

Annual Report

& Financial Statements

For the financial year ending 30 June 2021



Salaries & Remuneration
Commission

Rewarding productivity

www.src.go.ke



ABBREVIATIONS & ACRONYMS

ABC	Allowances and Benefits Committee
APSEA	Association of Professional Societies in East Africa
ARCC	Audit, Risk and Compliance Committee
B.Ed.	Bachelor of Education
CBA	Collective Bargaining Agreement
CBN	Collective Bargaining Negotiation
CBS	Chief of the Order of the Burning Spear
CEO	Chief Executive Officer
CFS	Consolidated Fund Services
CISMC	Corporate Image and Stakeholder Management
COG	Council of Governors
CoK	Constitution of Kenya
COMM.	Commission/Plenary meetings
COTU	Central Organization of Trade Unions
CRA	Commission on Revenue Allocation
CS	Commission Secretary
CSC	Corporate Services Committee
CSR	Corporate Social Responsibility
DAA	Director of Academic Affairs
EACC	Ethics and Anti-Corruption Commission
EBS	Elder of the Burning Spear
EPZ	Export Processing Zone
FY	Financial Year
GoK	Government of Kenya
GTZ	German Agency for Technical Cooperation
HELB	Higher Education Loans Board
HR	Human Resources
HRM	Human Resources Management
ICPAK	Institute of Certified Public Accountants of Kenya
ICT	Information, Communication and Technology
IHRM	Institute of Human Resource Management
IPSAS	International Public Service Accounting Standards
JDAC	Job Descriptions Analysis Committee
JE	Job Evaluation
JESSC	Job Evaluation and Salary Structures Committee
JSC	Judicial Service Commission
KFS	Kenya Forest Service
KIA	Kenya Institute of Administration
KPA	Kenya Ports Authority
KRA	Kenya Revenue Authority
KRAs	Key Result Areas
KSG	Kenya School of Government
Ksh	Kenya Shillings
KUDHEIHA	Kenya Union of Domestic, Hotels, Educational Institutions, Hospitals and Allied Workers
LPFC	Legal and Policy Framework Committee
M.Ed.	Master of Education
MBA	Master of Business Administration
MGH	Moran of Golden Heart
MOU	Memorandum of Understanding
MP	Member of Parliament
MPSY&G	Ministry of Public Service, Youth and Gender
MSc	Master of Science
NACADA	National Authority for the Campaign Against Alcohol and Drug Abuse
N/A	Not applicable
NT&P	National Treasury and Planning
NWBC	National Wage Bill Conference
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
OGW	Order of Grand Warrior
PG	Post Graduate
PhD	Doctor of Philosophy
PSC	Public Service Commission
PWBM	Public Wage Bill Management
SRC	Salaries and Remuneration Commission
ToR	Terms of Reference
TSC	Teachers Service Commission
UN	United Nations
UoN	University of Nairobi
WBMC	Wage Bill Management Committee

1. KEY COMMISSION INFORMATION AND MANAGEMENT

1.01 BACKGROUND INFORMATION

The Salaries and Remuneration Commission (SRC) is established under Article 230 of the Constitution of Kenya, 2010, and operationalised by SRC Act, 2011. The Commission is domiciled in Nairobi County and has two directorates, i.e., Directorate of Remuneration Services and Directorate of Corporate Services, and three departments namely; Legal Services, Corporate Communications and Internal Audit and Risk.

1.02 PRINCIPAL ACTIVITIES OF THE COMMISSION

The mandate of the Commission as provided in the constitution are;

1. Set and regularly review the remuneration and benefits of all State officers; and
2. Advise the national and county governments on the remuneration and benefits of all other public officers.

In addition to the powers and functions of the Commission under Article 230(4) of the constitution, the Commission is mandated by SRC Act, 2011, to:

1. Inquire into and advise on the salaries and remuneration to be paid out of public funds;
2. Keep under review all matters relating to the salaries and remuneration of public officers;
3. Advise the national and county governments on the harmonisation, equity and fairness of remuneration for the attraction and retention of requisite skills in the public service;
4. Conduct comparative surveys on the labour markets and trends in remuneration to determine the monetary worth of the jobs of public officers;
5. Determine the cycle of salaries and remuneration review upon which parliament may allocate adequate funds for implementation;
6. Make recommendations on matters relating to the salary and remuneration of a particular State or public officer;
7. Make recommendations on the review of pensions payable to holders of public offices;
8. Perform such other functions as may be provided by the constitution or any other written law. The Commission, under SRC Act, Section 12, is further compelled to comply with the principle of equal remuneration to persons for work of equal value.



Our role is to set and regularly review the remuneration and benefits of State officers and advise the national and county governments on the remuneration and benefits of all other public officers.

1.03 Vision, Mission and Core Values

The Commission's Vision, Mission and Core Values are as tabulated below:



Vision

A productive public service that is fairly remunerated



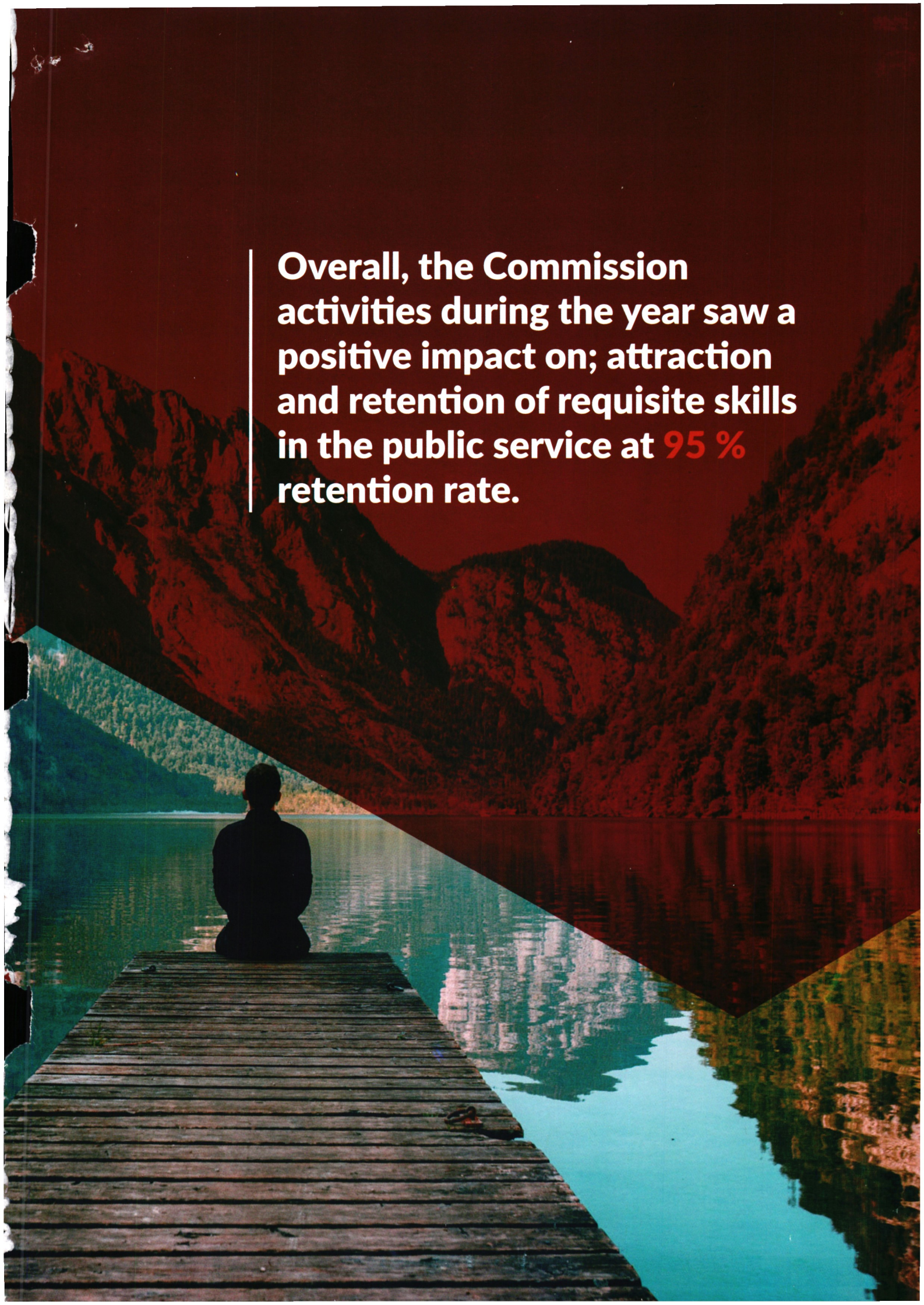
Mission

To set, review and advise on equitable, competitive and fiscally sustainable remuneration and benefits in the public service through research and analysis



Core Values

- Fairness
- Accountability
- Collaboration
- Integrity
- Innovation
- Transparency



Overall, the Commission activities during the year saw a positive impact on; attraction and retention of requisite skills in the public service at **95 %** retention rate.

1.04 KEY MANAGEMENT

The day-to-day management of the Commission falls under the following key organs:

1. Commission Secretary/Chief Executive Officer (CS/CEO)
2. Directors
3. Heads of departments
4. Secretariat

1.05 FIDUCIARY MANAGEMENT

During the fiscal period to 30 June 2021, the following members of the management team were charged with direct fiduciary responsibility:

1. Mrs. Anne Gitau – Commission Secretary/CEO
2. Ms. Margaret Njoka – Director, Corporate Services
3. Dr. Hilary Patroba – Director, Remuneration Services

1.06 FIDUCIARY OVERSIGHT ARRANGEMENTS

1. Job Evaluation and Salary Structures Committee (JESSC)
2. Wage Bill Management Committee (WBMC)
3. Allowances and Benefits Committee (ABC)
4. Audit, Risk and Compliance Committee (ARCC)
5. Corporate Image and Stakeholder Management Committee (CISMC)
6. Corporate Services Committee (CSC)
7. Legal and Policy Framework Committee (LPFC)

1.07 COMMISSION HEADQUARTERS

Williamson House, 4th Ngong Avenue, 6th Floor,
P.O. Box 43126, GPO-00100,
Nairobi, Kenya

1.08 CONTACTS INFORMATION

Tel: +254 (20) 2710065/81

Tel: +254 794 587 903 / +254736712864

Email: info@src.go.ke

Website: www.src.go.ke



Twitter – @srckenya:

<https://bit.ly/2Rw2b0a>



Instagram – @srckenya:

<https://bit.ly/30ZFzbH>



Flickr – srckenya:

<https://bit.ly/3dsPcEV>



Facebook – @SRCKE:

<https://bit.ly/3aJkVkB>



LinkedIn – Salaries and Remuneration Commission:

<https://bit.ly/3zvnaTH>



YouTube – Salaries and Remuneration Commission:

<http://tiny.cc/o3cjoz>

1.09 COMMISSION BANKERS PRINCIPAL BANKERS

- Central Bank of Kenya Haile Selassie Avenue P.O. Box 60000, City Square-00200 Nairobi, Kenya
- Co-operative Bank of Kenya, Upper Hill Branch P.O. Box 30415, GPO-00100, Nairobi, Kenya

1.1 INDEPENDENT AUDITOR

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square-00200
Nairobi, Kenya

1.2 PRINCIPAL LEGAL ADVISER

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



“

Our role is to set and regularly review the remuneration and benefits of State officers and advise the national and county governments on the remuneration and benefits of all other public officers

