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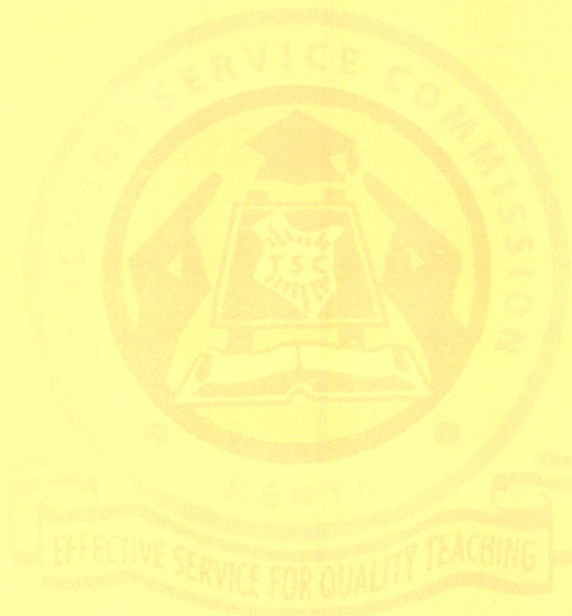
*Paper laid by  
Leader of  
Majority Party  
Tuesday  
13/3/18*

**TEACHERS SERVICE COMMISSION**



# Annual Report and Financial Statements

for The Year Ended 30 June, 2016



## **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.



## **TEACHERS SERVICE COMMISSION**

# **Annual Report and Financial Statements**

**for The Year Ended 30 June, 2016**

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## I. KEY COMMISSION INFORMATION AND MANAGEMENT

### (a) Background information

Teachers Service Commission is a Constitutional Office established under Article 237 of the Constitution of Kenya 2010 and operationalized by TSC Act No. 20 of 2012 with the mandate to perform teacher management functions.

### (b) Vision and Mission

The Commission's corporate vision is to be a transformative teaching service for quality education. Our mission is to professionalise the teaching service for quality education and development.

### (c) Key Oversight Team

The overall management of the Commission includes the Chairperson, the deputy Chairperson and seven other members who execute the programs of the commission. In this regard the commission has established governance committees with special mandates to assist in the execution of these programs.

### (d) Key Management Directorates

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

- » Administration
- » Accounts
- » Finance
- » Human Resource Management and Development
- » Teacher Management
- » Internal Audit
- » Information Communication Technology

### (e) Fiduciary Management

The key management personnel who held office during the financial year ended 30 June, 2016 and who had direct fiduciary responsibility were:



<b>Designation</b>	<b>Name</b>
1. Secretary/CEO	Dr. Nancy Njeri Macharia, OGW
2. Deputy Secretary/CEO	Mr S.M.Kavisi, OGW
3. Director -Finance	Mr Cheptumo Ayabei
4. Director -HRM & D	Mrs Josephine M. Maundu
5. Director -ICT	Mr Ayub Imbira
6. Ag. Director -Accounts	Ms Grace W. Ngure
7. Ag. Director -Internal Audit	Mr Patrick Mang'atu
8. Ag. Director -Teacher Management	Mrs Mary Rotich
9. Ag. Director -Administration	Mr Ibrahim Mumin Gedi

**(f) Fiduciary Oversight Arrangements**

**Audit committee activities**

The committee's mandate is to ensure the Commission's assets are safeguarded and that there exists adequate operating and control processes for this purpose.

**(g) Headquarters**

TEACHERS SERVICE COMMISSION

TSC House,

Kilimanjaro Road,

Upper Hill,

NAIROBI, KENYA

**(h) Contacts**

P.O Private Bag -00100

Nairobi.

Telephone: (254) 020 289 2000

E-mail: [info@tsc.go.ke](mailto:info@tsc.go.ke)

Website: [www.tsc.go.ke](http://www.tsc.go.ke)



**(i) Bankers**

**1. Central Bank of Kenya**

Haile Selassie Avenue

P.O. Box 60000 -00200

Nairobi, Kenya

**2. National Bank of Kenya**

National Bank of Kenya Building

Harambee Avenue

P.O. Box 41862

Nairobi, Kenya

**(j) Independent Auditors**

Auditor-General

Anniversary Towers, University Way

P.O. Box 30084 -00100

Nairobi, Kenya

**(k) Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112 -00200

Nairobi, Kenya



## II. MEMBERS OF THE COMMISSION

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### Chairperson Dr Lydia N. Nzomo, OGW



Dr Lydia N. Nzomo is the Chairperson of the Commission. She was sworn in as the Chairperson on 9<sup>th</sup> December, 2014.

She holds a PhD in Educational Psychology from Kenyatta University, Master of Arts Degree in Counselling psychology from United States International University (USIU) and a Bachelor of Arts degree with Diploma in Education option from University of Nairobi. In addition, she has undertaken several courses in Education Management and Administration both locally and internationally.

Before joining the Commission, she served as the Director/CEO, Kenya Institute of Curriculum Development. She had previously served as Senior Deputy Secretary and as the CS/CEO in acting capacity at TSC. She has a wealth of experience in Administration, Management, Education and Curriculum development and implementation. Dr Nzomo was decorated with the Order of Golden Warrior (OGW) in 2003.

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### Vice Chairperson Cleopas Tirop, OGW



Commissioner Cleopas Tirop is the Vice Chair of the Commission from 10<sup>th</sup> December, 2014. He was appointed a member of Teachers Service Commission on 24<sup>th</sup> April, 2013.

He holds a Master of Education (in Educational Administration and Planning) from University of Nairobi and Bachelor's Degree in Education (B.Ed.) from Kenyatta University.

He has a wealth of experience in education having been a School Principal at Kapsabet Boys' and Nairobi School among others. He was also the National Chairman of Kenya Secondary Schools Heads Association (KSSHA).

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### Commissioner Dr Salome Gichura, OGW



Dr Gichura was Ag. Chairperson of the Commission from 12<sup>th</sup> August 2013 to 9<sup>th</sup> December 2014. She was appointed a member of Teachers Service Commission on 6<sup>th</sup> August 2013 and is the chair of Human Resources Committee of the Commission.

