 260,061 teachers were appraised which translates to 85% compliance. An Online reporting tool for Heads of institutions and teachers developed and is in use. This greatly improved efficiency and reduced paper work in the appraisal process. To ensure compliance with maintenance of teaching standards, the Commission conducted assessments on the implementation of PC and TPAD in 5,601 public learning institutions.

Further, to enhance Performance Management, the Commission received grant of \$4,877,665 US Dollars under the Kenya Primary Education Development project to implement its sub component 2.2 on Teachers Performance Appraisal and Development (TPAD) and ensure compliance with teaching standards. Under component 3 of PRIEDE, The Commission will carry out a study on teacher deployment and utilization to establish the current situation and best practices in order to inform policy.

2.5 Inaugural TSC open day

During the period under review, TSC held its first regional Open Day on 21st September, 2016 with the theme of "Transforming the Teaching Service". The one-day event was successfully held in nine regions namely; Metropolitan, Aberdares, North Rift, Highlands, Coast, Western, South Rift, Lake and Northern Kenya. The event attracted attendance of 13,293 stakeholders who include teachers, stakeholders in education, officials from both National and County Government, members of the political class and the general public.

The aim of the Open Day was to create awareness about the TSC mandate and operations, provide an opportunity to interact with stakeholders and create goodwill and mutual understanding with clients. The Commission Chairperson's Speech was read in all the hosting venues. During the event, participants were sensitized about the TSC mandate, operations, decentralized functions and the ongoing reforms among others. Teachers who had excelled in various fields including the counties winners of the Principal of the Year Award (POYA) and Teacher of the Year Award (TOYA) were awarded.

During the event, the Commission was highly praised for the promotion of 7,000 teachers and for organizing the forum which provided different stakeholders with an opportunity to interact with the TSC officials. Among the concerns raised during the forums were; shortage of teachers and the burden of paying teachers by the Boards Of Management, stagnation

of teachers in one grade, large amount of paper work in filling TPAD and PC documents, disharmony in house allowance between the Municipalities and the medical Scheme for teachers among others.



Students, teachers and stakeholders participate in a procession during the TSC Open day for Garissa region that was held at Wajir High School on 21st September 2016

Chapter Three

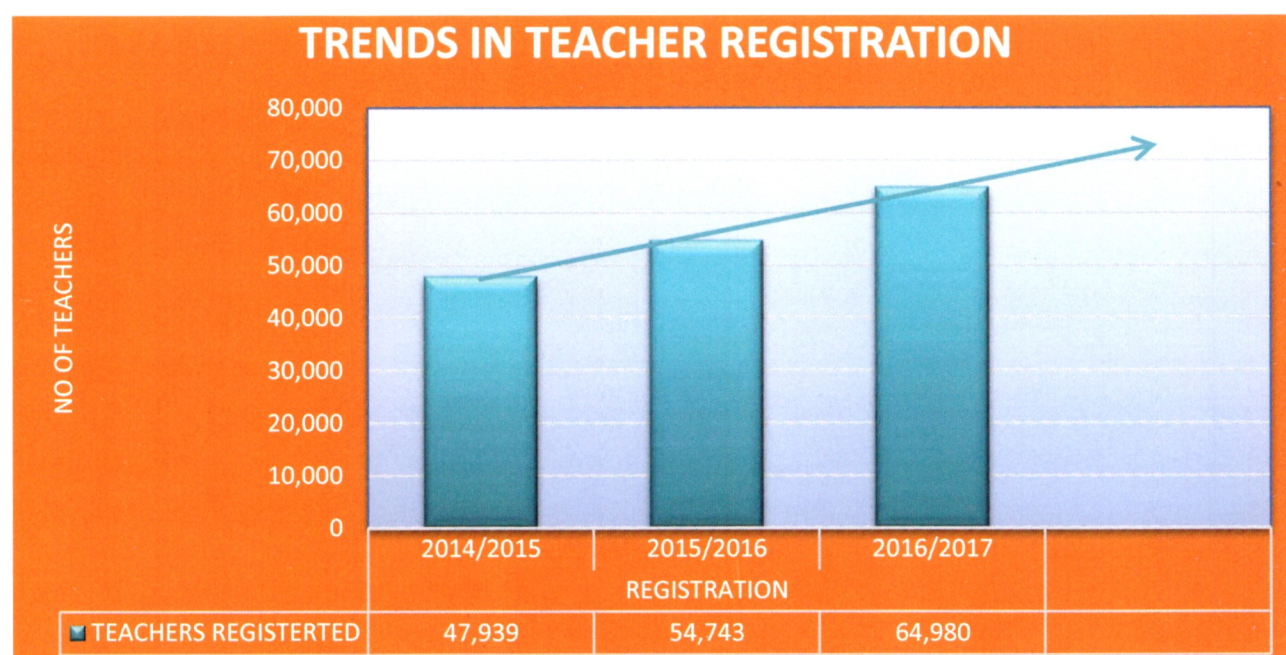
PERFORMANCE IN CORE MANDATE

3.1 Teacher Registration

Article 237 of the Constitution of Kenya and the TSC Act mandates the Commission to register all qualified teachers and ensure that any person who engages in the teaching service is registered.

During the review period, the number of teachers registered rose from 54,743 in 2015/2016 to 64,980, which translated to an 18.7% increase. This is attributed to sensitization of the County Governments on registration of Early Childhood Development Education (ECDE) teachers and enforcement by the Commission to ensure all practicing teachers are registered. Standards Assessments were carried out in 84 institutions both public and private to ensure compliance with registration and teaching standards. The turnaround time for teacher registration has been reduced from two to less than one month if all registration documents are provided.