2. CHAIRPERSON AND MEMBERS OF THE COMMISSION

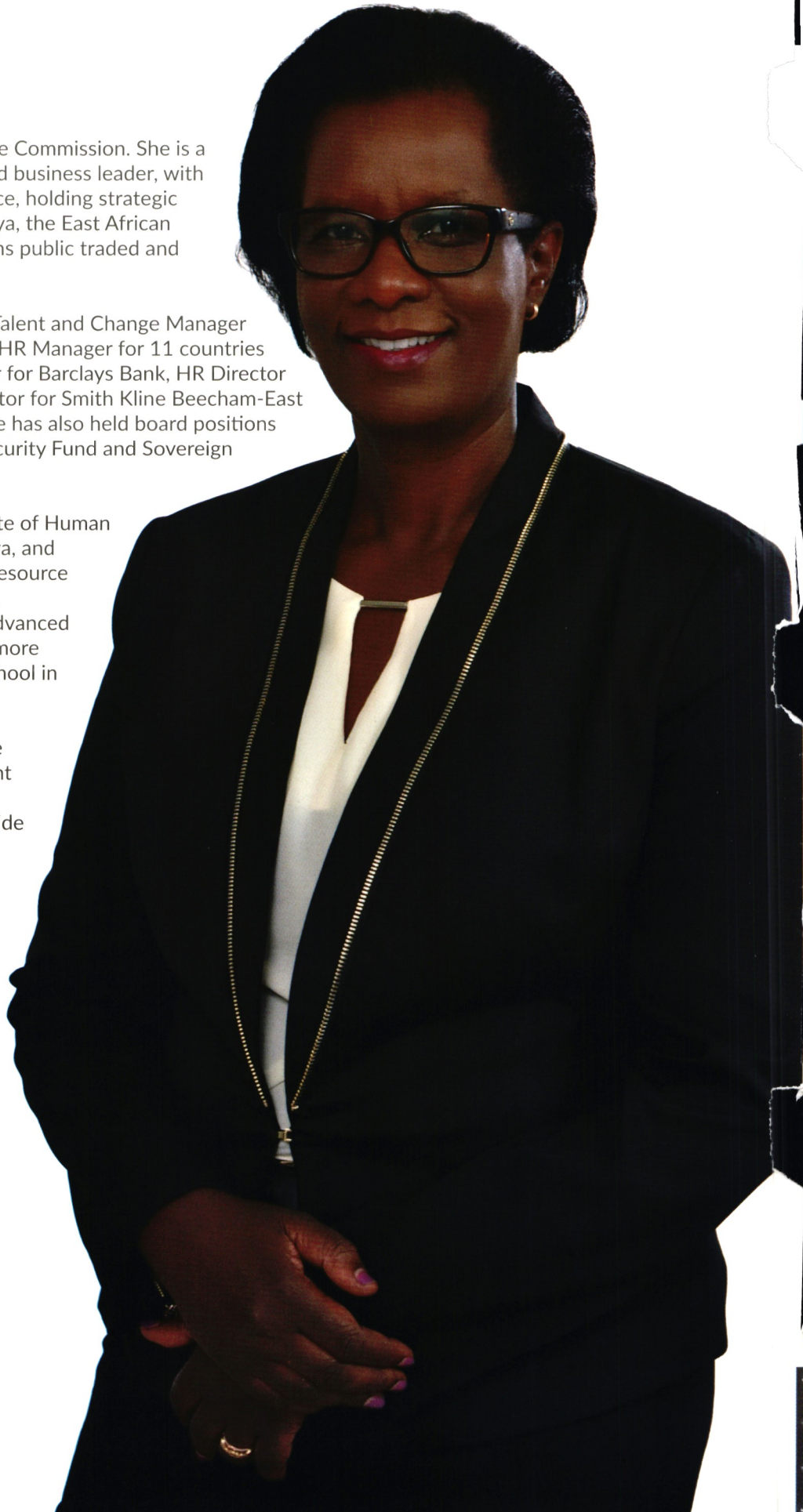
Mrs. Mengich is the Chairperson of the Commission. She is a human resources (HR) professional and business leader, with over 25 years cross-industry experience, holding strategic leadership and board positions in Kenya, the East African region and Africa. Her experience spans public traded and private service organisations.

Highlights of her experience include; Talent and Change Manager for Shell Oil Products Africa, Regional HR Manager for 11 countries in the East African region, HR Director for Barclays Bank, HR Director for Kenya Commercial Bank, HR Director for Smith Kline Beecham-East Africa and CEO Nuevo Consulting. She has also held board positions at Jamii Bora Bank, National Social Security Fund and Sovereign Group.

Mrs. Mengich is a fellow of the Institute of Human Resource Management (IHRM) – Kenya, and holds a Master of Science in Human Resource Management, Executive Development Programme from Cornell University, Advanced Management Programme from Strathmore Business School and IESE Business School in Spain.

She has acquired extensive knowledge in leadership, governance, management and HR management from different development programmes in and outside the country.

Lyn Cherop Mengich
Chairperson of the Commission



Hon. Otieno is a member of the Commission, nominated by the Public Service Commission, and chairs the Allowance and Benefits Committee of the Commission. He was first elected as the Member of Parliament (MP) for Rongo in 1988, and retained the seat until 2017. He served as Minister for Industrialization from 1988 to 1991, Minister for Manpower, Planning and Employment (1991), Minister for Transport and Communication (1991-1996), and Minister for Public Service from 2008 to 2013.

Hon. Otieno also had the honour of serving as Chairman of the African Ministers of Transport and Communications (1994-1996), and Chairman of the Establishment Committee of the Regional African Satellite Communication Organisation (1994). Hon. Otieno has served in various boards and parliamentary committees, including; Electricity Regulatory Board (1993-1994), Parliamentary Sessional Committee (1993- 1996), Parliamentary Public Investment Committee (1996-1997), and Inter-Parties Parliamentary Group Committee on Legal and Constitution Reforms (1997).

As the Minister for Public Service, Hon. Otieno spearheaded the establishment of SRC. He is also credited with the transformation of the Kenya Institute of Administration (KIA) into the Kenya School of Government (KSG). During this time, he moved the retirement age to 60 years; developed the Integrated Payroll and Personnel Database, Integrated Records Management System, Government Human Resource Information System, Framework for preparation of Schemes of Service, and Management Guides on Human Resource Planning and Policy Architecture; and established the Civil Servants Medical Scheme and Training Revolving Fund, among others.

He holds a Bachelor of Science Degree (Applied Economics) from Makerere University, Uganda. He has also undertaken post graduate (PG) courses in economics, insurance and finance at the University of Nairobi. Hon. Otieno has the following professional qualifications: Associate of the Chartered Insurance Institute, London; Fellow of the Chartered Insurance Institute by Examination; and Chartered Insurance Practitioner.



Hon. Dalmas Otieno, EGH
Member of the Commission

Dr. Mumbua is a member of the Commission, nominated by the Teachers Service Commission (TSC). She chairs the Corporate Image and Stakeholder Management Committee of the Commission.

Dr. Mumbua is the immediate former pioneer Director of Academic Affairs (DAA) at KSG. While serving as the DAA, she strengthened the training by leading teams in the development of capacity building programmes for the national government, county governments and State corporations for public service transformation. She also strengthened the consultancy, research and advisory mandate of KSG by developing policies and procedure manuals for internal capacity of faculty.

Dr. Mumbua is an educationist with over 30 years of experience in education management and planning. She has an in-depth understanding and experience in corporate governance, programme development, implementation, and review process. Dr. Mumbua possesses remarkable wealth of experience in strategic leadership in specialised training institutions in the public and private sector. While serving as the Director of the Kenya Institute of Management, she successfully spearheaded the transformation process leading to the establishment of the Management University of Africa, where she served as the pioneer Director, Institutional Development and Quality Assurance and Registrar, Academic and Student Affairs.

Dr. Mumbua holds a Bachelor of Education – Arts (Kenyatta University), Master's Degree in Education Administration and Planning, University of Nairobi (UoN), Master's Degree in Business Administration (ESAMI Business School) and Doctor of Philosophy (PhD) - Education Administration and Planning (Catholic University of Eastern Africa), with a focus on quality assurance management. She also holds a Certificate in Global Diplomacy (Diplomacy in the Modern World) from University of London.

Dr. Leah Mumbua Munyao

Member of the Commission



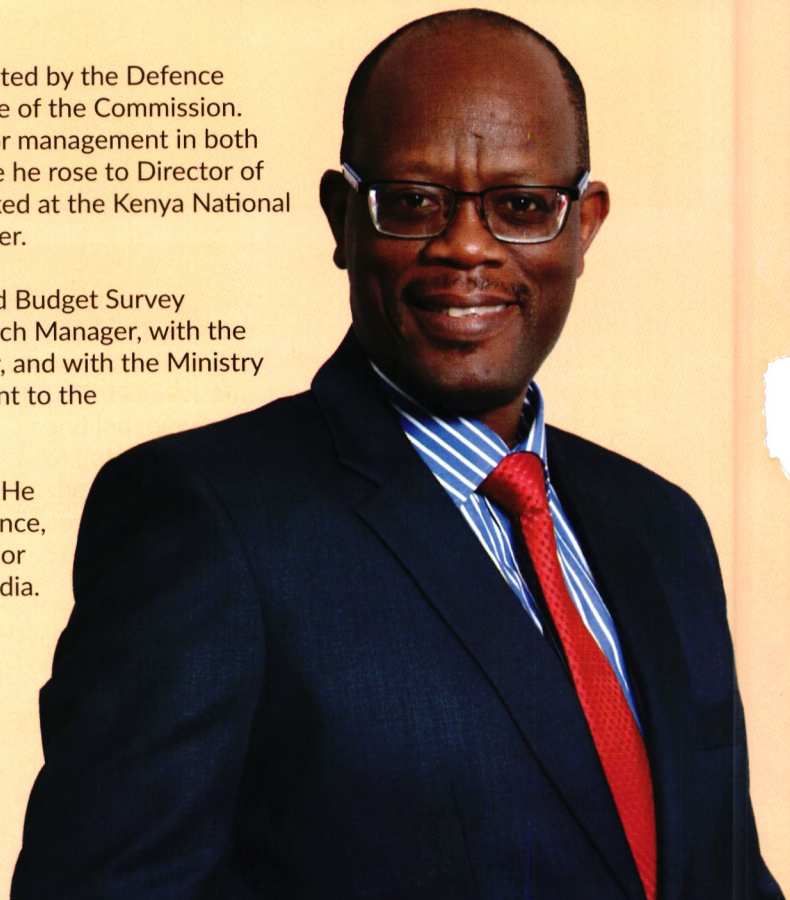
Mr. Monyoncho is a member of the Commission, nominated by the Defence Council. He chairs the Wage Bill Management Committee of the Commission. Mr. Monyoncho has over 20 years of experience in senior management in both public and private sector, having worked with SRC where he rose to Director of Research, Compliance, Policy and Planning. He also worked at the Kenya National Bureau of Statistics, where he rose to a Technical Manager.

Further, he worked with the Kenya Integrated Household Budget Survey Programme as a Logistics and Administration and Research Manager, with the Nairobi Securities Exchange as an Administration Officer, and with the Ministry of Finance and Economic Planning as a Technical Assistant to the Economic Secretary.

Mr. Monyoncho is currently pursuing a PhD at the UoN. He holds a Master of Business Administration (MBA) in Finance, Bachelor's Degree in Economics from UoN, and a Bachelor of Science Degree in Statistics from Poona University, India.

John Kennedy Monyoncho

Member of the Commission





Ms. Sawe is a member of the Commission, nominated by the Senate on behalf of the county governments. She has vast experience in the field of HR, having worked in various organisations.

These include; the County Government of Uasin Gishu as County Executive Committee Member (2013–2017), Sian Agriflora Limited as the Group HR Manager (2009-2013), Chevron(K)/Caltex, International Committee of the Red Cross (ICRC), and the Unga Limited.