She holds a PhD in education Management (UK), Master's Degree in Education Administration (Kenyatta University), Bachelor of Education degree (University of Nairobi), Post Graduate Diploma in Education Planning and Administration (IIEP, UNESCO, PARIS) in addition to various professional certificates.

Before being appointed as a Commissioner she served as the Director of Higher Education in the Ministry of Education, Science and Technology. She also served as the Education attaché for Kenya in the UK accredited to the Commonwealth Secretariat on all matters related to Education. She was awarded the Head of State Commendation, OGW, in 2010.

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### Commissioner Saadia Abdi Kontoma, OGW



Commissioner Kontoma was appointed a member of Teachers Service Commission on 6<sup>th</sup> August, 2013. She was the chair of defunct Audit Committee.

She holds a Masters of Education (E.C.E) from University of Nairobi, Bachelor's Degree in Education (E.C.E) from Kenyatta University.

She has a wealth of experience in teaching service for over 20 years. She taught in various Public and Private Kenyan Universities. She served in various Non-Governmental Organizations in Education Sector including Forum for African Women

Education Kenya Chapter (FAWEK).

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### Commissioner Albert Fred Ekirapa



Commissioner Ekirapa was appointed member of the Teachers Service Commission on 20<sup>th</sup> March 2015. At the time of his appointment he was a Senior Deputy Director of Education (Directorate of Secondary and Tertiary Education) in the Ministry of Education, Science and Technology.

He holds a Master degree in Education Administration from the University of Nairobi and a Bachelor's degree in Education from Kenyatta University.

He joined the Public Service Commission in 2001 as an Assistant Director of Education. He has also served for 15 years as a teacher in various schools where he rose through the ranks to the position of principal.

### Commissioner Beatrice Marembo Adu, HSC



Commissioner Adu was appointed member of the Teachers Service Commission on 20<sup>th</sup> March 2015. She previously served under the Public Service Commission in various capacities, including; Education Officer, Senior Education officer, District Education Officer and Provincial Director of Education. Before her retirement from public service, she was the County Director of Education in Kisumu County.

She holds a Bachelor of Education (Arts) degree from the University of Nairobi and has undertaken various professional courses. She initially worked for the Teachers Service Commission for eight years as a teacher where she served in various schools.

### Commissioner Kinoti Imanyara



Commissioner Imanyara was appointed member of the Teachers Service Commission on 20<sup>th</sup> March 2015. At the time of his appointment he was the TSC County Director Nyeri County and the national chairman of the TSC County Directors.

He holds a Bachelors' degree in Education from the University of Nairobi and a Diploma in Pharmaceutical Technology from Penn Foster Career School in USA. He has also undergone training at Strathmore University on the Art of Leadership in Educational institutions.

He began his career at Karaba Secondary School and later taught in various institutions, and rose through the ranks to the position of Chief Principal at Egoji Teachers Training College.

### Commissioner Mbarak Twahir, FKIM



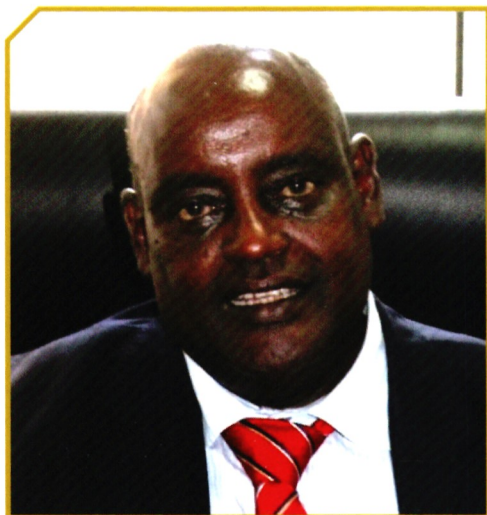
Commissioner Twahir was appointed member of the Teachers Service Commission on 20<sup>th</sup> March 2015. At the time of his appointment, he was the Director of Performance Management in the Ministry of Devolution and Planning.

He holds a Masters of Education degree (Science Education) from University of Leeds and a Bachelors of Education degree (B.Ed. Science) from the University of Nairobi. He also holds an Advanced Diploma in Educational Studies from University of Leeds and a Diploma in Special Education from the County of Copenhagen in Denmark.

He started his teaching career at Aga Khan Secondary in Mombasa. He has also served as a Municipal Education Officer, Mombasa County, Provincial Director of Education in charge of Nairobi, Senior Deputy Director - Department of Basic Education and Director of field services, Ministry of Education.



## Commissioner Tache Bansa Gollo



Commissioner Tache was appointed member of the Teachers Commission on 20<sup>th</sup> March 2015. At the time of his appointment he was a member of National Executive Committee of Kenya Red Cross Society.

He holds a Bachelors' degree in Education from the Catholic University of Eastern Africa and has undergone training on Corporate Governance and Administration and management of schools.

Prior to this appointment, he was the Vice Chairperson National Gender & Equality Commission. He has also served as the Chairman, Board of Directors, Ewaso Nyiro Development Authority. A teacher by profession, he has taught in various schools and rose through the ranks to the position of school principal.

### III. THE SECRETARY TO THE COMMISSION

**Dr. Nancy Njeri Macharia, OGW**

**Secretary/Chief Executive Officer**



She was appointed to the position on 1<sup>st</sup> July, 2015.

She holds Master of Education (M.Ed.) from the University of Bristol (UK) and Bachelor of Education (B. Ed) from Kenyatta University.

She has undergone training both locally and internationally in Corporate Governance, Public Procurement, Policy Formulation, Information Communication Technology (ICT), Proactive Management and Business Excellence models. She is a member of Public Administration Management (KAPAM) and the Institute of Directors. She has worked in the

Education sector for more than 28 years.

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#### IV. MANAGEMENT TEAM

**Dr. Nancy Njeri Macharia, OGW**

**Secretary/Chief Executive Officer**



She was appointed to the position on 1st July, 2015.