Figure 1: Trends in Teachers Registration in the last three years



Source: Teacher Management Directorate (TSC)

3.2 Quality Assurance and Standards

The Commission has a statutory mandate to facilitate Teacher Professional Development and ensure compliance with the teaching standards as provided in TSC Act. The Commission developed a Teacher Professional Development (TPD) Policy Framework with clear guidelines on the structure, process and procedures of facilitating Teacher Professional Development and ensuring compliance with prescribed teaching standards, professionalism and integrity in the teaching service. The implementation of this policy will be instrumental in the realization of the Commission's Vision, Mission and Objectives. Further, the Commission

developed TPD training modules structured into six (6) sequential levels that will enable teachers to undertake TPD programmes at different times during the working period. The modules are meant to address the various TPD priorities, equipping teachers with requisite competencies, skills and attitudes to enable them to effectively respond to 21st Century learning/teaching needs

3.3 Recruitment of teachers

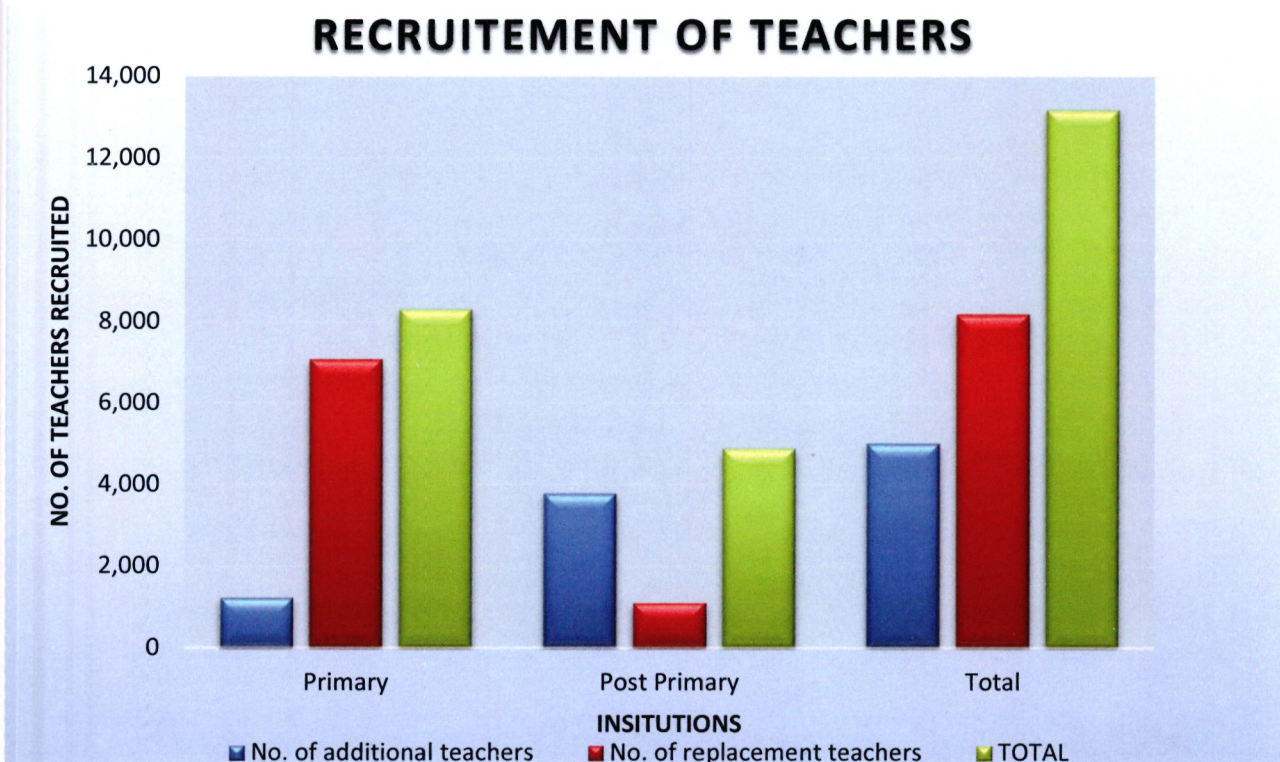
Recruitment of teachers is demand driven and has been decentralized to the Counties. During the year under review, 13,173 teachers were recruited. These include 5,000 additional and 8,173 teachers to replace those who left service through natural attrition.

Table 1: Recruitment of teachers

Number of teachers recruited	Primary	Post Primary	Total
No. of additional teachers	1,225	3,775	5,000
No. of replacement teachers	7,073	1,100	8,173
TOTAL	8,298	4,875	13,173