Her achievements in the organisations she served include; improvement of employee relations, development of organisational structures, HR policies and strategies in line with the organisations' strategic plans, preparing and executing budgets for HR operations and providing advisory services on HR issues.

Ms. Sawe is a licensed HR practitioner.

She holds a Master's Degree in Business Administration, UoN; PG Diploma, IHRM; and a Bachelor Education (Home Economics) Degree from Kenyatta University.

Margaret Sawe
Member of the Commission

Commissioner Ashubwe is a member of the Commission, nominated by the Central Organization of Trade Unions (COTU). She chairs the Legal and Policy Framework Committee of the Commission. Commissioner Ashubwe is an advocate of the High Court of Kenya, and formerly a Managing Partner at Eshiwani Ashubwe and Company Advocates LLP, where she represented clients in high stakes in employment and labour related matters, especially trade unions in Kenya.

Some of her clients included, subsidiary companies of Export Processing Zone (EPZ), such as the EPZ Africa Apparels, EPZ Supra Textiles, EPZ Sunflag, EPZ Alliance Garments, COTU, Kenya Plantation and Agricultural Workers Union, Kenya County Government Workers Union, Kenya Shoe and Leather Workers Union and Kenya National Union of Nurses.

She trained as a pupil at J. A. Guserwa and Company Advocates, where she later became an Associate. She is passionate about the rights of children, and has co-authored a book with the Kenya Literature Bureau titled, 'Child Rights and Child Protection (ECDE Diploma)'. In addition, through her law firm, she has trained a number of lawyers who have undertaken their pupillage under her tutelage and guidance.

Commissioner Ashubwe holds a Diploma in Law from the Kenya School of Law, Law Degree from the UoN and a Bachelor of Education Degree from Kenyatta University. She has grown to become a mother, mentor, educationist and philanthropist, among many things. A gourmet in her own right, her world takes a different trajectory when she engages in culinary explorations.

Nelly Peris Ashubwe
Member of the Commission



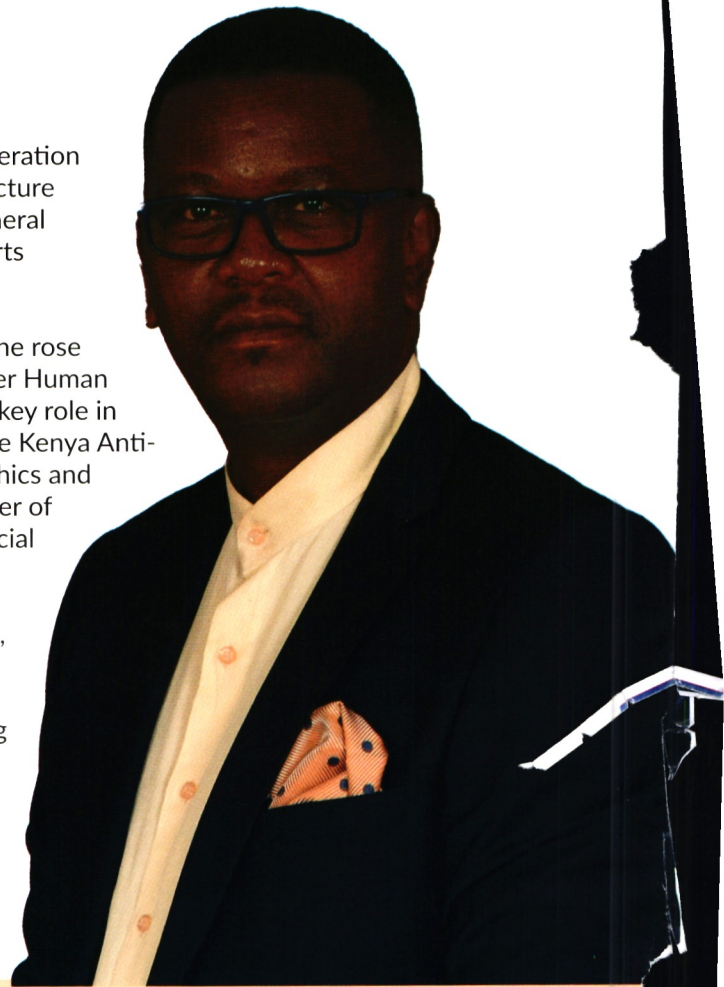
Dr. Komora is a member of the Commission, nominated by the Federation of Kenyan Employers. He chairs the Job Evaluation and Salary Structure Committee of the Commission. Dr. Komora was previously the General Manager of Human Resources and Administration at the Kenya Ports Authority (KPA), having risen from the position of Head of HR.

He has also worked at the Kenya Revenue Authority (KRA), where he rose through the ranks from Graduate Trainee to Assistant Commissioner Human Resources. Some of his notable achievements include: he played a key role in managing the transition from the Anti-Corruption Police Unit to the Kenya Anti-Corruption Commission and midwifed the transition to the now Ethics and Anti-Corruption Commission (EACC). Further, he was also a Member of the National General Wages Council of the Minister for Labour, Social Security and Services under the Labour Relations Act, 2007.

Dr. Komora holds a PhD in HRM, Master of Science (MSc.) in HRM, a Bachelor of Arts Degree (Anthropology/Sociology), and a Higher Diploma from the former Institute of Personnel Management, Kenya. He was a member of the IHRM and served in the Governing Council of IHRM, and was also a Chairman of the College of Human Resource Management.

Dr. Amani Yuda Komora

Member of the Commission



CPA. Moturi is a member of the Commission, nominated by the Association of Professional Societies in East Africa (APSEA). She chairs the Corporate Services Committee of the Commission. She is currently a Trustee of the Kenya Professionals Development Fund of APSEA.

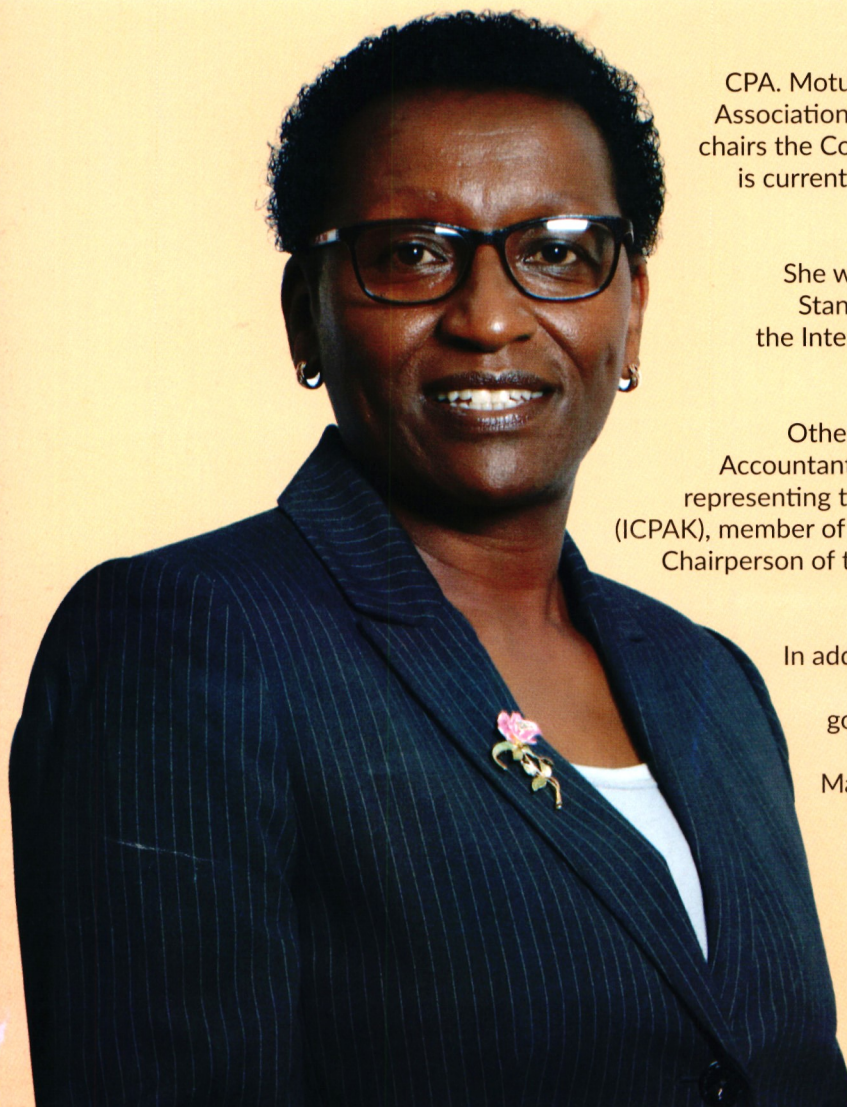
She was a board member of the Public Service Accounting Standards Board, Kenya, a Governing Council Member of the International Leadership University, and Trustee in Micro Enterprises Support Programme Trust.

Others include, Chairperson of the Association of Women Accountants of Kenya, Treasurer and Council Member in APSEA representing the Institute of Certified Public Accountants of Kenya (ICPAK), member of the Professional Standards Committee of ICPAK and Chairperson of the Nyeri County Executive Audit Committee, among others. CPA. Moturi is 59 years old.

In addition, CPA. Moturi has worked as a Country Director and Finance and Administration Manager for non-governmental organisations; and for Price Waterhouse as Auditor and Accountant. CPA. Moturi holds a Master's Degree in Banking and Finance (Microfinance) and a Bachelor of Commerce (Accounting Option) Degree. She is a Certified Public Accountant and a member of ICPAK and the Association of Women Accountants of Kenya.

CPA. Sophie Moturi, MBS

Member of the Commission



Hon. Amina Abdalla is a Member of the Commission, nominated by the Parliamentary Service Commission. She holds a Master's Degree in International Development from Cornell University, USA, and has over 25 years of experience in public service oversight and international natural resources management. Hon. Abdalla served for three consecutive terms as a nominated MP for the period 2003-2017.

She has also worked at the International Union for the Conservation of Nature (IUCN) as the Regional Projects Coordinator covering ten countries of the greater Horn of Africa, as well as at GTZ. Hon. Abdalla was a member of the Parliamentary Select Committee on the constitution that midwived the Constitution of Kenya (CoK), 2010, and the inaugural Committee on the Implementation of the Constitution. In the 10th Parliament, she served as the first Chair of the Committee on Delegated Legislation, following the passing of her motion calling for the establishment of the committee.

In the 11th Parliament, Hon. Abdalla served as the Chair of Committee on Environment and Natural Resources where she successfully led the review and enactment of natural resources sector legislation in line with the five-year deadline set in the CoK, 2010. Hon. Abdalla has two Acts of Parliament to her credit, namely, the Statutory Instrument Act (2013) and the National Authority on the Campaign Against Alcohol and Drug Abuse Act (2013), which she sponsored as private members' bills.

In recognition of Hon. Abdalla's contribution to legislative reforms in the natural resources sector, she was decorated with the Award of the Chief of the Burning Spear (CBS) First Class. The Ministry of Water and water sector stakeholders recognised her as a water sector Ambassador for her leadership in the enactment of the Water Act 2016.

She was also recognised as the first National Authority for the Campaign Against Alcohol and Drug Abuse (NACADA) heroine on the fight against drug abuse for her role in the anchoring of NACADA into law.

Hon. Abdalla has served as a member of presidential tribunals investigating the conduct of a Supreme Court Judge and a High Court Judge. Hon. Abdalla has consulted nationally and internationally on improving legislative effectiveness and on natural resource policy development.