She holds Master of Education (M.Ed.) from the University of Bristol (UK) and Bachelor of Education (B. Ed) from Kenyatta University.

She has undergone training both locally and internationally in Corporate Governance, Public Procurement, Policy Formulation, Information Communication Technology (ICT), Proactive Management and Business Excellence models. She is a member of Public Administration Management (KAPAM) and the Institute of Directors. She has

worked in the Education sector for more than 28 years.

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**Mr S.M. Kavisi, OGW**

**Ag. Deputy Secretary/ Chief Executive Officer**



He holds Bachelor of Education degree from the University of Nairobi and Executive Masters of Business Administration from ESAMI in Collaboration with Maastricht School of Management (Netherlands).

He has served in the field as a Deputy Head Teacher and Head Teacher of large secondary schools. He has also served as a secretariat staff in the rank of Senior Staffing Officer, Chief Staffing Officer, Principal Coordinator Post Primary, Senior Deputy Secretary (Teacher Management), Director of Administration

Services and now Acting Deputy Commission Secretary.

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**CPA Cheptumo Ayabei**  
**Director (Finance)**



He holds Master of Science degree in Finance and Banking, University of Stirling United Kingdom, Bachelor of Education from Kenyatta University, Certified Public Accountant of Kenya (CPAK), Certificate in Public Finance and Accounts from University of Connecticut and Stratlyclyde University Scotland UK and is a member of Institute of Certified Public Accountants of Kenya (ICPAK).

He worked at the Ministry of Education as Assistant Secretary – Finance for 9 years before joining the Commission in 1999 as a Finance Officer.

**Mrs Josephine M. Maundu**

**Director (Human Resource Management and Development)**



She holds Master of Business Administration degree in Human Resource Management from Kenyatta University, Bachelor of Arts Degree from University of Nairobi and Post-graduate Diploma in Human Resource from institute of Human Resource Management.

She was employed as Human Resource Officer in 1986 in Human Resource Directorate and progressed in her career up to the current position of Director Human Resource

IHRM.

Management and Development. She is a member of

**Mr Patrick Mang'atu**

**Ag. Director (Internal Audit)**



He holds a Bachelor of Commerce degree in Accounting from Daystar University. He has attended various local and international work related management courses, conferences and seminars. He is a member of Institute of Internal Auditors (UK) and a member of Institute of Internal Audit (Kenya Chapter).

He was appointed to the current position in 2014. He has a lot of experience in the Commission having worked in various Divisions in the Accounts Directorate.

**CPA Grace W. Ngure**

**Ag. Director (Accounts)**



She holds Masters in Business Administration (MBA) in Finance and Banking from Moi University Eldoret, Certified Public Accountant (CPAK) and is a member of Institute of Certified Public Accountants of Kenya (ICPAK) and Association of Women Accountants of Kenya (AWAK).

She served in Salaries Division for 15 years before deployment to Accounts Division as Assistant deputy Director in 2007. She was appointed to head the Accounts Directorate in 2012. She worked in the private sector for 3 years before joining the Commission

in 1991.



**Mrs Mary Rotich**

**Ag. Director (Teacher Management)**



She holds Master of Education (M.Ed.)–Management and Policy Studies from The University of Bristol (UK). Bachelor of Education (B.Ed.) from Kenyatta University, Professional Development Certificate in African Leadership in ICT (ALICT).

She joined the Commission 28 years ago as a graduate teacher of Geography and Economics. She joined the secretariat as a staffing officer where she rose through the ranks to the current position of Ag. Director Teacher Management.

**Mr Ibrahim Mumin Gedi**

**Ag. Director (Administration)**



He holds a Master of Education (M.Ed.) degree in Education Management and Policy Studies from University of Bristol and a Bachelor of Education from the University of Sterling (UK). He has attended various management courses both locally and abroad that include; Strategic Planning and Management at the University of Witwatersrand (South Africa), a Programme on Developing Strategic Skills for Organizational Development (London), an Advanced Training Programme in Educational Planning and Management (UNESCO- Paris), Strategic Development Programme (Kenya Institute Of

Administration) and Pro-Active Business Excellent Models (Eastern and Southern Management Institute).

He joined the Commission in 1983 and served as a teacher in various schools before appointment as an Education Officer and later as District Inspector of Schools. He joined the Secretariat in 1999 and later appointed to head Human Resource Development Division. Prior to his current appointment, he was the Senior Deputy Director in charge of Administration.



**Mr Ayub Imbira**

**Director (Information Communication Technology)**



He holds Masters in Science (Information Systems) from University of Nairobi and Bachelor in Science –Computer Science from Egerton University

## V. CHAIRPERSON'S STATEMENT

It gives me great pleasure to present to you the Teachers Service Commission Annual Report and Financial Statements for the year 2015/2016. The Report focuses on the contribution of the Commission towards efficiency in service delivery. During the 2015-2016 financial year, the Commission pursued reforms aimed at improving service delivery and creating structures necessary for the implementation of the Constitution of Kenya 2010 and the Teachers Service Commission Act No. 20 of 2012.

The mandate of the Commission entails teacher registration, employment, promotion, transfer and discipline. The Commission has the additional mandate of reviewing the standard of education and training of persons entering the teaching service, reviewing the demand for supply of teachers and advising the National Government on matters relating to the teaching profession.

During the year under review, the Commission pursued its reform agenda that is anchored on four pillars-namely; provision of quality education, protection of the learners, professionalization of the teaching service and increased efficiency in provision of services. The Commission concluded the review of the Code of Regulations for Teachers and Code of Conduct and Ethics to give effect to the TSC Act and the Constitution.

In addition, the Commission developed its Strategic Plan 2015-2019 that provides for effective regulation and monitoring of performance and conduct of teachers at all levels. The roll out of Performance Contracting and Teachers Performance Appraisal was successfully implemented across the country.

To improve on efficiency in offering services at the field, the Commission developed the Handbook on Decentralized Teacher Management Functions. The Handbook creates uniformity and standardizes service delivery in all TSC offices.