Source: TSC

Figure 2: Recruitment of teachers



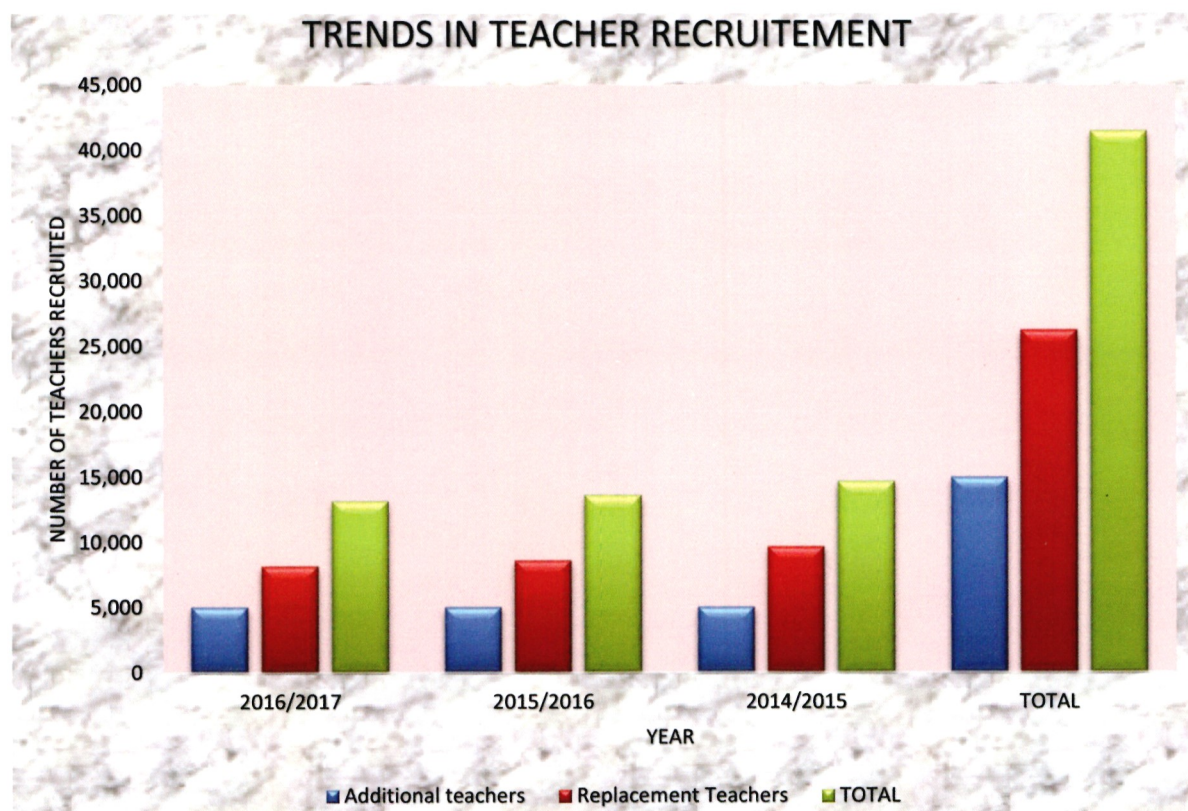
Source: TSC

3.4 Teacher deployment and utilization

Teacher deployment is guided by staffing norms provided by the Commission from time to time. It is aimed at achieving optimal utilization of teachers through transfers, rationalization and posting. During the year, 926 teachers were posted after study leave and disciplinary cases. Further, 1,498 were transferred to rationalize staff and address regional disparities

in teacher distribution. In addition, 595 institutional administrators for post primary institutions and 297 for primary schools were deployed.

Figure 3: Trends in Teacher Recruitment in the last three years



3.5 Promotion of teachers

The promotion of teachers is guided by the existing schemes of service which provide for promotion through common establishment, Teacher Proficiency Course (TPC) and interviews. During the period, a total of 35,737 teachers were promoted to various grades. This is aimed at improving the quality of teaching, aligning employees for succession management, and motivating them to perform better in their duties and responsibilities.

Table 2: No. of teachers promoted (2016/2017)

S/No	Grade (Job Group)		No. of teachers promoted		Total
			Primary	Post primary	
1.	J – k	Common	1,885	79	1,964
2.	K – L	establishment	9,779	1,114	10,893
3.	K,M & N (interview)		4,380	5,620	10,000
4.	G,H & J Teacher Proficiency Course (TPC)		11,575	-	11,575
5.	P				1,147
6.	Q				128
7.	R				30
TOTAL			27,619	6,813	35,737

Source: HRM&D Directorate (TSC)

3.6 Separation from employment

The Commission processes and submits claims for employees who exit service. During the period under review, a total of 6,952 claims were processed and submitted to the relevant institutions for payment against a target of 7,758 translating to an achievement of 89.6%.

Table 3: Processed claims

S/No	Type of claim	No. of claims to be processed	No. of claims processed	Percentage (%)	Institution
1.	Retirement	5,600	5,339	95.3%	National Treasury
2.	Death	1,500	955	63.7%	National Treasury
3.	NSSF	658	658	100%	NSSF
TOTAL		7,758	6,952	89.6%	

Source: TSC

In addition to the processing and submission of claims for payment, the Commission sensitized 3,715 teachers aged 58 years and above in sixteen (16) selected Counties in preparation for retirement while 330 county staff was trained as Trainer of Trainers (TOTs) on retirement process

3.7 Enhancing teacher professionalism and conduct

The Constitution of Kenya empowers the Commission to exercise disciplinary control over teachers among other functions. The TSC Act also mandates the Commission to take disciplinary action against any person registered under the Act.

In an effort to enhance efficiency in the dispensation of discipline cases, the Commission trained all County and Sub-County Directors in the management of teacher discipline. This was followed by development of guidelines to inform decentralization of hearing of cases to the county level. This resulted to expeditious dispensation of cases to allow teachers to resume duty..

Chapter Four

PERFORMANCE IN SUPPORT SERVICES

4.1 Introduction

The Commission carries out various support services and programmes to enhance its mandate, comply with relevant government policies and other statutory obligations. During the year under review, achievements made under support services and programmes are outlined below:

4.2 Information Communication Technology (ICT)

The Commission uses ICT to enhance its service delivery and customer satisfaction. During the year under review, the Commission made great strides in realizing connectivity, online services and ICT infrastructure improvement in the counties.

4.2.1 Connectivity, Online services and ICT infrastructure

During the contract period, the Commission provided connectivity between the headquarters and all the 47 county offices through provision of reliable network infrastructure. This enabled access to the TSC Online services and internet from these county offices.