Hon. Amina A. Abdalla, CBS
Member of the Commission



Hon. Amb. Ukur Yatani Kanacho has more than 27 years of experience in public administration, politics, diplomacy and governance in public service since 1992. Before his appointment as Cabinet Secretary for the National Treasury and Planning (NT&P), he served as the Cabinet Secretary for Labour and Social Protection since January 2018. Between the years 2006-2007, while MP for North Horr Constituency; he also served as an Assistant Minister for Science and Technology.

At the height of his career (March 2013-August 2017), he served as a pioneer Governor of Marsabit County, the largest county in Kenya. Between June 2009 and October 2012, he served as Kenya's Ambassador to Austria with accreditation to Hungary and Slovakia and Permanent Representative to the United Nations (UN) in Vienna. In this position, he aggressively pursued and advanced Kenya's foreign interests.

He held senior leadership positions at various diplomatic and international agencies such as, the International Atomic Energy Agency, UN Organization on Drugs and Crimes, UN Industrial Development Organization, Vice Chairperson of UN Convention Against Transnational Organised Crime, Vice President of Convention on Crime Prevention and Criminal Justice, and chair of the African Group of Ambassadors, among others. Between 1992 and 2015, he served in different positions in Kenya's public administration, including a District Commissioner, where he sharpened his management and administrative skills.

He has a Master of Arts in Public Administration and Public Policy, University of York, United Kingdom; and a Bachelor of Arts in Economics, Egerton University, Kenya.

Hon. Amb. Ukur Yatani Kanacho EGH

Member of the Commission



The Hon. Justice (Rtd) Paul Kariuki Kihara was sworn in April 2018 as the 7th Attorney General of the Republic of Kenya. Previously, he served as President of the Court of Appeal of Kenya from 2013 to 2018. Moreover, he has served as Director of the Judiciary Training Institute, Judge of the High Court of Kenya, and Principal and CEO of the Kenya School of Law.

Justice (Rtd) Kihara has led a distinguished legal career, having made noteworthy contributions, in particular, the transformation of Kenyan courts through the engineering of the blueprints that culminated in the Court of Appeal Bill and the Strategic Plan for the Court of Appeal in Kenya. His legal proficiency also extends to civil, commercial and electoral court divisions of which he has considerable expertise.

He is an Honorary Legal Advisor of the Anglican Church of Kenya and holds membership in the Law Society of Kenya; The Commonwealth Lawyers Association; The International Bar Association; and the Lawyers International Services Agency, USA. Justice (Rtd) Kihara attained his Bachelor of Law Degree from UoN and holds a PG Diploma in Law from the Kenya School of Law.

The Attorney General - Honourable Justice (Rtd) Paul Kariuki Kihara, EGH

Member of the Commission



Professor Kobia is the Cabinet Secretary, Ministry of Public Service, Youth and Gender (MPSY&G). Previously, she was the Chairperson of the Public Service Commission (PSC) and Vice Chair Judicial Service Commission (JSC). She is an Associate Professor of Management and Entrepreneurship.

As the Chairperson of the PSC, she provided strategic leadership on policy direction regarding HR management and development in the public service. Prior to joining PSC, she was the founding Director General of KSG. Between 2005 and 2013, she served as the Director/CEO of the KIA and made a profound contribution in transforming the institution into a truly modern Management Development Institute leading to the institute's elevation to KSG. Professor Kobia has taught management, entrepreneurship and research methods at university level. Between 2011 and 2016, Professor Kobia served as the Chief Editor of the refereed African Journal of Public Administration and Management.

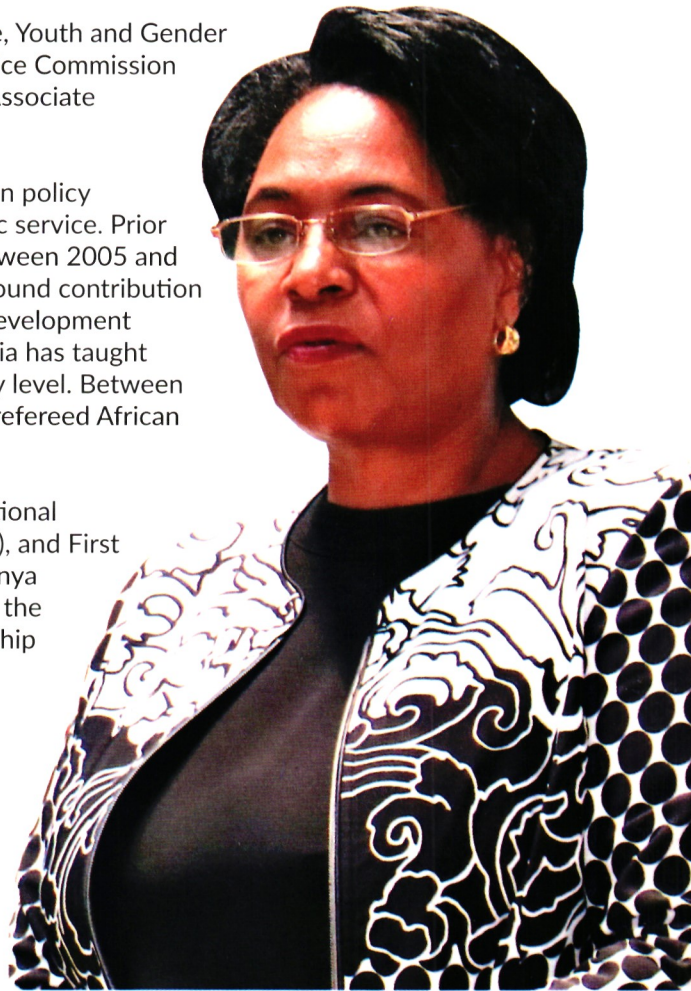
In recognition of her distinguished service and contributions to national development, she was awarded the Order of Grand Warrior (OGW), and First Class Order of Chief of Burning Spear (CBS) by the President of Kenya in 2007 and 2009, respectively. Professor Kobia was the winner of the Commonwealth Gordon Draper Award 2010 for her strong leadership and outstanding contributions in improving public administration in the Commonwealth.

In 2011, she was honoured by the American Biographical Institute for her dedication and contribution to management in the public service. In 2014, she won a national recognition as Africa's most influential woman in business and government, awarded by CEO Magazine of South Africa. In 2016, she was awarded the highest Head of State Honours of Moran of Golden Heart (MGH) for her strong excellent leadership in public service. Professor Kobia sits on a number of public service management boards.

At the international level, she is a member of the UN Committee of Experts on Public Administration, that advises UN Economic and Social Council; Vice President of the Commonwealth Association of Public Administration Management; member of the International Commission on Accreditation of Public Administration Education and Training Programmes; and Co-chair of the Effective Institutions Platform. As an active academic, Professor Kobia supervises PhD research students. Her research interests include: public service reforms, performance management training and knowledge management. Professor Kobia holds a PhD in HR Education, University of Illinois; M.Ed., Kenyatta University; and B.Ed., UoN.

Professor Margaret Kobia PhD, MGH

Member of the Commission



Mrs. Gitau is the Commission Secretary/CEO, appointed to the position in June 2015. Previously, she was the Deputy Commission Secretary from April 2012 to March 2014 when she was appointed as Ag Commission Secretary.

She is a respected HR professional and leader with over ten years of comprehensive HR experience ranging from the private to the public sector, and with diverse and solid experience ranging from HR consultancy to HR management.

Mrs. Gitau is currently pursuing a PhD in Organizational Development at UoN. She also has a Master's Degree in Business Administration from UoN and a Bachelor of Education Degree from Egerton University. Mrs. Gitau worked at the Higher Education Loans Board (HELB) as a Human Resources and Administration Manager and at the Industrial Development Bank.

Anne Rwamba Gitau, MBS

Commission Secretary/CEO



2. MANAGEMENT TEAM



Anne R. Gitau, MBS
Commission Secretary/Chief
Executive Officer

Mrs. Gitau is the Commission Secretary/CEO, appointed to the position in June 2015. Previously, she was the Deputy Commission Secretary from April 2012 to March 2014 when she was appointed as Ag Commission Secretary.

She is a respected HR professional and leader with over ten years of comprehensive HR experience ranging from the private to the public sector, and with diverse and solid experience ranging from HR consultancy to HR management.

Mrs. Gitau is currently pursuing a PhD in Organizational Development at UoN. She also has a Master's Degree in Business Administration from UoN and a Bachelor of Education Degree from Egerton University. Mrs. Gitau worked at HELB as a HR and Administration Manager and at the Industrial Development Bank.



Margaret Njoka
Director, Corporate Services

Ms. Njoka is the Director of Corporate Services, appointed to the position in February 2017. She holds a Master's Degree in Business Administration and Bachelor's Degree in Commerce (Accounting), both from Kenyatta University.

She is a Certified Public Accountant (K), Credit Management Professional and a qualified HR and administration practitioner. Ms. Njoka has over 15 years of experience in finance and HR in senior management in both public and private sector.



Dr. Hillary Patroba,
Director, Remuneration
Services

Dr. Hilary Patroba is the Director, Remuneration Services, appointed to the position in January 2020. His experience spans public and private sector organisations. He holds a PhD in Economics from Stellenbosch University.



4. CHAIRPERSON'S STATEMENT

The public service wage bill, in absolute terms, has been on an upward trend, resulting from expansion of services to the citizenry and higher pay to employees. Expansion of public service coverage will continue in the context of achieving the Big Four Agenda and other sustainable development goals. The wage bill, therefore, will continue to rise in an environment of revenue and financing constraints and the need for higher public investment. Competing expenditures require a strong focus on government spending efficiency, including the wage bill.

During the financial year, the Commission's activities focused on an affordable and fiscally sustainable wage bill, as well as other pay determination principles as set out in Article 230 of the constitution and SRC Act, 2011. The other principles are; attraction and retention of requisite skills, recognition of performance and productivity, fairness and transparency and equal pay for work of equal value.

In its role as an actor and coordinator of the 8th Summit, the Commission, in collaboration with other actors, focused on the implementation of the National Wage Bill Conference resolutions. The resolutions are expected to contribute to a fiscally sustainable wage bill through; improved fiscal space to accommodate a growing wage bill; prudent use of public resources; stable labour environment; efficient and effective public service that is accountable to the citizens; improved delivery of the government agenda through a robust performance management; productivity and reward strategy; and a public service culture that espouses the national values.

Significant progress has been made in five resolutions, whilst the remaining nine are at different stages of implementation. Pursuant to these resolutions, the Commission implemented all the resolutions to which it was assigned as the lead actor. These are; Remuneration and Benefits Policy Guideline, Allowances Policy guideline and Rewarding Performance and Productivity Policy Guideline.

“

I also extend my sincere gratitude and deep appreciation to the members of the Commission and Secretariat staff for ensuring that the Commission met its obligations and mandate.

Further, the Commission commenced on the Third Public Service Remuneration Review Cycle for the period 2021/22 – 2024/25, in order to review and set remuneration and benefits for State officers and advise other public officers on remuneration and benefits. To inform the review, the Commission undertook a job evaluation exercise and carried out salary surveys.

Subsequently, the Commission advised the public service to freeze salary structures for the next two financial years. The advice was informed by affordability and fiscal sustainability of the public service wage bill, in view of the impact of Covid-19 on the economy. After the two-year freeze period, the Commission will review the situation and advice on the remuneration and benefits for the remaining two years.

Overall, the Commission activities during the year saw a positive impact on; attraction and retention of requisite skills in the public service at 95 per cent retention rate, equal pay for work of equal as a result of implementation of job evaluation results, fairness and transparency through continuous engagement with stakeholders, and recognition of performance and productivity through the development of performance and productivity guidelines.