Promotional interviews for institutional administrators and teachers in Job Group N, P, Q and R were concluded and appointments done. No doubt, this will impact positively on the morale of teachers and in effective delivery of quality education.

Under the Vision 2030 flagship project, the Medium Term Plan 2013-2017 targets the recruitment of 5,000 teachers annually over a five year period to address the current teacher shortage. In the Financial Year 2015/2016, the Commission recruited 5,000 teachers. This will certainly go a long way in addressing increased demand for teachers. However, demand for teachers in the country increased during the year under review as a result of increased access to basic education.

Finally, I wish to take this opportunity to thank the Commissioners, Commission Secretary, Senior Management and all the staff in facilitating the advancement of the Commission's



reform agenda and strategic objectives. All these achievements would not have been possible without their support, dedication and hard work.



**DR. LYDIA N. NZOMO, OGW**  
**COMMISSION CHAIRPERSON**

**DATE: 14.9.2016**

## VI. REPORT OF THE CHIEF EXECUTIVE OFFICER

During the 2015/16 financial year, the budgetary allocation to the Teachers Service Commission was Ksh 187.7 billion. This is about 15% of the Government recurrent expenditure and more than 50% of the Education sector budget.

Equally significant, 98% of the allocation goes to remuneration for teachers. The remaining 2% is spent on salaries for secretariat staff, operations and maintenance. The huge allocation to the teaching service, particularly remuneration of teachers, is an eloquent statement on the importance the Government attaches to the education of the country's youth.

In order to ensure value for the massive investment on teachers, the Commission implemented several programmes to improve learning outcomes through quality teaching. This included enhancing the human resource capacity at the county level. In this regard, the Commission improved the staffing of sub county offices by appointing Sub-County Directors to support decentralized teacher management functions.

Teacher Advisory Centre tutors were re-designated as Curriculum Support Officers to enhance primary school instruction at the zonal level. The financial capacity for County Directors was enhanced by increasing their Authority to incur Expenditure (AIE). This greatly boosted operational capacity for all field officers.

During the year, it was also possible to direct more resources directly to quality assurance. Commissioners, Management and staff managed to go down to the institutional level, where teaching and learning take place, to monitor the quality of teaching.

The Commission also continued to focus on optimal utilization of teachers through continuous staff rationalization to respond to emerging issues such as increase in school enrollment and ensure that teachers are assigned to schools where they are most needed.

Another of the Commission's remarkable programme was addressing absenteeism which for a long time was a matter of concern in the sector. Through the implementation of performance contracting and teacher performance appraisal a lot of emphasis was laid on school and class attendance. This ensured that teachers and heads of institutions were in school most of the time.

The Commission also put a lot of emphasis on development of an elaborate Information Communication Technology (ICT) to leverage on the new communication technologies. We started laying the foundation for linkage between learning institutions, field offices and the headquarters.



Finally, the implementation of the revised Code of Regulations for Teachers and the Code of Conduct heralded an era in the teaching service where performance standards occupied a central position in the management of the most critical teaching/learning resource - the teacher.



**DR. NANCY NJERI MACHARIA, OGW**  
**COMMISSION SECRETARY/CEO**  
**DATE 14.09.2016**

## VII. CORPORATE GOVERNANCE STATEMENT

Corporate governance is the process and structure by which an organization is directed and controlled with the ultimate aim of achieving long term value to key stakeholders while taking into account the interest of other interested parties. The Commissioners and management of Teachers Service Commission are committed to achieving and demonstrating the highest standards of corporate governance.

The Commission has continued to be committed to high corporate governance standards and effective service delivery and ethics within the organization by abiding with the laws and statutory regulations.

The employees of the Commission are guided by the code of conduct approved by the Commission.

### **The Commission**

The Commission consist of a chairperson and eight other members appointed in accordance with the constitution and the Teachers Service Commission Act 2012. They possess qualification and a wide range of expertise and experience that enable them to effectively contribute in their capacities as members. They are appointed by the President following a competitive process.

The Commission Secretariat is headed by a Secretary who is also its Chief Executive and the Accounting officer. She implements the decisions of the Commission.

### **Duties of the Commissioners**

The Commissioners provide strategic directions; objectives and values that ensure policies and practices are in place to implement governance and effective control over the Commission's assets and operations.

The Commissioners meet regularly to continually review and monitor the Commission's progress with respect to strategic direction and operational effectiveness.

In this regard the Commission has established the following governance committees with special mandates to assist in the execution of the Commission's programs.

### **Audit Committee:**

In order to comply with PFM Act 2012 and Regulations 2015, the committee had to be reconstituted to be composed of a minimum of 3 and a maximum of 5 members. The membership must consist of 3 members from outside the commission, one from the National Treasury, and two others one of whom shall be the Chair of the Committee.



The advert was placed in the print media on 9th September 2016.

### Human Resource Committee Membership

1.	Comm. Dr. Salome Gichura, OGW	Chairperson
2.	Comm. Cleopas Tirop, OGW	Member
3.	Comm. Kinoti Imanyara	Member
4.	Comm. Tache Bonsa Gollo	Member
5.	Dr. Nancy Njeri Macharia, OGW	Secretary
6.	Mumin Gedi	Member
7.	J.M. Maundu	Member
8.	C. Ayabei	Member
9.	Mary Rotich	Member
10.	Ayub Imbira	Member

### Field Services Committee Membership

1.	Comm. Kinoti Imanyara	Chairman
2.	Comm. Beatrice Marembo Adu, HSC	Member
3.	Comm. Tache Bonsa Gollo	Member
4.	Dr. Nancy Njeri Macharia, OGW	Secretary
5.	S.M. Kavisi, OGW	Member
6.	J.M. Maundu	Member
7.	Mary Rotich	Member
8.	Mumin Gedi	Member
9.	C. Ayabei	Member
10.	Justine Kianga	Member

### Finance Committee Membership

1.	Comm. Cleopas Tirop, OGW	Chairman
2.	Comm. Dr Salome Gichura, OGW	Member
3.	Comm. Mbarak Twahir, FKIM	Member
4.	Dr. Nancy Njeri Macharia, OGW	Secretary
5.	J.M. Maundu	Member
6.	C. Ayabei	Member





7.	Mary Rotich	Member
8.	Grace Ngure	Member
9.	Mumin Gedi	Member
10.	Ayub Imbira	Member

### **Strategy and Innovation Committee Membership**

1.	Comm. Mbarak Twahir, FKIM	Chairman
2.	Comm. Dr Salome Gichura, OGW	Member
3.	Comm. Albert Fred Ekirapa	Member
4.	Dr. Nancy Njeri Macharia, OGW	Secretary
5.	S.M. Kavisi, OGW	Member
6.	J.M. Maundu	Member
7.	Mary Rotich	Member
8.	Mumin Gedi	Member
1.	Ayub Imbira	Member

### **Committee On Terms And Conditions Of Service For Teachers**

The committee was appointed in 2012 to serve for a three year term. The term expired in 2015.