Table 4: County Connectivity

Type of Network Infrastructure	2016/2017	2015/2016	TOTAL
Number of Counties			
Local Area Network (LAN)	5	6	11
Wide Area Network (WAN)	11	25	36
TOTAL			47

Source: TSC

4.2.2 Online services

There was a rapid increase in the use of teacher online services for registration, application for promotion, tracking of interview process, third party deductions processing and accessing online pay slips. Since the introduction of online pay slip in 2015, a total of 287,120 teachers had registered by 30th June 2017.

In order to create a digital teachers register and curb double registration, digitization of the Manual Register of Teachers (Kalamazoo) was done. In addition, data analysis tools were developed to allow generation of Curriculum Based Establishment (CBE) reports to improve the teacher management function at the Commission.

Table 5: Access to TSC online services

Online services	Period	
	2016/2017	2015/2016
TSC Website Hits	2,754,933	2,440,077
Online advert applications	81,662	14,948
Online Pay slip registration	46,950	116,180
Pay slip hits	6,923,722	4,947,484

4.2.3 Training of teachers for Digital Literacy Programme (DLP)

This was a government flagship project and was implemented under multi-sectorial agency approach where TSC was training teachers. During, the year under review, the Commission took over from the Ministry of Education (MoE) training of teachers under the DLP flagship programme. The training targeting 12,179 teachers to be trained on ICT integration in teaching and learning. Training and certification of teachers was conducted by a contracted professional. While the universities who supplied the devices trained on device utilization.

Table 6: Teachers Trained on DLP

Type of Capacity Building	Number
National ICT champions (master trainers)	150
Trainer of trainers	2,400
Basic ICT training for teachers	63,484
ICT training & Certification	11,894
DLP devices handling	11,248
Total	89,176

Source: TSC

4.2.4 Human Resource Management Information System (HRMIS)

The Commission adopted Enterprise Resource Planning (ERP) software by commencing the development of Human Resource Management Information System (HRMIS). This was aimed at automating the Commission's processes on a modular basis. The system is designed to capture and track a teacher's record from entry to exit. HRMIS will also integrate all Commission's information systems with a view to develop a single corporate database for timely implementation of the Commission's functions.

4.3 Compliance with statutory obligations

4.3.1 Public Procurement (Preference & Reservations Amendment) Regulations 2013

These regulations were published on 18th June 2013 to accord the youth, persons with disability (PWDS) and women at least 30 percent of all supply contracts to the Government. In compliance with this regulation, the Commission awarded of tender worth Kshs.102, 735,140 to the Youth, Women and Persons with Disabilities during the contract period.

4.3.2 Gender and Disability

Article 81(b) of the Constitution provides for compliance with the one third gender principle while Article 81 (c) provides for fair representation of Persons with Special Needs. The Commission in compliance to provision of persons with disability recruited all the 83 persons with disabilities who had applied and qualified for the job. The Commission is working towards the realization of five percent requirement of employment of persons with disabilities.

4.3.3 Complaints Management

In the year under review, the Commission was granted a certificate of compliance from the Commission on Administrative Justice (CAJ) having fulfilled all the laid down conditions. The Commission attained a composite score of 81% on resolution of public complaints. In addition, customer care desks were established and operationalized in all the 47 Counties to improve customer service.

4.3.4 Public Financial Management (PFM)

The Commission appointed and inaugurated an Audit Committee in accordance with the Public Financial Management (PFM) regulations. The purpose of the Committee is to provide oversight on the financial reporting process, audit process, system of internal controls and compliance with the law and relevant regulations. The Committee guides the Commission in ensuring accountability in the management of its operations and resources.

4.3.5 One third rule on salary payment

Section 19(3) of the Employment Act (2007) permits an employer to make deductions from an employee's salary provided that the employee takes home not less than one-third of his salary. During the period under review, the Commission rolled out T-pay system to enforce one third rule (1/3) on salary payment and guard against fraudulent acquisition of pay slips. Third party firms which transact business involving salary deductions of TSC employees were trained on use of the system.

4.4 Training and capacity building

The Commission recognizes the role of training and capacity building in the productivity of its employees. During the period, training and sensitization programmes for various categories of staff were conducted where 22,732 benefited.

Table 7: Capacity Building

S/No	PERSONNEL TRAINED	TRAINING/SENSITIZATION	NUMBER
1.	Teachers and Secretariat Staff	Training and sensitization on ethics, anticorruption and national values	9,071
2.	Teachers and Secretariat Staff	Training and sensitization on gender/disability mainstreaming and child protection	3,107
3.	Teachers and Secretariat Staff	Sensitization on Alcohol and Drug Abuse (ADA), HIV stigma reduction and primary Health Care	9,696
4.	Commissioners, Senior Management and Technical Team	Collective bargaining skills	73
5.	Finance and Account Officers	Sensitization on financial management	150
6.	Commissioners and Secretariat Staff	Sensitization on change management, Strategic leadership and performance contracting	307
7.	ICT Technical Officers	Training on Advanced ICT Skills	5
8.	Commissioners, Audit Committee Members, Senior management and internal auditors	Training and sensitization on risk management	153
9.	TSC Employees (Safety Liaison officers, Fire Marshals and First Aiders)	Training on disaster preparedness, response and management for TSC House Fire safety	66
10.	Commissioners, CEO, Directors, County Directors	Sensitization on corporate strategy	51
11.	TSC Security Officers	Capacity Building for Security Officers on Basic Security Knowledge and Skills	36
12.	TSC Human Resource Officers	Managing Knowledge in Organizations Program	5
13.	TSC Secretariat Staff	Public Service Productivity training	5
	TOTAL		22,732

Source: TSC

4.5 Teachers' medical cover

In an effort to boost the teachers' medical cover, the Commission sourced for Kshs.1.5 billion which resulted to higher allocation of inpatient treatment for all teachers. This was an addition to the earlier allocation of Kshs.5 billion.