Whereas significant progress has been made in equal pay for work of equal value, the Commission will continue to progressively harmonise pay structures towards the realisation of this principle. Affordability and fiscal sustainability of the wage bill continues to be a challenge. The Commission initiated strategies to address this going forward, key among this being the Allowances Policy Guideline.

I acknowledge all our stakeholders, who participated in numerous physical and virtual webinars, workshops and clinics, for their valuable contribution to the Commission as it implements its mandate. On behalf of the Commission, I assure all stakeholders of our continued and unwavering focus towards the national goals.

I also extend my sincere gratitude and deep appreciation to the members of the Commission and Secretariat staff for ensuring that the Commission met its obligations and mandate.

Lastly, as the country implements the Big Four Agenda and the Third Medium Term Plan of Vision 2030, the Commission is committed to contribute towards the realisation of the country's goals through delivery of its mandate, in collaboration with stakeholders.



Lyn C. Mengich (Mrs.)

Chairperson

Date: 7 March 2022



Subsequently, the Commission advised the public service to freeze salary structures for the next two financial years

Overall, the Commission activities during the year saw a positive impact on; attraction and retention of requisite skills in the public service at

95%
retention rate,



5. REPORT OF THE CHIEF EXECUTIVE OFFICER

The Commission looks back in appreciation for realising several key activities in the financial year 2020/2021, in line with its second Strategic Plan 2019/20 – 2023/24. During the financial year, the Commission remained committed to working with its stakeholders. To build synergistic relationships, the Commission strengthened stakeholder consultative meetings, stakeholder and public participation, and held webinars, workshops, and media and social media engagements, with the resultant creation of awareness and sensitisation.

The Commission re-adjusted its modus operandi, following the impact of the Covid-19 pandemic. With appropriate steps taken during work-from-home and other steps to mitigate the spread of the pandemic, and with the necessary supervision put in place, the Commission ensured its annual work plan was implemented up to 86 per cent.

Key among the achievements of the Commission was on the execution of the Third Public Service Remuneration Review Cycle for the period 2021/22 – 2024/25. This major exercise covered new jobs and jobs that had significantly changed since the last job evaluation in the public service. To achieve buy-in by the public service, SRC undertook several stakeholder engagements to achieve a clearer understanding of their role and secure critical support throughout the exercise.

Salary surveys were also undertaken to provide information on the current compensation levels and trends. The outcome of these tasks was the job grading results and a two-year freeze on review of the basic salary structures, and allowances and benefits paid in the public service in the financial year 2021/2022 – 2022/23 due to negative effects of the Covid-19 pandemic on the economy. The Commission also commenced a job evaluation exercise for State officers, and which shall also be completed by the end of the financial year.

Looking at automation, the Commission developed a prototype compliance check system to enhance the Commission's coverage of compliance across the public service.



Key among the achievements of the Commission was on the execution of the Third Public Sector Remuneration Review Cycle for the period 2021/22 – 2024/25.

The system, which is expected to be undertaken through an online portal, will roll out fully in the next financial year. It will provide a channel for feedback mechanism between the Commission and public institutions, and a channel for data collection on compliance from public institutions.

To achieve transparency, accountability, equity and fairness in payment of allowances and benefits, and to ensure affordability and fiscal sustainability of wage bill in the public service, SRC developed a draft Allowances and Benefits Policy Guideline, 2020.

Further, the Commission revised the Public Service Remuneration and Benefits Policy Guideline, 2015, which elaborates the principles that govern determination of remuneration and benefits, and policy objectives on public service remuneration. These two policy guidelines were subjected to public participation, and SRC received substantial input from stakeholders. The policy guidelines are being finalised and will be released for implementation in the coming year.

As part of promoting closer collaborations with key institutions and ensuring compliance on SRC's advisories, the Commission reviewed Memorandum of Understanding for potential engagement with the Office of Auditor General and EACC on matters of mutual benefit and interest.

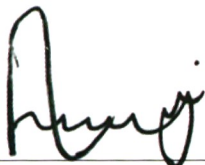
In the spirit of humanity and support to the most vulnerable sections of our society, SRC undertook two Corporate Social Responsibility initiatives by firstly, providing financial and in-kind donations to a vulnerable boxing club in Kibera, and secondly, engaged in an environmental conservation initiative where over 1,000 tree seedlings were grown at Lenana School.

In partnership with NTV and other high level stakeholders in the public and private sector, the Commission participated in the virtual Nation Leadership Forum, where it reflected three key thematic areas on; the public service wage bill, allowances and benefits, and performance and productivity. The fora, which had wide viewership, highlighted the progress, challenges and way forward in these key thematic areas of the Commission.

The Commission's final approved budget of Ksh 459.73 million compares with Ksh 450.36 million in the financial year ended 30 June 2020, which is an increase of Ksh 9.37 million (2.08%). Further, the Commission incurred a total of Ksh 441.79 million in actual expenditure, which translates to a positive absorption rate of 96.1 per cent, enabling SRC to achieve a high implementation rate for its planned activities for the financial year.

I sincerely thank our stakeholders and partners for their continued support and collaboration throughout the financial year. In particular, I commend the World Bank for the technical and consultancy support it accorded the Commission.

Finally, I acknowledge the Chairperson, Members of the Commission and Secretariat staff for their collective effort, dedication, commitment and reliance in propelling SRC towards meeting its constitutional mandate.



Anne R. Gitau, MBS (Mrs.)

Commission Secretary/Chief Executive Officer

Date: 7 March 2022



Looking at automation, the Commission developed a prototype compliance check system to enhance the Commission's coverage of compliance across the public sector

We engaged in an environmental conservation initiative where over



1,000
tree seedlings

were grown at Lenana School.



“

To achieve transparency, accountability, equity and fairness in payment of allowances and benefits, and to ensure affordability and fiscal sustainability of wage bill in the public sector, SRC developed a draft Allowances and Benefits Policy Guideline, 2020.

6. REVIEW OF SALARIES AND REMUNERATION COMMISSION PERFORMANCE FOR THE FINANCIAL YEAR 2020/2021

Section 81 Sub-section 2(f) of the Public Finance Management (PFM) Act, 2012, requires the Accounting Officer to include, in the financial statements, a statement of the Commission's performance against predetermined objectives.

SRC has five Key Result Areas (KRAs) and objectives within its Strategic Plan 2019/2020 – 2023/2024. These KRAs are as follows:

KRA 1: Fiscal sustainability of public service wage bill

KRA 2: Remuneration and benefits

KRA 3: Policy and legal framework

KRA 4: Collaboration and partnerships

KRA 5: Institutional capacity

The Commission developed its annual work plans based on the above five KRAs. The assessment of the Commission's performance against its annual work plan is done on a quarterly basis. The achievement of the performance targets set for the Financial Year (FY) 2020/2021 is as below:

Strategic Pillar	Objective	Key Performance Indicators	Planned Activities	Key Achievements
KRA 1: Fiscal sustainability of public service wage bill	To contribute to achieving and maintaining an affordable and fiscally sustainable remuneration regime	Approved frame work	Develop a framework for implementation of the 8th Summit Resolutions on the National Wage Bill Conference (NWBC), 2019.	The Commission developed the governance framework to coordinate implementation of the 8th Summit resolutions. An inter-governmental multi-agency team was established to implement the resolutions of the NWBC 2019.
		Contributory pension scheme	Collaborate with stakeholders for implementation of the contributory pension scheme	The activity was finalised and rolled out by the NT&P in January 2021.
		Performance and Productivity recognition Framework and Policy Guideline	Develop a framework and policy guideline for recognising performance and productivity	Draft framework was developed and is awaiting stakeholder input.

Strategic Pillar	Objective	Key Performance Indicators	Planned Activities	Key Achievements
KRA 2: Remuneration and Benefits	To contribute to achieving equitable, affordable and fair remuneration and benefits	Advice on Collective Bargaining Agreements (CBAs)	Review CBA requests presented to the Commission in line with the Service Delivery Charter	11 CBAs were reviewed in line with SRC guidelines.
	To enable the public service to achieve equitable, affordable and fair remuneration and benefits	No. of public service institutions sensitised on job evaluation (JE)	Capacity build the public service on JE	The Commission carried out sensitisation on JE and a total of 433 institutions were sensitised.
		% of JE requests processed	Carry out JE on all jobs as requested by public institutions	The Commission evaluated all jobs as were requested by institutions and developed a grading structure and harmonisation framework to guide the process.
		Reviewed JE policy guidelines	Review JE guidelines and circulate to the public service	Guidelines were reviewed and circulated
		Allowance and Benefits Policy Guideline	Develop policy guideline on Allowances and Benefits	The policy guideline was developed and is awaiting stakeholder input and public participation
KRA3 Policy guidelines and legal frame work	To reinforce the Commission's mandate	Concept paper and inception report on Public Service Remuneration and Benefits (PSRB) Policy guidelines	Review PSRB Policy Guideline	Terms of Reference (ToR) for short term consultancy for the revision of the PSRB Policy Guideline were developed and approved

Strategic Pillar	Objective	Key Performance Indicators	Planned Activities	Key Achievements
KRA 5 Institutional capacity	To institutionalise corporate governance	Approved policies, procedure manuals and service charters	Develop and review policies and procedure manuals. Reviewed institutional, departmental and directorate service charters	Service charters for all departments and directorates were developed and approved
		Financial reports forwarded to the NT&P and Office of the Auditor General (OAG) within the stipulated timelines	Compliance with PFM Act, 2012, and PFM Regulations, 2015	Financial reports were prepared in line with the relevant regulations and forwarded to the NT&P and OAG within the stipulated timelines
	To enhance the Commission's financial ability to discharge its mandate	Commission activities funded	Engage the government and development partners to fund the Commission's activities	Funding was secured from the NT&P. The Public Finance Management Reforms (PFMR) project supported the Commission by funding some of the activities
	To build a versatile, competent, highly performing and motivated workforce	Approved career planning strategy and career progression strategy	Develop a robust career planning and management strategy	Career guidelines were developed, approved and implemented
	To enhance operational efficiency	Leverage on technology	Automate business processes	The Commission commenced the process of automating JE through procurement of a JE system. Additionally, an automated compliance checks system was procured to ease submission of data by public service institutions.



“

The Chairperson and Members of the Commission, and the management possess a range of requisite skills, qualifications and experience to manage the Commission

7. CORPORATE GOVERNANCE STATEMENT

The objects of SRC are stipulated under Article 249 of the constitution. In fulfilment of the objects, the Chairperson and Members of the Commission assume the ultimate responsibility of ensuring that the Commission is accountable to the public and complies with the highest standards of corporate governance.

The Commission believes in embracing corporate governance through the creation of the right corporate culture and values. The Commission exercises due care in ensuring that the management of the Commission affairs is carried out in the best interest of the government and the public. The Chairperson and Members of the Commission, and the management possess a range of requisite skills, qualifications and experience to manage the Commission, and work in compliance with the provision of Chapter Six of the constitution.

7.1 Responsibilities

In recognition of their ultimate responsibility to the Commission's affairs, the Chairperson and Members of the Commission focal point to guide their decisions and actions is based on a foundation of good governance, and on the Commission's core values, which are, fairness, accountability, collaboration, integrity, innovation and transparency.

The roles and responsibilities of the Chairperson and Members of the Commission include, but not limited to the following;

1. Formulation and approval of the Commission's vision, mission, core values, strategy and work plans;
2. Approval of the annual budget and financial statements;
3. Approval of operational policies and manuals.

7.2 Role of the Chairperson

The Commission is chaired by the Chairperson who is appointed by the President of the Republic of Kenya in accordance with provisions of Article 230(2) of the constitution and Section 4 of SRC Act, 2011.