### **Ad hoc committees**

The committees are constituted as and when need arises.



## VIII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The Commission takes ultimate responsibility for Corporate Social Responsibilities (CSR) and is committed to developing and implementing appropriate policies while adhering to a fundamental commitment to create and sustain long term value for teachers and all stakeholders.

We recognize that our social, environmental and ethical conduct has an important impact to our clients. We therefore take our CSR seriously and are committed to advancing our policies and systems to ensure we address and monitor all aspects of CSR that are relevant to our mandate. These include good ethical behaviour, concern for employees' health and safety, care for the environment and community involvement.

We strive to maintain a productive and open dialogue with all parties who may have an interest in our activities including: key stakeholders, suppliers and employees. We conduct regular customer satisfaction surveys and actively encourage feedback from our employees.

There is an elaborate programme through our Wellness Division to provide information, education and psychosocial support on HIV and AIDS and Voluntary Counselling and Testing (VCT) services to our employees and members of the community. We are reviewing our CSR strategy with a view of expanding it to benefit more teachers and the community in general.

### **TSC Corporate Social Responsibility (2015-2016)**

In 2015/2016 the Commission participated in charitable activities to support less privileged members of the community as a way of giving back to the society.

During the year (2015/2016), the Commission sponsored:

1. Fitness club to the following events:
  - » On 25<sup>th</sup> October 2015, 40 members to the Standard Chartered Nairobi Marathon aimed at combating preventable blindness.
  - » On 22<sup>nd</sup> November 2015, 100 members for Nairobi Genderthon Marathon in support of ending gender based violence.
  - » On 21<sup>st</sup> May, 2016 40 members to 10Km Mater Heart Run dubbed 'Touch the Heart of a child'.
2. Teachers Service Commission Network for Positive Living (Tesconep) to visit:-
  - » Divine Mercy Children's home in Githunguri (Utawala).
  - » Kenyatta National Hospital children's cancer ward.
  - » Mukuru Kwa Njenga (Sinai) Children's home.



- » A member of staff who has been sickly.
- 3. Catholic Association to support a youth initiative in Loiyangalani Parish in Marsabit County, this is done every period of Lent (April – May).
- 4. The Muslim faithful to:
  - » Visit Good hope Markazi Bannati Children’s home at Kariobangi and gave the children shoes
  - » Give needy children in Kibera slum food stuff through AP Mbagathi Mosque.
- 5. The Commission also supported the Rachael Ruto’s (wife of Deputy President) initiative to feed the West Pokot/Turkana families by giving the following contributions:

» The Commission	-	Kshs. 200,000
» MWA	-	Kshs. 100,000
<b>Total</b>	-	<b>Kshs. 300,000</b>



## IX. REPORT OF THE COMMISSIONERS

The Chairperson and members of the Commission wish to submit their report together with the audited financial statements for the year ended June 30, 2016 which show the state of the Commission's affairs.

### Principal activities

The principal activities of the Commission

- (a) To register trained teachers;
- (b) To recruit and employ registered teachers;
- (c) To assign teachers employed by the Commission for service in any public school or Institution.
- (d) To promote and transfer teachers.
- (e) To exercise disciplinary control over teachers
- (f) To terminate the employment of teachers.
- (g) Review the standards of education and training of persons entering the teaching service
- (h) Review the demand for and the supply of teachers; and
- (i) Advise the national government on matters relating to the teaching profession.

### Results

The results of the entity for the year ended June 30, 2016 are set out on page 30.

### Commissioners

The Commissioners who served during the year are shown on page 4.

### Auditors

The Auditor-General is responsible for the statutory audit of the Commission.

By Order of the Commission



**DR. NANCY NJERI MACHARIA, OGW**

**SECRETARY/CHIEF EXECUTIVE**

**DATE 14.09.2016**



## X. STATEMENT OF COMMISSIONERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and Section 40 of the Teachers Service Commission Act, 2012 require the Commissioners to prepare financial statements in respect of the Commission, which give a true and fair view of the state of affairs at the end of the financial year and the operating results for that year. The Commissioners are also required to ensure that the Commission keeps proper accounting records which disclose with reasonable accuracy the financial position of the Commission. They are also responsible for safeguarding the assets of the Commission.

The Commissioners are responsible for the preparation and presentation of the financial statements, which give a true and fair view of the state of affairs of the Commission for and as at the end of the financial year ended on June 30, 2016. This responsibility includes:

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

The Commissioners accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TSC Act, 2012. The Commissioners are of the opinion that the financial statements give a true and fair view of the state of Commission's transactions during the financial year ended June 30, 2016, and of the financial position as at that date. The Commissioners further confirm the completeness of the accounting records maintained, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Commissioners to indicate that the Teachers Service Commission will not remain a going concern for at least the next twelve months from the date of this statement.



## Approval of the financial statements

The financial statements were approved by the Commission on 14.09.2016 and signed on its behalf.