Chapter Five

EMERGING ISSUES AND WAY FORWARD

5.1 Introduction

The Commission realized significant achievements during the period 2016-2017. This notwithstanding, there were a number of emerging issues that need to be addressed to ensure that the Commission delivers on its mandate effectively.

5.2 Teacher shortage

The Commission is guided by staffing norms that are revised from time to time in the assignment of teachers to provide teaching services. The current staffing norms states teacher requirement to be based on one (1) teacher per class plus 2.5% of the total establishment of the school for primary schools. At the secondary level, staffing is as per the Curriculum Based Establishment (CBE).

The Commission under MTP II (2013-2017) has been recruiting 5000 additional teachers annually and replacing those exiting service through natural attrition. In the last three years, teacher shortage has continued to grow from over 85,000 in 2014/2015 to 87,489 (2015/2016) and 101,430 in 2016/2017 which include 43,177 in primary, 57,000 post primary and 1,248 in tertiary institutions. This is attributed to the increasing enrolment in both primary and post primary institutions, expansion of the existing schools and registration of new ones. There is therefore need to recruit more teachers to reduce the shortage in order to safeguard and improve the quality of education in the country.

The basic education curriculum proposes a system of education that adopts a structure consisting of; Pre-primary, Lower primary, Upper primary, Middle school and Higher school. The roll out of the Kenya Basic Education Curriculum and the government directive for 100% transition from primary to secondary in 2018 will have far reaching effects on the staffing norms and teacher requirement thus increased demand for additional teachers and the retraining those in service..

5.3 Teacher career growth and progression

Although Section 11(E) of the TSC Act mandates the Commission to facilitate career progression and professional development of teachers, only 34,432 teachers were promoted during the period. There were 56,426 teachers who had served in the same grade for more than 10 years and were not promoted due to limited establishment as a result of budgetary constraints.

5.4 Digitization of records

The manual nature of the TSC records and inadequate computerization has negatively impacted on effectiveness and efficiency in the delivery of service in the Commission's offices. Although the Commission has embarked on a massive programme of digitizing its records and integrating its systems into a single platform, this may not be achieved in the short- run due to limited resource constraints. There is therefore need for the government to provide adequate funding to complete the process.

5.5 Interruption of learning programmes

There was disruption of learning programmes in certain regions of the country such as Coast, Rift valley and North Eastern arising from insecurity. This posed a challenge in the rationalization of teachers to attain regional parity and optimal utilization. There is need for local leaders, security agencies and relevant stakeholders to work together in addressing security issues with a view to create conducive environment for teaching and learning.

Chapter Six

FINANCIAL REPORTS**6.1 TEACHERS SERVICE COMMISSION: EXTRACT OF UN - AUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH JUNE 2017**

TEACHERS SERVICE COMMISSION			
STATEMENT OF RECEIPTS AND PAYMENTS			
	Note	2016-2017	2015-2016
		Kshs	Kshs
RECEIPTS			
Transfers from National Treasury	1	190,544,600,000	184,675,540,000
Proceeds from Sale of Assets	2	410,000	892,000
Other Revenues	3	491,519,789	263,161,477
TOTAL REVENUES		<u>191,036,529,789</u>	<u>184,939,593,477</u>
PAYMENTS			
Compensation of Employees	4	189,761,656,487	179,930,477,408
Use of goods and services	5	854,503,922	644,565,380
Acquisition of Assets	6	270,548,950	87,140,128
TOTAL PAYMENTS		190,886,709,358	180,662,182,916
SURPLUS/DEFICIT		149,820,431	4,277,410,561

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 26.09.2017 and signed by:



DR NANCY NJERI MACHARIA, CBS
COMMISSION SECRETARY/CEO
Date: 26.09.2017




CPA GRACE NGURE
AG.DIRECTOR ACCOUNTS
ICPAK NUMBER: 8358
Date: 26.09.2017

6.2. STATEMENT OF FINANCIAL POSITION

TEACHERS SERVICE COMMISSION			
STATEMENT OF FINANCIAL POSITION			
	Note	2016-2017	2015-2016
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	7A	1,836,302,192	1,150,889,467
Cash Balances	7B	459	20,515
Total Cash And Cash Equivalents		1,836,302,652	1,150,909,982
Accounts Receivables - Outstanding Imprest and Clearance Accounts	8	3,472,719,481	9,251,756,550
TOTAL FINANCIAL ASSETS		5,309,022,132	10,402,666,532
LESS: FINANCIAL LIABILITIES			
Accounts Payables	9	4,130,573,990	9,374,038,822
NET FINANCIAL ASSETS		1,178,448,142	1,028,627,710
REPRESENTED BY			
Fund balance b/fwd.	10	1,028,627,711	3,248,782,850
Surplus/Deficit for the year		149,820,431	4,277,410,561
Prior year adjustments		-	-
NET FINANCIAL POSITION		1,178,448,142	1,028,627,711

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 26.09.2017 and signed by:



DR NANCY NJERI MACHARIA, CBS
COMMISSION SECRETARY/CEO

Date: 26.09.2017



CPA GRACE NGURE
AG.DIRECTOR ACCOUNTS
ICPAK NUMBER: 8358

Date: 26.09.2017

6.3 STATEMENT OF CASH FLOW

TEACHERS SERVICE COMMISSION
STATEMENT OF CASH FLOW

	Note	2016-2017	2015-2016
		Kshs	Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Transfers from National Treasury	1	190,544,600,000	184,675,540,000
Other Revenues	3	491,519,789	263,161,477
		191,036,119,789	184,938,701,477
Payments for operating expenses			
Compensation of Employees	4	189,761,656,487	179,930,477,408
Use of goods and services	5	854,503,922	644,565,380
		190,616,160,408	180,575,042,788
Adjusted for:			
Changes in receivables		(5,779,037,069)	8,882,636,980
Changes in payables		(5,243,464,832)	4,896,657,213
Net cash flow from operating activities		955,531,619	377,678,922
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	410,000	892,000
Acquisition of Assets	6	(270,548,950)	(87,140,128)
Net cash flows from Investing Activities		(270,138,950)	(86,248,128)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Domestic Borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at BEGINNING of the year		1,150,909,982	859,479,189
Cash and cash equivalent at END of the year		1,836,302,652	1,150,909,982