The Chairperson is responsible for the overall Commission's leadership and effectiveness; ensures that key tasks of the Commission are properly understood by the Members and the Secretariat; and assumes overall responsibility for all the Commission's decisions, severally with other members.

7.3 Role of the Commission Secretary

The Commission Secretary is appointed by the Commission in accordance with Section 16 of SRC Act, 2011. The Commission Secretary doubles as the Secretary to the Commission and the head of the Commission Secretariat.

The Commission Secretary is responsible for the overall leadership and day-to-day management of the Commission's operations; efficient and effective management of the Secretariat; performance management, operational controls, ethical conduct, and good corporate governance.



The Commission believes in embracing corporate governance through the creation of the right corporate culture and values.



We have a structured system of operation made up of Committees, which assist in discharging its mandate, responsibilities and obligations.

7.4 Commission structure and composition

The Commission is composed of the Chairperson, ten Members nominated by various bodies and appointed by the President of the Republic of Kenya, and three ex-officio Members representing government ministries. Seven Members of the Commission representing various bodies were gazetted on 11 September 2018. One nominee from the JSC is yet to be appointed.

Functions of the Commission are carried out under a defined structure made up of the Commission, Standing and/or Ad-Hoc Committees, which facilitate the discharge of the Commission's mandate. The Committees assist the Commission in its responsibilities and obligations in ensuring that there are independent oversight of internal controls and risk management.

7.5 Members of the Commission Remuneration

The Commission and its Committees meet regularly in accordance with weekly and monthly schedules. Following the miscellaneous amendment to SRC Act, 11 Members are serving on a full time basis earning a salary from the Consolidated Fund Services (CFS), while the three ex-officio Members earn a sitting allowance for meetings they attend up to a maximum of eight meetings per month.

7.6 Commission meetings and Committees

The Commission has a structured system of operation made up of Committees, which assist in discharging its mandate, responsibilities and obligations. The Commission delegates specific functions to selected Committees with defined formal ToR, without abdicating its ultimate responsibility.

The ToR clearly identify matters reserved for the Commission and Committees. The Committees make recommendations to the Commission for consideration and adoption/resolution.

The membership and chairmanship of the Committees is regularly reviewed by the Commission, which is responsible for filling any vacancies. The Commission is cognisant of the fact that collectively, Members have sufficient qualifications and experience in fulfilling the duties of the respective Committees.

The Committees' Chairpersons appraise the Commission meetings of their activities on a regular basis, through oral and/or written reports. The agenda items for the Commission meetings are set in consultation with the Chairpersons of the Committees.

During the year, the Commission had seven Committees. Their function and membership are as stipulated in the next page.

a) Wage Bill Management Committee

The Wage Bill Management Committee (WBMC) was in charge of matters related to the national wage bill management, so as to ensure the total public wage bill is sustainable, and the preparation of remuneration guidelines towards achieving a sustainable wage bill. It was chaired by John K. Monyoncho. Members included, CPA. Sophie Moturi and Nelly P. Ashubwe. The Committee held a total of 20 meetings during the year under review.

b) Job Evaluation and Salary Structures Committee

The Job Evaluation and Salary Structures (JESSC) Committee was in charge of the development and implementation of a robust policy framework for JE in the public service, the development and support to the implementation of JE guidelines, and the provision of oversight in the review of JE reviews. It was chaired by Dr. Amani Y. Komora, with Dr. Leah M. Mumbua and Catherine Wahome as Members. The Committee held 17 meetings during the year under review.

e) Corporate Services Committee

The mandate of the Corporate Services Committee (CSC) included, but not limited to, overseeing the development and implementation of the Commission's strategic plan, providing oversight and governance on issues pertaining to administration, HR management and financial services. It was chaired by CPA. Sophie Moturi, with Members being, Dr. Leah M. Mumbua, Margaret Sawe and Hon. Amina A. Abdalla. The Committee held 25 meetings during the year under review.

c) Legal and Policy Framework Committee

The Legal and Policy Framework Committee (LPFC) was charged with ensuring that legislation, regulations and guidelines are in accordance with the Commission's constitutional mandate and provide guidance on alternative dispute resolution mechanisms, among others. It was chaired by Nelly P. Ashubwe, with, John K. Monyoncho and Christine Agimba as Members. The Committee held 10 meetings during the year under review.

d) Corporate Image and Stakeholder Management Committee

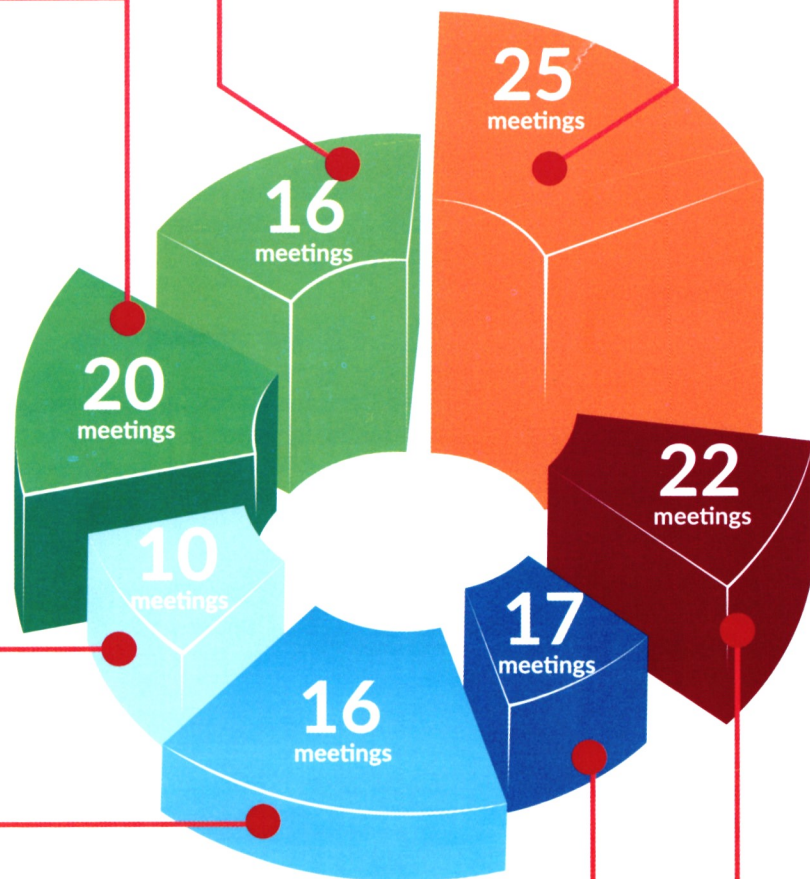
The mandate of the Corporate Image and Stakeholder Management Committee (CISMC) was to develop and approve a stakeholder engagement strategy with supporting processes to manage communications to stakeholders. Dr. Leah M. Mumbua chaired the Committee, with Dr. Amani Y. Komora, Hon. Dalmas A. Otieno, and Margaret Sawe as Members. The Committee held 16 meetings during the year under review.

f) Audit, Risk, and Compliance Committee

The Audit, Risk and Compliance Committee (ARCC) mandate was to examine internal and external audit reports, review the Commission's financial statements, risks and internal controls and compliance. CPA. Jane Muthaura chaired the Committee. Other Members included, CPA. James Sambu, Dr. Amani Komora and Hon. Amb. Ukur Yatani. Both CPA. Muthaura and CPA Sambu are independent Members serving on part-time basis. The Committee held 17 meetings during the year.

g) Allowances and Benefits Committee

The mandate of the Allowances and Benefits Committee (ABC) was to advise on the allowances and benefits payable in the public service and provide oversight in development, and make recommendations to the Commission on policy guidelines direction on allowances in the public service. Hon. Dalmas A. Otieno chaired the Committee, with other Members being, CPA. Sophie Moturi, Dr. Julius Muia and Margaret Sawe. The Committee held 22 meetings during the year.



During the year, the Commission held 233 meetings comprising 112 Commission meetings and 121 Committee meetings, as reflected in the table below.

S/No.	Name	COMM	WBMC	JESSC	LPFC	CISMC	CSC	ARCC	ABC
1	Lyn Cherop Mengich	109	Not Applicable (N/A)	N/A	N/A	N/A	N/A	N/A	N/A
2	Hon. Dalmas Otieno, EGH	92	N/A	N/A	N/A	0	N/A	N/A	0
3	Dr. Leah Mumbua Munyao	94	N/A	12	N/A	13	18	N/A	N/A
4	John Kennedy Monyoncho	99	20	N/A	9	N/A	N/A	N/A	N/A
5	Margaret Sawe	94	N/A	N/A	N/A	14	21	N/A	22
6	Nelly Peris Ashubwe	108	18	N/A	10	N/A	N/A	N/A	N/A
7	Dr. Amani Yuda Komora	100	N/A	17	N/A	15	N/A	9	N/A
8	CPA. Sophie Moturi, MBS	98	8	N/A	N/A	N/A	19	N/A	17
9	Hon. Amina Abdallah, CBS	97	N/A	12	N/A	N/A	19	N/A	N/A
10	Prof. Margaret Kobia, PhD, MGH / Catherine Wahome	81	N/A	12	N/A	N/A	N/A	N/A	19
11	Hon. Justice (Rtd) Paul Kariuki Kihara / Christine Agimba	93	N/A	N/A	7	N/A	N/A	N/A	N/A
12	Hon. Amb. Ukur Yatani	95	N/A	N/A	N/A	N/A	N/A	6	19

Independent Members of the Audit Committee

1	CPA. Jane Muthaura	N/A	N/A	N/A	N/A	N/A	N/A	15	N/A
2	CPA. James Sambu	N/A	N/A	N/A	N/A	N/A	N/A	11	N/A
Total meetings held		112	20	17	10	16	25	17	22

7.7 Statement of compliance and conflict of interest

To the best of the Commission and management's knowledge, no person, employee or agent acting on behalf of the Commission, with the knowledge of authority of the Commission or management, committed any offence under the Prevention of Corruption Act or indulged in any unethical behaviour in the conduct of the Commission's business, or been involved in money laundering, or any practice or activity contrary to national laws or international conventions.

7.8 Code of conduct

Each Member of the Commission derives his/her authority and position from a legitimate nomination procedure. However, on becoming a Member, he/she becomes bound by the overriding fiduciary duty to act in good faith in pursuit of the best interest of the Commission as a whole. In the discharge of their duties, Members operate within the framework of a collective Commission. In order to enable the Members to operate effectively and in the best interest of the Commission, all Members observe rules and regulations governing the conduct of Commission as contained in its manual.

233 meetings

During the year, the Commission held 233 meetings comprising

112

Commission meetings and 121 Committee meetings,

11. STATEMENT OF THE RESPONSIBILITIES OF THE CHAIRPERSON AND MEMBERS OF THE COMMISSION

7.9 Risk management

The Members of the Commission are committed to a process of Enterprise Risk Management that guides in the identification of strategic and operational risks through a structured, systematic, proactive and integrated process.

This is done through a risk management framework, which enables the management to focus in a comprehensive and holistic manner on all risks faced by the Commission.

A risk management policy established by the Commission is one of the important steps in ensuring that the management identifies and manages all risks, and further that the Members of the Commission provide oversight, as well as policy direction in managing risks.

7.9.1 Risk management structure and roles

Risk management on an enterprise-wide basis requires an integrated approach between the various risk-related specialists, department and staff.

The risk management structure of the Commission comprises; the Audit Committee, the management team, and a Risk Committee at the Secretariat level composed of representatives from each department.