DR. NANCY NJERI MACHARIA, OGW  
SECRETARY/ CHIEF EXECUTIVE



CLEOPAS TIROP, OGW  
VICE CHAIRMAN/CHAIRMAN  
(FINANCE COMMITTEE)



DR. LYDIA N. NZOMO, OGW  
CHAIRPERSON

# XI. REPORT OF THE INDEPENDENT AUDITORS ON THE TEACHERS SERVICE COMMISSION

## REPUBLIC OF KENYA

Telephone: +254-20-342330  
Fax: +254-20-311482  
E-mail: oag@oagkenya.go.ke  
Website: www.oagkenya.go.ke



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON TEACHERS SERVICE COMMISSION FOR THE YEAR ENDED 30 JUNE 2016

#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Teachers Service Commission set out on pages 25 to 37, which comprise the statement of financial position as at 30 June 2016, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the report in compliance with Article 229 (7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Commission's Internal control. An audit also includes evaluating the appropriateness

*Report of the Auditor-General on the Financial Statements of Teachers Service Commission for the year ended 30 June 2016*

of accounting policies used and the reasonableness of accounting estimates made by the management as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

#### **Basis for Qualified Opinion**

##### **1. Stores and Cash losses**

Note 8 to the financial statements reflect accounts receivables - outstanding imprest and clearance accounts figure of Kshs.369,119,570 as at 30 June 2015. The figure of Kshs.369,119,570 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. 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 suspect was charged in a Court of Law, and the case was pending as at the date of this report.

In addition, included in the balance of Kshs.369,119,570 is a long outstanding Pay As You Earn (PAYE) amount of Kshs.128,392,939 which was paid to Kenya Revenue Authority (KRA) on account of former teachers who deserted their jobs and their salaries were returned to the Commission. A review of the matter during the time of our audit indicate that KRA carried out an audit on the PAYE amount and as a result adjusted the figure downwards to Kshs.46,060,915 as at 30 June 2016. The net Pay As You Earn (PAYE) amount of Kshs.46,060,915 had not been recovered as at the date of this report.

In the circumstances, it has not been possible to confirm the recoverability of the accounts receivables – outstanding imprest and clearance accounts figure of Kshs.369,119,570 for the year ended 30 June, 2016.

##### **2. Property, Plant and Equipment Schedule**

As reported in the previous years, the property, plant and equipment schedule balance of Kshs.3,309,632,540 under Annexure XIX as at 1 July 2015 includes Kshs.226,194 being the residual value of two (2) motor vehicles procured between 1996 and 2004 for a total cost of Kshs.3,564,814. Although the two motor vehicles were still on good working condition as at the date of this report, their reported residual value of Kshs.226,194 appears way below their market value.

In the circumstances, it has not been possible to confirm that the property, plant schedule balance of Kshs.3,309,632,540 as at 30 June 2015 is fairly stated.

##### **3. Mortgages and Loans**

As disclosed in note 9 to the financial statement the accounts payable balance of Kshs.9,374,038,821 as at 30 June 2016, includes other liabilities figure of

*Report of the Auditor-General on the Financial Statements of Teachers Service Commission for the year ended 30 June 2016*



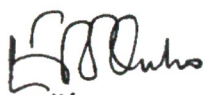


Kshs.9,005,115,701 which also includes mortgages and bank loans figure of Kshs.2,123,293,265 whose supporting analysis was not availed for audit verification.

In the circumstances, it has not been possible to confirm the accuracy and validity of the accounts payable balance of Kshs.9,374,038,821 as at 30 June 2016.

**Qualified Opinion**

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Teachers Service Commission as at 30 June 2016, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with Teachers Service Commission Act, 2012.



**FCPA Edward R. O. Ouko, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**17 July 2017**

## XII. STATEMENT OF RECEIPTS AND PAYMENTS

### TEACHERS SERVICE COMMISSION

#### STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2015-2016 Kshs	2014-2015 Kshs
<b>RECEIPTS</b>			
Transfers from National Treasury	1	184,675,540,000	166,047,000,000
Proceeds from Sale of Assets	2	892,000	-
Other Revenues	3	263,161,477	260,821,650
<b>TOTAL REVENUES</b>		<b>184,939,593,477</b>	<b>166,307,821,650</b>
<b>PAYMENTS</b>			
Compensation of Employees	4	179,930,477,408	170,245,074,390
Use of goods and services	5	644,565,381	523,156,818
Acquisition of Assets	6	87,140,128	59,550,094
<b>TOTAL PAYMENTS</b>		<b>180,662,182,917</b>	<b>170,827,781,302</b>
<b>SURPLUS/DEFICIT</b>		<b>4,277,410,560</b>	<b>(4,519,959,653)</b>



**XIII. STATEMENT OF FINANCIAL POSITION**

**TEACHERS SERVICE COMMISSION  
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016**

	Note	2015-2016 Kshs	2014-2015 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	7A	1,150,889,468	859,462,916
Cash Balances	7B	20,515	16,272
<b>Total Cash And Cash Equivalents</b>		<b>1,150,909,982</b>	<b>859,479,189</b>
Accounts Receivables - Outstanding Imprest and Clearence Accounts	8	9,251,756,550	369,119,570
<b>TOTAL FINANCIAL ASSETS</b>		<b>10,402,666,532</b>	<b>1,228,598,758</b>
<b>LESS: FINANCIAL LIABILITIES</b>			
Accounts Payables - Deposits	9	9,374,038,821	4,477,381,609
<b>NET FINANCIAL ASSETS</b>		<b>1,028,627,711</b>	<b>(3,248,782,851)</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	10	(3,248,782,850)	1,271,176,802
Surplus/Defict for the year		4,277,410,560	(4,519,959,653)
<b>NET FINANCIAL POSSITION</b>		<b>1,028,627,710</b>	<b>(3,248,782,851)</b>