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 26.09.2017 and signed by:



DR NANCY NJERI MACHARIA, CBS
COMMISSION SECRETARY/CEO

Date: 26.09.2017



CPA GRACE NGURE
AG. DIRECTOR ACCOUNTS

ICPAK NUMBER: 8358

Date: 26.09.2017

6.4 STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=d-c	f=e/c %
Revenues/Receipts						
Transfers from National Treasury & Other Government Entities	193,772,348,650	(3,227,338,308)	190,545,010,342	190,544,600,000	(410,342)	(0.00)
Proceeds from Sale of Non-Financial Assets	220,000,000	255,000,000	475,000,000	491,929,789	16,929,789	0.04
Total Revenues/Receipts	193,992,348,650	(2,972,338,308)	191,020,010,342	191,036,529,789	16,519,447	0.00
Payments/Expenses						
Compensation of Employees	192,655,888,900	0	192,655,888,900	189,761,656,487	(2,894,232,413)	(0.02)
Purchase of Goods and Services	1,026,274,734	0	1,026,274,734	854,503,922	(171,770,812)	(0.17)
Acquisition of Non-Financial Assets	311,725,266	0	311,725,266	270,548,950	(41,176,316)	(0.13)
Total Payments/Expenses	193,993,888,900	0	193,993,888,900	190,886,709,358	(3,107,179,542)	(0.02)

6.5 SIGNIFICANT ACCOUNTING POLICIES

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

a. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

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 Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts.

b. Recognition of revenue and expenses

The Commission recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the Commission. In addition, the Commission recognises all expenses when the event occurs and the related cash has actually been paid out by the Commission.

c. 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 revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

d. 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.

e. 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 is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure 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.

f. Accounts payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized 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.

g. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the Commission fixed asset register a summary of which is provided as a memorandum to these financial statements.

h. 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 Commission at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

i. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Commission's budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the Commission's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

j. Comparative figures

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

k. Subsequent events

Events subsequent to submission of the financial year end financial statements to the National Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of National Treasury.

6.6 NOTES TO THE FINANCIAL STATEMENTS

TEACHERS SERVICE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

1 EXCHEQUER RELEASES			
		2016-2017	2015-2016
	Description and reference of the transfer	Kshs	Kshs
	1st quarter transfer	45,453,000,000	48,630,140,000
	2nd quarter transfer	47,406,200,000	43,184,000,000
	3rd quarter transfer	48,006,755,200	47,390,800,000
	4th quarter transfer	<u>49,678,644,800</u>	<u>45,470,600,000</u>
	Total	<u>190,544,600,000</u>	<u>184,675,540,000</u>
2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS			
		2016-2017	2015-2016
		Kshs	Kshs
	Receipts from the Sale of Buildings		
	Receipts from the Sale of Vehicles and Transport Equipment	<u>410,000.00</u>	<u>892,000</u>
	TOTAL	<u>410,000</u>	<u>892,000</u>
3 OTHER REVENUES			
		2016-2017	2015-2016
		Kshs	Kshs
	Interest Received	8,688,957.15	8,543,714.00
	Other Property Income - Collected as AIA	2,846,245.75	3,781,444.00
	Receipts from Administrative Fees and Charges - Collected as AIA	479,234,586.45	250,751,319.20
	Other Miscellaneous Revenues - court award	-	85,000.00
	Donations	750,000.00	-
	TOTAL	<u>491,519,789</u>	<u>263,161,477</u>

TEACHERS SERVICE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

4	COMPENSATION OF EMPLOYEES		
		2016-2017	2015-2016
		Kshs	Kshs
	Basic salaries of permanent employees	120,925,491,321.05	115,487,032,098
	Basic wages of temporary employees	6,613,356.00	2,927,359,206
	Personal allowances paid as part of salary	59,943,600,605.60	60,841,793,080
	Personal allowances paid as reimbursements	29,020,387.05	92,013,886
	Personal allowances provided in kind		
	Employer Contribution to Staff Pensions Scheme	549,658,424.60	581,686,138
	Employer Contributions to National Social Security Fund	7,379,466.75	593,000
	Employer Contributions to Compulsory Health Insurance Schemes	8,299,892,925.65	
	Social benefit schemes outside government		
	Other personnel payments		-
	TOTAL	<u>189,761,656,487</u>	<u>179,930,477,408</u>
5	USE OF GOODS AND SERVICES		
		2016-2017	2015-2016
		Kshs	Kshs
	Utilities, supplies and services	34,253,077.15	18,135,913.00
	Communication, supplies and services	80,133,491.90	27,142,367.00
	Domestic travel and subsistence	130,323,036.15	79,324,159.00
	Foreign travel and subsistence	14,693,750.80	12,215,390.00
	Printing, advertising and information supplies & services	5,564,462.65	6,383,794.00
	Rentals of produced assets	33,170,897.25	7,316,903.00
	Training expenses	85,866,519.30	29,014,409.0
	Hospitality supplies and services	25,456,934.20	14,540,537.00
	Insurance costs	283,339,609.15	309,781,008.00
	Specialized materials and services	4,139,413.00	1,035,660.00
	Office and general supplies and services	17,223,313.20	23,715,987.00
	Fuel Oil and Lubricants	27,112,416.05	9,774,621.00
	Other operating expenses	51,586,989.60	79,305,731.00
	Routine maintenance – vehicles and other transport equipment	24,629,538.35	14,641,195.00
	Routine maintenance – other assets	37,010,472.85	12,237,706.00
	TOTAL	<u>854,503,922</u>	<u>644,565,380</u>