7.9.2 Role of the Audit Committee

The Commission established committees among them, the Audit Committee, whose mandate is to monitor the implementation of a risk management framework established by the Commission.

The Committee also ensures that the risk management system implemented by management meets the requirements set out in the policy.

7.9.3 Role of Internal Audit and Risk

In addition to implementation of the risk management framework, the Commission has an independent Internal Audit and Risk Department, whose function is to provide independent assurance to the Commission and management through structured audits, reviews, testing and other techniques, carrying out risk-based audits, reporting on effectiveness and efficiency of risk management process, as well as reporting on the Commission's compliance with the risk policy.

Chairperson
Nairobi

Date: 7 March 2022

Continuous risk assurance audits were conducted during the year to review the Commission's risk status.

A review of the strategic and operational risk registers was undertaken.

7.9.4 Role of management team

The management team's role in risk management is that of implementing the risk framework established by the Commission.

In addition, the management receives and approves quarterly reports on operational risk management issues, and reports to the Audit Committee and the Commission, on any strategic risks identified.

The management team also approves risk-mitigating actions to be taken by the Secretariat's risk committee, contributes to the development of the Risk Management System, and arranges internal audits on the risk management process at appropriate intervals on behalf of the Commission.

7.9.5 Risk categories

The Commission has identified and categorised risks as follows:

1. Strategic risks: These arise out of the Commission's strategic plan.
2. Financial risks: They are associated with the financial operations of the Commission.
3. Operational risks: These are risks associated with the operations of the Commission.
4. Legal and regulatory risks: Legal risks can arise from non-compliance with the legal and regulatory requirements.

7.9.6 Risk training and awareness

The Commission's commitment to risk management has also been evidenced by the awareness and continuous training offered to the Members of the Commission, management and staff of the Commission throughout the year.



Mrs. Anne R. Gitau MBS
Commission Secretary/Chief Executive Officer
Nairobi

Date: 7 March 2022



Salaries & Remuneration
Commission

R e w a r d i n g p r o d u c t i v i t y

**Annual Report And Financial Statements
For The Financial Year Ending 30 June 2021**

Prepared in accordance with the Accrual Basis of Accounting under
the International Public Service Accounting Standards (IPSAS)

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS	2
1. KEY COMMISSION INFORMATION AND MANAGEMENT	3
2. CHAIRPERSON AND MEMBERS OF THE COMMISSION	7
3. MANAGEMENT TEAM	15
4. CHAIRPERSON'S STATEMENT	16
5. REPORT OF THE CHIEF EXECUTIVE OFFICER	18
6. REVIEW OF SALARIES AND REMUNERATION COMMISSION PERFORMANCE FOR THE FINANCIAL YEAR 2020/2021	21
7. CORPORATE GOVERNANCE STATEMENT	25
8. MANAGEMENT DISCUSSION AND ANALYSIS	31
9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING	41
10. REPORT OF THE COMMISSION	45
11. STATEMENT OF THE RESPONSIBILITIES OF THE CHAIRPERSON AND MEMBERS OF THE COMMISSION	47
12. REPORT OF THE INDEPENDENT AUDITOR FOR THE FINANCIAL STATEMENTS	49
13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021	55
14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021	56
15. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021	57
16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021	58
17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021	59
18. NOTES TO THE FINANCIAL STATEMENTS	61
APPENDIX I: PROGRESS ON THE FOLLOW UP OF THE AUDITOR'S RECOMMENDATIONS	73
APPENDIX II: EXCHEQUER TRANSFERS	74
APPENDIX III: CIRCULARS AND ADVISORIES	75



“

The Chairperson and Members of the Commission are responsible for the preparation and presentation of SRC's financial statements, which give a true and fair view of the state of affairs of the Commission as at the end of the FY ended 30 June 2021

11. STATEMENT OF THE RESPONSIBILITIES OF THE CHAIRPERSON AND MEMBERS OF THE COMMISSION

Section 81 of the PFM Act, 2012, and Section 23 of SRC Act, 2011, requires the Commission to prepare financial statements in respect of SRC, which give a true and fair view of the state of affairs of the Commission as at the end of the financial year and the operating results of the Commission for that year.

The Chairperson and Members of the Commission are also required to ensure that the Commission keeps proper accounting records, which disclose with reasonable accuracy of the financial position of the Commission. The Chairperson and Members of the Commission are also responsible for safeguarding the assets of the Commission.

The Chairperson and Members of the Commission are responsible for the preparation and presentation of SRC's financial statements, which give a true and fair view of the state of affairs of the Commission as at the end of the FY ended 30 June 2021.

This responsibility includes: (a) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (b) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Commission; (c) 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; (d) safeguarding the assets of the Commission; (e) selecting and applying appropriate accounting policies; and (f) making accounting estimates that are reasonable in the circumstances.

The Chairperson and Members of the Commission accept responsibility for SRC's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IPSAS, and in the manner required by the PFM Act, 2012, and SRC Act, 2011.

The Members are of the opinion that SRC's financial statements give a true and fair view of the state of the Commission's transactions during the FY ended 30 June 2021, and of its financial position as at that date. The Chairperson and Members of the Commission further confirm the completeness of accounts records maintained by the Commission, which have been relied upon in the preparation of the Commission's financial statements, as well as the adequacy of the systems of internal financial control.

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

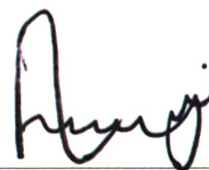
Approval of the financial statements

SRC's financial statements were approved by the Commission on 7 March 2022, and signed on its behalf by:



Lyn Mengich
Chairperson
Nairobi

Date: 7 March 2022



Mrs. Anne R. Gitau, MBS
Commission Secretary/Chief Executive Officer
Nairobi

Date: 7 March 2022

(c) Revenue

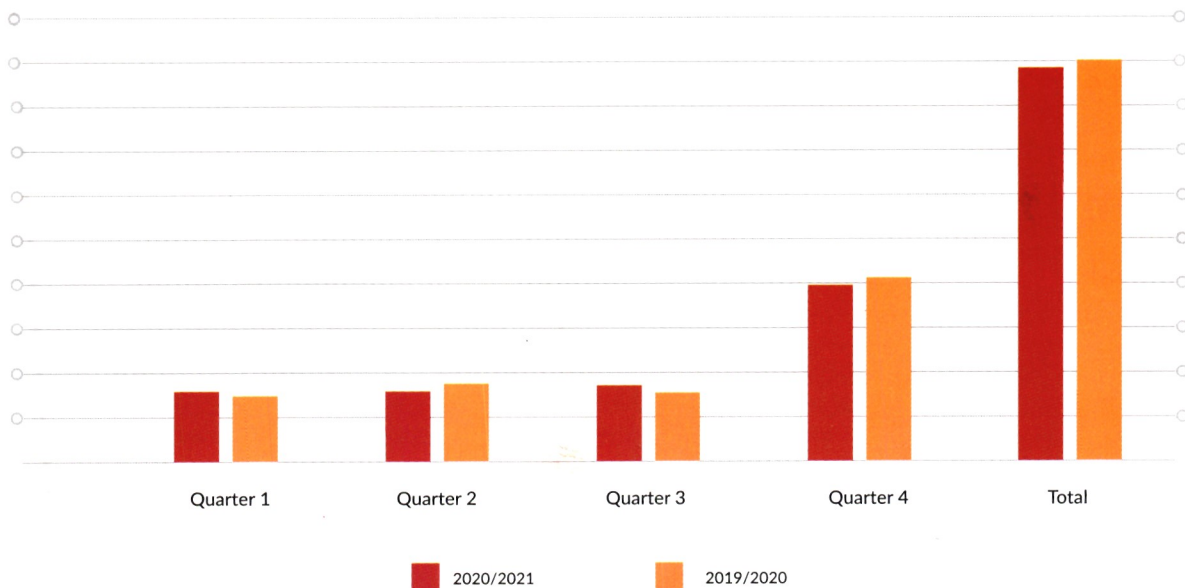
In the financial year under review, revenue from government grants amounted to Ksh 442.89 million. This represented 96.34 per cent of the Commission's approved budget of Ksh 459.73 million.

The analysis of the exchequer receipts and the comparatives for the previous financial year are summarised in Table 3 below.

Table 3: Comparable statement of exchequer receipts for the FY 2020/2021 and 2019/2020 (Amount in Ksh)

Period	2020/2021	2019/2020
Quarter 1	79,944,086	74,045,787
Quarter 2	79,067,606	89,791,907
Quarter 3	85,778,273	79,152,040
Quarter 4	198,099,263	207,370,266
Total	442,889,228	450,360,000

Exchequer Receipts for 2022/2021 and 2019/2020



(b) Overall Expenditure Analysis

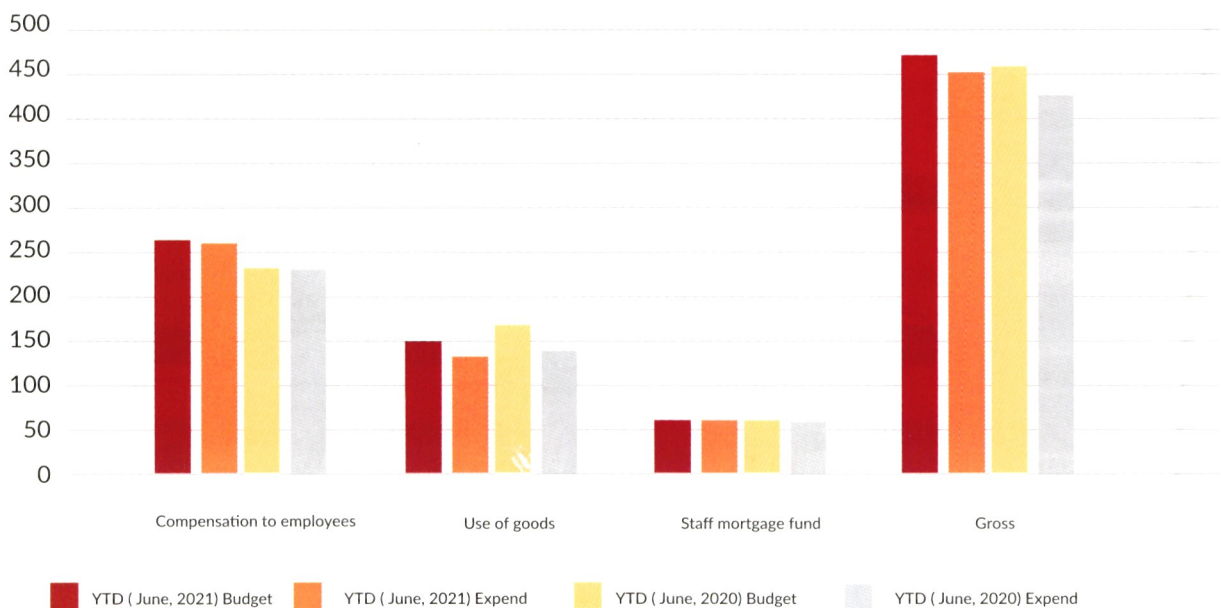
The Commission incurred a total of Ksh 441.79 million in actual expenditure, which translates to an absorption rate of 96.1 per cent of the approved budget for the FY 2020/21. Of the Ksh 441.79 million, Ksh.245 million was spent on compensation to employees, Ksh 133.31 million was on use of goods and services, Ksh 5.37 million was spent on refurbishment of buildings and Ksh 58.15 million was transferred to the staff mortgage and car loan scheme.

The overall performance for the period to 30 June 2021 is summarised in Table 2 below.