**DR. NANCY NJERI MACHARIA, OGW  
SECRETARY/ CHIEF EXECUTIVE**

**DATE: 14.09.2016**



**DR. LYDIA N. NZOMO, OGW  
CHAIRPERSON**

**DATE: 14.09.2016**



**XIV. STATEMENT OF CASH FLOW**

**TEACHERS SERVICE COMMISSION  
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2015-2016 Kshs	2014-2015 Kshs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts for operating income</b>			
Transfers from National Treasury	1	184,675,540,000	166,047,000,000
Other Revenues	3	263,161,477	260,821,650
		<b>184,938,701,477</b>	<b>166,307,821,650</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	179,930,477,408	170,245,074,390
Use of goods and services	5	644,565,381	523,156,818
		<b>180,575,042,789</b>	<b>170,768,231,208</b>
<b>Adjusted for:</b>			
Changes in receivables		8,882,636,981	(836,649,734)
Changes in payables		4,896,657,212	3,218,134,870
<b>Net cash flow from operating activities</b>		<b>377,678,920</b>	<b>(405,624,955)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	892,000	-
Acquisition of Assets	6	(87,140,128)	(59,550,094)
<b>Net cash flows from Investing Activities</b>		<b>(86,248,128)</b>	<b>(59,550,094)</b>
<b>CASH FLOW FROM BORROWING ACTIVITIES</b>			
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
		<b>291,430,792</b>	<b>(465,175,049)</b>
<b>Cash and cash equivalent at beginning of the year</b>		<b>859,479,189</b>	<b>1,324,654,238</b>
<b>Cash and cash equivalent at end of the year</b>		<b>1,150,909,982</b>	<b>859,479,189</b>



## XV. STATEMENT OF COMPARISON BUDGET AND ACTUAL AMOUNTS

Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=d-c	% of Utilization Difference to Final Budget f=e/c %
<b>Revenues/Receipts</b>						
Transfers from National Treasury & Other Government Entities	180,991,612,264	5,306,887,736	186,298,500,000	184,675,540,000	(1,622,960,000)	(0.0087)
Proceeds from Sale of Non-Financial Assets	200,000		200,000	892,000	692,000	3.46
Other Revenues	219,800,000		219,800,000	263,161,477	43,361,477	0.20
<b>Total Revenues/Receipts</b>	<b>181,211,612,264</b>	<b>5,306,887,736</b>	<b>186,518,500,000</b>	<b>184,939,593,477</b>	<b>(1,578,906,523)</b>	<b>(0.01)</b>
<b>Payments/Expenses</b>						
Compensation of Employees	179,908,630,000	5,361,987,736	185,270,617,736	179,930,477,408	(5,340,140,328)	(0.03)
Purchase of Goods and Services	919,203,264	4,224,375	923,427,639	644,565,381	(278,862,258)	(0.30)
Acquisition of Non-Financial Assets	383,779,000	(59,324,375)	324,454,625	87,140,128	(237,314,497)	(0.73)
<b>Total Payments/Expenses</b>	<b>181,211,612,264</b>	<b>5,306,887,736</b>	<b>186,518,500,000</b>	<b>180,662,182,917</b>	<b>(5,856,317,083)</b>	<b>(0.03)</b>

## XVI. 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.





## XVII. NOTES TO THE FINANCIAL STATEMENTS

1	<b>EXCHEQUER RELEASE</b>		
	Description of the transfer	2015-2016 Kshs	2014-2015 Kshs
	1st quarter transfer	48,630,140,000	41,400,000,000
	2nd quarter transfer	43,184,000,000	41,255,000,000
	3rd quarter transfer	47,390,800,000	41,400,000,000
	4th quarter transfer	45,470,600,000	41,992,000,000
	<b>Total</b>	<b><u>184,675,540,000</u></b>	<b><u>166,047,000,000</u></b>

2	<b>PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS</b>		
		2015-2016 Kshs	2014-2015 Kshs
	Receipts from the Sale of Vehicles and Transport Equipment	892,000	-
	<b>Total</b>	<b><u>892,000</u></b>	-

3	<b>OTHER REVENUES</b>		
		2015-2016 Kshs	2014-2015 Kshs
	Interest Received Fixed Deposit Account NBK	8,543,714	10,021,413
	Other Property Income - Collected as AIA	3,781,444	3,534,363
	Receipts from Administrative Fees and Charges - Collected as AIA	250,751,319	247,265,873
	Other Miscellaneous Revenues - Court award	<u>85,000</u>	-
	<b>Total</b>	<b><u>263,161,477</u></b>	<b><u>260,821,650</u></b>

**Explanatory notes:**

**Other Property Income - Collected as AIA relates to rental Income from:**

Mwalimu National Sacco	988,320	741,240
National Bank of Kenya	<u>2,793,124</u>	<u>2,793,123</u>
<b>Total</b>	<b><u>3,781,444</u></b>	<b><u>3,534,363</u></b>

**Receipts from Administrative Fees and Charges - Collected as AIA relates to:**

Service Charge	225,330	482,769
Medical Recoveries - Secretariat	-	36,568
Sale of Tender Documents	79,000	593,460
Commission on Third parties - Secretariat	4,396,307	74,953,400



Commission on Third parties - Teachers	228,264,164	151,062,662
Teachers registration	<u>17,786,518</u>	<u>20,137,014</u>
<b>Total</b>	<b><u>250,751,319</u></b>	<b><u>247,265,874</u></b>

#### 4 COMPENSATION OF EMPLOYEES

	2015-2016	2014-2015
	Kshs	Kshs
Basic salaries of permanent employees	115,487,032,098	111,977,437,321
Basic wages of temporary employees	2,927,359,206	-
Personal allowances paid as part of salary	60,841,793,080	55,785,422,127
Personal allowances paid as reimbursements	92,013,886	63,975,366
Pension and other social security contributions	581,686,138	536,689,276
Compulsory national social security schemes	593,000	-
Compulsory national health insurance schemes	-	<u>1,881,550,301</u>
<b>Total</b>	<b><u>179,930,477,408</u></b>	<b><u>170,245,074,390</u></b>