TEACHERS SERVICE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

6	ACQUISITION OF ASSETS		
		2016-2017	2015-2016
		Kshs	Kshs
	Non-Financial Assets		
	Refurbishment of Buildings	25,794,178.90	13,825,054
	Purchase of Vehicles and Other Transport Equipment	137,551,990.00	41,582,996.00
	Purchase of Office Furniture and General Equipment	6,873,307.62	4,422,200
	Purchase of specialized Plant, Equipment and Machinery	-	27,309,878
	Purchase of ICT Equipment	100,329,473.45	
	Financial Assets	-	-
	Domestic Public Non-Financial Enterprises	-	-
		-	
	TOTAL	<u>270,548,950</u>	<u>87,140,128</u>
7A	Bank Accounts		
	Name of Bank, Account No. & currency	2016-2017	2015-2016
		Kshs	Kshs
	National Bank of Kenya-Secretariat A/C No.01001005707400	15,778,722.90	15,778,722.90
	National Bank of Kenya-Teachers A/C No.01001000905000	1,002,031,085.55	618,791,585.55
	National Bank of Kenya A/C No.01377083109304	519,804,084.15	511,115,127.00
	Central Bank of Kenya A/C No. 1000181117	262,204,645	5,204,032.00
	Central Bank of Kenya - PRIEDE A/C No. 1000291133	36,483,655	
	TOTAL	<u>1,836,302,192.50</u>	<u>1,150,889,467.45</u>
7B	Cash in hand		
		2016-2017	2015-2016
		Kshs	Kshs
	Cash in Hand – NBK	459.20	1,858.60
	Cash in Hand – CBK		18656
	TOTAL	<u>459.2</u>	<u>20514.6</u>

TEACHERS SERVICE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

8	Accounts Receivables		
	Description	2016-2017	2015-2016
	Domestic Debtors & Advances	8,731,441	10,208,571
	Other Debtors & Pre-payments		7,813,250
	Government Imprests	1,065,108	94,188,782
	Suspense Account	-	181,283,865
	Other receivables & Clearance Account	3,462,231,176.14	8,957,613,525
	Withholding taxes	691,755	648,557
	TOTAL	<u>3,472,719,481</u>	<u>9,251,756,550</u>
9	Accounts Payables		
		2016-2017	2015-2016
		Kshs	Kshs
	Other Payables	3,508,621,668.31	9,005,115,701
	Agency Accounts	80,480,027.15	152,294,871
	AP Liabilities	541,472,294.70	216,628,250
	Total	4,130,573,990	9,374,038,822
10	BALANCES BROUGHT FORWARD		
		2016-2017	2015-2016
		Kshs	Kshs
	Bank accounts	1,150,889,468	859,462,916.20
	Cash in hand	20,515	16,272.40
	Receivables	9,251,756,550	369,119,570.00
	Payables	(9,374,038,822)	(4,477,381,609)
	TOTAL	<u>1,028,627,711</u>	<u>(3,248,782,850)</u>

6.7 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor in their letter 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.

Ref No. on external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status	Time frame
1	<p>Property, Plant & Equipment</p> <p>Two motor vehicles procured between 1996 and 2004 at a total cost of 3,564,814 had a carrying value of Ksh 226,194 in the books as at 30.6.2014</p>	Revaluation of Motor Vehicles by Ministry of Public Works & Infrastructure is being undertaken	Director Administration Services	In Progress	
2	<p>Stores & Cash Losses</p> <p>Loss of CISCO switches Ksh 9,281,160</p>	<p>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. The case is ongoing and the last hearing date was on 17/7/2017 as per DCIO- Kilimani letter Ref: CID/SEC/4/4/1/VOL.IX/330 dated 22/3/2017.</p>	Director Administrative Services	In Progress	
	<p>Loss of cash Ksh.2,852,880.90</p>	<p>These are cash losses which occurred in the period 1988-2000 and 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 recommended for write off in the meeting held on 24/9/15 and has subsequently sought for the National Treasury's approval vide letter Ref: TSC/FIN/32/VOL.IX/34 dated 9/6/17 before recognising the write off in our books.</p>	Director Administrative Services	In Progress	

Ref No. on external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status	Time frame
	Long outstanding undue remittance of PAYE Ksh 46,060,915 to KRA	As provided under section 59 of the tax Procedures Act 2015, Kenya Revenue Authority audited the original claim of Kshs. 128,392,939 on 24/3/2016. The claim was revised downwards to Kshs.46,060,915 vide their letter dated 6.9.2016 and the Commission was informed that the refund process had been initiated. The Commission has since written to (KRA) Ref. TSC/FIN/48/VOL.IV/89 dated 30/8/2016 and followed with a reminder on 13/3/2017 requesting for the hastening of the refund process. The Commission has also sought approval for the write off of the un-recoverable balance of Kshs. 68,802,494.55 from the National Treasury vide letter Ref: TSC/FIN/32/VOL.IX/25 dated 10/ 4/17. The matter is being pursued with KRA for refund	Director Accounts	In Progress	
3	Mortgages & Loans Supporting schedule for Ksh 2,123,293,265 not availed for audit verification	These were 3 rd party payroll deductions. The supporting schedule will be availed during the audit verification of the 2016/2017 financial statements	Director Accounts	In Progress	



DR NANCY NJERI MACHARIA, CBS
SECRETARY/ CHIEF EXECUTIVE
Date: 26.09.2017



DR LYDIA N. NZOMO OGW, CBS
CHAIRPERSON
Date: 26.09.2017

APPENDIX I

MEMBERS OF THE COMMISSION



**Dr. Lydia Nzomo, OGW, CBS
Commission Chairperson**



**Cleophas Tirop, OGW
Commission
Vice Chairman**



**Saadia Abdi Kontoma,
OGW
Commissioner**



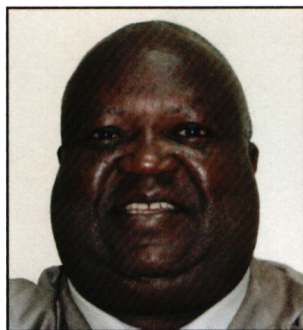
**Dr. Salome Gichura,
OGW
Commissioner**



**Kinoti Imanyara
Commissioner**



**Beatrice Marenbo Adu,
HSC
Commissioner**



**Albert Fred Ekirapa
Commissioner**



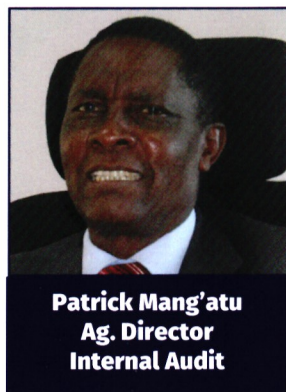
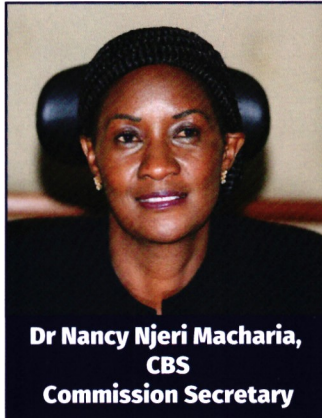
**Mbarak Twahir, FKIM
Commissioner**



**Tache Bansa Gollo
Commissioner**

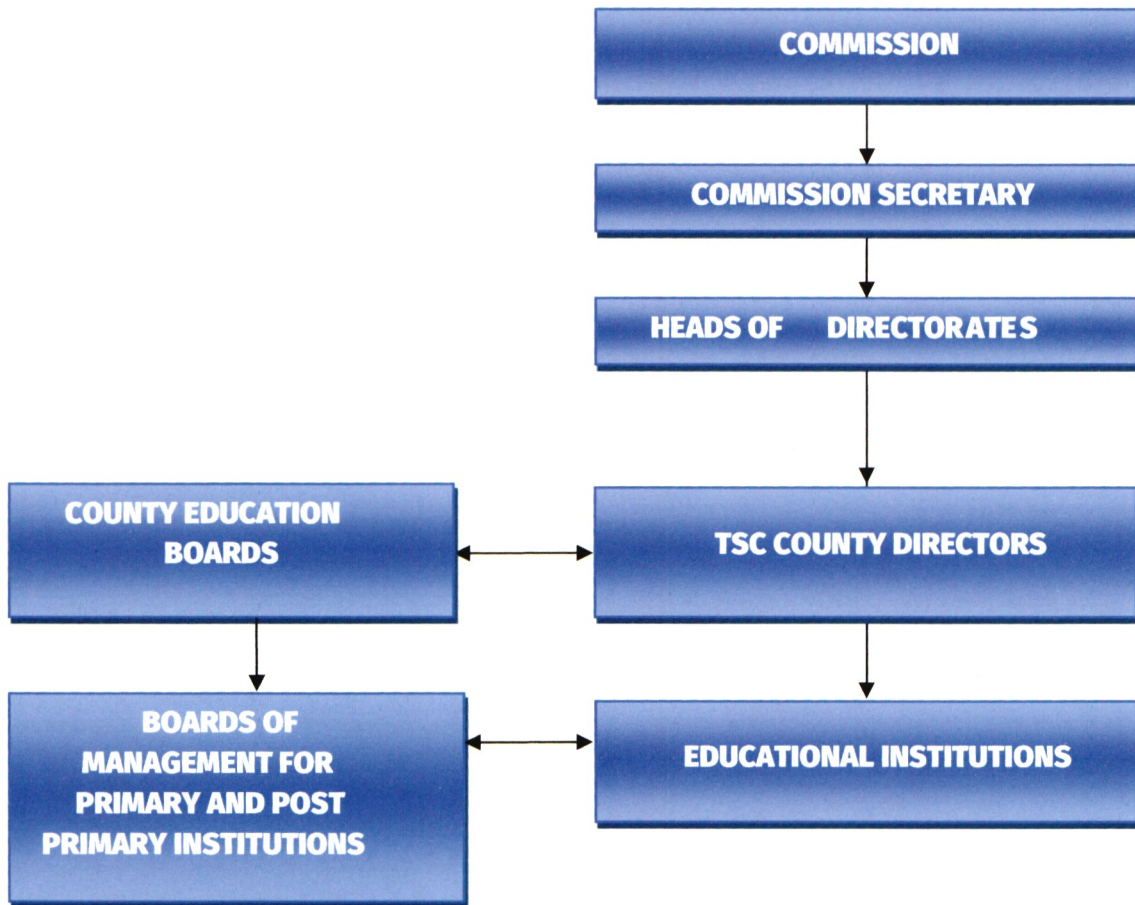
APPENDIX II

TSC MANAGEMENT TEAM



APPENDIX III

INSTITUTIONAL FRAMEWORK



TEACHERS SERVICE COMMISSION-KENYA
TSC HOUSE, KILIMANJARO ROAD, UPPER HILL, NAIROBI
P. O. BOX PRIVATE BAG-00100 NAIROBI