#### 5 USE OF GOODS AND SERVICES

	2015-2016	2014-2015
	Kshs	Kshs
Utilities, supplies and services	18,135,913	32,327,198
Communication, supplies and services	27,142,367	47,766,420
Domestic travel and subsistence	79,324,159	116,753,505
Foreign travel and subsistence	12,215,390	15,107,198
Printing, advertising and information supplies & services	6,383,794	15,007,878
Rentals of produced assets	7,316,903	31,637,307
Training expenses	29,014,409	53,500,384
Hospitality supplies and services	14,540,537	636,529
Insurance costs	309,781,008	8,531,334
Specialised materials and services	1,035,660	9,970
Office and general supplies and services	23,715,987	82,134,132
Other operating expenses	79,305,731	10,256,316
Routine maintenance – vehicles and other transport equipment	14,641,195	15,483,606
Fuel Oil and Lubricants	9,774,621	39,573,700
Routine maintenance – other assets	<u>12,237,706</u>	<u>54,431,341</u>
<b>Total</b>	<b><u>644,565,381</u></b>	<b><u>523,156,818</u></b>



6 ACQUISITION OF ASSETS - Non Financial Assets

	2015-2016 Kshs	2014-2015 Kshs
Refurbishment of Buildings	13,825,054	2,045,814
Purchase of Vehicles and Other Transport Equipment	41,582,996	-
Purchase of Office Furniture and General Equipment	4,422,200	6,562,234
Purchase of Specialized Plant, Equipment and Machinery	27,309,878	-
Acquisition of Intangible Assets	-	7,677,176
Purchase of ICT Equipment	-	43,264,870
<b>Total</b>	<b>87,140,128</b>	<b>59,550,094</b>

7A Cash and Cash Equivalents

Name of Bank & Account No.	Type of Account	2015-2016 Kshs	2014-2015 Kshs
National Bank of Kenya-Secretariat A/C No.01001005707400	Recurrent	15,778,723	15,778,723
National Bank of Kenya-Teachers A/C No.01001000905000	Recurrent	618,791,586	341,112,780
National Bank of Kenya Fixed Deposit A/C No.01377083109304	Deposit	511,115,127	502,571,413
Central Bank of Kenya Recurrent A/C No. 1000181117	Recurrent	5,204,032	-
<b>Total</b>		<b>1,150,889,468</b>	<b>859,462,916</b>

7 B Cash in hand

	2015-2016 Kshs	2014-2015 Kshs
Cash in Hand – Held in domestic currency	20,515	16,272
<b>Total</b>	<b>20,515</b>	<b>16,272</b>

Cash in hand analyzed as follows:

	2015-2016 Kshs	2014-2015 Kshs
TSC HQS GL-ERP	1,859	16,272
TSC HQS GOK	18,656	-
<b>Total</b>	<b>20,515</b>	<b>16,272</b>



**8 Accounts Receivables**

<i>Description</i>	<b>2015-2016</b>	<b>2014-2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Domestic Debtors & Advances	10,208,571	12,432,111
Other Debtors & Pre-payments	7,813,250	235,350,236
Government Imprests	94,188,782	5,199,680
Suspense & Clearance Account	181,283,865	116,137,543
Other Receivables	8,957,613,525	-
Withholding Taxes	<u>648,556</u>	-
<b>Total</b>	<b><u>9,251,756,550</u></b>	<b><u>369,119,570</u></b>

**9 Accounts Payables**

	<b>2015-2016</b>	<b>2014-2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Other Liabilities	9,005,115,701	4,477,381,609
Agency Accounts	152,294,871	-
System Required Liabilities	<u>216,628,250</u>	-
<b>TOTAL</b>	<b><u>9,374,038,821</u></b>	<b><u>4,477,381,609</u></b>

**10 BALANCES BROUGHT FORWARD**

	<b>2015-2016</b>	<b>2014-2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	859,462,916	1,324,547,251
Cash in hand	16,272	106,987
Receivables	369,119,570	1,205,769,303
Payables	<u>(4,477,381,609)</u>	<u>(1,259,246,739)</u>
<b>Total</b>	<b><u>(3,248,782,850)</u></b>	<b><u>1,271,176,802</u></b>



**XVIII. 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	Eleven motor vehicles procured between 1996 and 2004 at a total cost of 26,450,711.00 had a carrying value of Ksh 805,166 in the books as at 30.6.2014	Revaluation of Motor Vehicles by Ministry of Public Works & Infrastructure completed	Director Administration	Not Resolved	
2	Loss of CISCO switches Ksh 9,281,160	The matter is in court OB NO.46/3/6/2013 Kibera Law Courts. Court file no.799/15	Director Administrative Services	Not Resolved	
	Loss of cash Ksh.2,852,880.90	Amount written off after approval by the Board of the Commission.	Director Accounts	Not Resolved	
	Long outstanding undue remittance of PAYE Ksh 128,392,930.20 to KRA	The matter is being pursued with KRA for refund	Director Accounts	Not Resolved	



**DR. NANCY NJERI MACHARIA, OGW**

SECRETARY/ CHIEF EXECUTIVE

DATE 14.09.2016



**DR LYDIA N. NZOMO OGW**

CHAIRPERSON

DATE 14.09.2016



**XIX. PPE SCHEDULE 2015-2016**

	<b>COST 01.7.2015</b>	<b>ADDITIONS</b>	<b>DISPOSALS</b>	<b>COST 30.6.2016</b>
	<b>KHS</b>	<b>KHS</b>	<b>KHS</b>	<b>KHS</b>
LAND	1,000,000,000	-	-	1,000,000,000
BUILDING	1,202,045,814	-	-	1,202,045,814
MOTOR VEHICLES	315,226,856	41,382,996.00	(9,908,012)	366,517,864
FURNITURE AND OFFICE EQUIP- MENT	400,489,526	18,447,254.05	-	418,936,780
COMPUTER AND OTHER ICT EQUIP- MENT	391,870,344	27,309,877.90	-	419,180,222
<b>TOTAL</b>	<b>3,309,632,540</b>	<b>87,140,128</b>	<b>(9,908,012)</b>	<b>3,406,680,680</b>





**TEACHERS SERVICE COMMISSION**

Upper Hill Kilimanjaro Road  
Private Bag 00100 Nairobi- Kenya

Tel: 020 289 200

Email: [info@tsc.go.ke](mailto:info@tsc.go.ke)

[www.tsc.go.ke](http://www.tsc.go.ke)