Table 2. Overall budget performance for the period to 30 June 2021 of the FY 2020/2021 in comparison to FY 2019/2020 (Ksh millions)

Period	YTD (June 2021)			YTD (June 2020)			% Change
Description	Budget	Expend	Absorb (%)	Budget	Expend	Absorb (%)	
Compensation to employees	248.46	245	98.6	226.90	223.80	98.64	0.02
Use of goods	144.91	133.31	92	164.36	135.26	82.29	10.08
Refurbishments	8.2	5.37	65.5	-	-	-	-
Staff Mortgage and Car Loan fund	58.15	58.15	100.00	59.10	59.10	100.00	-
Gross	459.73	442.49	96.2%	450.36	418.16	92.85	3.35%

Overall Budget Performance



8.3. Financial Performance Analysis

(a) Approved Budget Analysis

The Commission had a final approved budget of Ksh 459.73 million constituting of Ksh 248.46 million for personnel emoluments, Ksh 144.90 million for use of goods and services, Ksh 8.21 million on refurbishment and Ksh 58.15 million for staff mortgage and car loan scheme, compared to an approved budget of Ksh 450.36 million in the financial year ended 30 June 2020, thus, an increase of Ksh 9.37 million (2.08 per cent). The revenue estimates were based on approved activities carried out by the Commission in the year under review.

Table 1: Comparative approved budget for the FY 2020/2021 and 2019/2020

Details	Budget 2020/2021	Budget 2019/2020	Increase/ (Decrease)	% Increase/ (Decrease)
	Amount in Kenya Shillings (Ksh)			
Personnel emoluments	248,459,397	226,895,400	21,563,997	9.5
Use of goods and services	144,909,940	164,364,600	(19,454,660)	(11.84)
Others	66,360,663	59,100,000	7,260,663	12.28
Total	459,730,000	450,360,000	9,370,000	2.08

Approved Budget Analysis





l) Mobilisation, sensitisation and engagements on the Third Remuneration Review Cycle

In an endeavour to ensure effective stakeholder participation in the JE process, the Commission undertook webinars to sensitise stakeholders in the respective institutions on the purpose and benefits of the JE exercise. This ensured buy-in and clarity among stakeholders on their expected role and support. The overall participation by the public service institutions was 65 per cent, representing 249 institutions out of 384 invited institutions. 135 institutions did not participate in the meetings. 45 institutions did not participate in the meetings.

Further, the Commission undertook capacity building for CEOs, Heads of HR, Heads of Departments and Job Descriptions Analysis Committee (JDAC) members in public service institutions, focusing on the development of job descriptions and JE.

The Commission also undertook JE results validation through workshops and/or clinics so as to share with stakeholders the preliminary results from the JE exercise and secure their input for incorporation before the official release of the results. This ensured ownership of the JE results so as to facilitate seamless implementation upon issuance of the advice by the Commission.

m) Salary survey for the Third Remuneration Review Cycle

Pursuant to Section 11(d) of SRC Act, 2011, which mandates the Commission to conduct comparative salary surveys on labour markets and trends in remuneration to determine the monetary worth of the jobs in public offices, the Commission undertook three distinct salary surveys. These are: salary survey of all public service institutions; salary survey of benchmark jobs in private sector institutions; and international benchmarking for selected State officers' jobs. The surveys provided information on prevailing compensation levels and trends, including policies and practices, to inform salary structures for the remuneration review cycle for the period 2021/22 – 2024/25.

Through a consultancy by Horizon Business Solutions Limited, the Commission carried out a salary survey for selected private sector institutions to collect data to inform the salary structures for the third remuneration review cycle. In addition, through a consultancy by the Jomo Kenyatta University of Agriculture and Technology Enterprises Limited, the Commission carried out an international salary survey for State officer jobs, through a desk review, which would inform the salary structures for State officers.

n) Corporate Communications

The Commission built synergistic relationships and enhanced the corporate image and brand in line with its strategic plan. Besides developing a stakeholder engagement policy, brand guideline and style guideline, and standardising SRC's internal document formats, the Commission held consultative meetings and webinars with key stakeholders in the national and county governments.

The Commission undertook public participation on the Allowances and Benefits Policy Guideline, and the PSRB Policy Guideline. In partnership with NTV, SRC organised virtual sessions on the Nation Leadership Forum focusing on the public service wage bill, the allowances policy guideline and performance and productivity.

To enhance visibility, the Commission engaged the media on various issues of interest such as, the industrial action by the medical fraternity, the third remuneration review cycle, MPs pension and house allowances, housing benefit for governors, PSRB Policy Guideline, Allowances and Benefits Policy Guideline, and MCAs car grant, among others. The engagement included the issuing of media advisories, press releases, press briefings, media interviews, and responding to media enquiries. To keep stakeholders and partners abreast on SRC's policies and activities, SRC regularly updated its website and social media presence.



j) Allowances and Benefits Policy Guideline, 2020

Pursuant to resolutions of the 8th Summit held on 21 February 2020, arising from the NWBC, 2019, the Commission developed the Allowances and Benefits Policy Guideline, 2020. The policy guideline provides a structured approach for streamlining the management and administration of allowances so as to improve transparency, accountability, equity and fairness, and thereby ensure that the total public compensation bill is affordable and fiscally sustainable.

The Commission shared the policy guideline with key selected public service stakeholders, and the public, with feedback received, consolidated, analysed and finalised.

The Commission also prepared a concept note and technical paper on the development of the PSRB Policy Guideline and harmonisation of the retirements benefit laws. This exercise, which shall be undertaken in the next financial year, is expected to be undertaken by a consultant.



k) Job Evaluation and Salary Structures

The Commission developed and issued Guideline on Conducting Job Evaluation for the Public Service Remuneration Review Cycle, 2021/22 – 2024/25. The guideline leveraged on the experiences and lessons learnt from the previous JE exercise. Subsequently, in addition to providing clear criteria for the identification of jobs to be evaluated, the guideline provided direction on the preparation of job descriptions, which are critical input for effective JE.

The Commission undertook sensitisation and capacity building on JE processes for public service institutions. In this regard, the Commission received and reviewed submissions of approved job description manuals and other HR instruments. Further, the Commission embarked on the JE exercise in public service institutions.

The institutions were clustered into seven broad categories for an effective evaluation process, as follows: 1) State officers; 2) Civil service, statutory boards, tribunals, Commissions and Committees; 3) County governments; 4) Constitutional Commissions and Independent Officers; 5) Disciplined services; 6) Public universities, research institutions and specialised institutions; 7) Service and regulatory State corporations; and 8) Commercial and strategic State corporations.

The JE process resulted in job grading results that provides a systematic and objective criterion for the determination of relative worth of jobs in the public service. The resultant rationalised, harmonised, and equitable job-grading structure provided an objective and defensible mechanism for developing salary structures.



i.) Collective bargaining negotiations

Pursuant to the resolutions of the 8th Summit held on 21 February 2020, the Commission developed a memorandum on a Framework and Standing Sectoral Collective Bargaining Negotiation Committee(s) to negotiate on behalf of the national and county governments as employers.

This will facilitate the establishment of a national framework for collective bargaining negotiations (CBN), and for standing sectorial committee(s) to negotiate with trade unions on behalf of the government.

This is expected to ensure the attainment of a fiscally sustainable public service wage bill in a stable labour environment. The memorandum was submitted to the MPSY&G, which is the lead actor, as it implements the 8th Summit resolutions.

In its continued effort to streamline the CBN process in the public service, the Commission partnered with KSG to develop a curriculum on collective bargaining in the public service, aimed at building the capacity of public service institutions.

The training programme was rolled out in June 2021 to empower public officers to effectively undertake the CBN process in respective institutions. The Commission also sensitised employers in public institutions on the revised CBN guideline.

The Commission provided advice on CBNs to 11 public institutions. Some of the institutions included, TSC, Kenya Power and Lighting Company, Kenyatta National Hospital, KPA, and Dedan Kimathi University of Science and Technology, among others.

i) Performance and Productivity

The Commission finalised the Framework and Guideline for Recognising and Rewarding Performance and Productivity in the public service.

The objective of the framework is to establish a mechanism to guide the Commission and public service institutions in operationalising the constitutional principle for recognising and rewarding productivity and performance in the public service, as provided under Article 230(5)(c) of the constitution.

The Commission also worked closely with the MPSY&G to develop a national policy, on performance management. As part of its contribution to the development of the policy, the Commission submitted a memorandum on the policy guidelines.

The Commission also reviewed and issued advisories on the requests for payment of performance incentives to the Kenya Dairy Board, Kenya Pipeline Company, Kenya National Bureau of Statistics, National Police Service Commission and OAG.



d) Compliance checks in the public service

The Commission undertook compliance checks in 29 county government executives and county assemblies through PFMR funding support, with the objective of monitoring compliance levels in the institutions.

The counties were at different levels of compliance with Commission advisories. The most glaring area of non-compliance was the lack of the construction of governors', deputy governors', and speakers' residences. Some of the counties may not construct the residences by the June 2022 deadline.



Compliance visit

REPUBLIC OF KENYA
Salaries & Remuneration Commission

**DRAFT PUBLIC SECTOR REMUNERATION AND BENEFITS POLICY 2021
INVITATION FOR SUBMISSION OF MEMORANDA**

The **Salaries and Remuneration Commission (SRC)** is established under Article 230 of the Constitution of Kenya, 2010, to set and regularly review the remuneration and benefits of all State officers, and to advise the national and county governments on the remuneration and benefits of all other public officers.

Article 230(5) of the constitution and Section 12(1) of SRC Act, 2011 specifies remuneration and benefits principles upon which SRC sets and reviews remuneration and benefits for State officers and advises on remuneration and benefits for other public officers at the national and county governments. The constitution and legal provisions, therefore, give SRC authority to develop the Public Sector Remuneration and Benefits (PSRB) policy to operationalise the principles.

The draft PSRB Policy 2021 is a revision of the 2015 Public Sector Remuneration and Benefits (PSRB) Policy, and in fulfilment of the 8th Summit Resolutions of the National Wage Bill Conference, 2019. Subsequently, pursuant to Articles 10 and 232 of the Constitution of Kenya, 2010, the Commission is seeking views from stakeholders and the public on the draft Public Sector Remuneration and Benefits Policy, to be accessed on the SRC website through the following link: <https://src.go.ke/resource-centre/policies-guideline/>

The Commission is, therefore, inviting stakeholders and the public to submit views through several online/virtually options and platforms, as follows; through SRC's social media platforms (@srckeny on Twitter and Instagram; and Salaries and Remuneration Commission on Facebook and LinkedIn); telephone recording only (0736712864); WhatsApp (0736712864); and email (remuneration@src.go.ke). The Submission Form is available on the SRC website link: <https://src.go.ke/our-stakeholders/our-stakeholders/>.

Kindly note that due to threats posed by the Covid-19 pandemic, and to ensure mitigation efforts, while following the laid down Ministry of Health directives, hardcopy submissions are **NOT** encouraged.

Views from stakeholders and members of the public must all be received on or before **Monday, 14 June 2021**.

VACANT POSITION

The Commission seeks to recruit qualified and competent staff to fill the following vacant positions:

1. **Principal Legal Officer –RL 4**
2. **Procurement Assistant - RL 7**

The details of the position can be accessed in the Commission's website: www.src.go.ke

e) Public Service Remuneration and Benefits Policy Guideline, 2021

The Commission developed the Public Service Remuneration and Benefits Policy Guideline, 2021, through the technical assistance of the World Bank.

The policy guideline was prepared to enhance affordability and fiscal sustainability of the public service wage bill and in tandem, attract and retain requisite skills, achieve transparency, recognise performance and productivity, and enhance fairness and equity of the public service remuneration and benefits system.

The policy guideline underwent stakeholder engagement and public participation.

f) Quarterly wage bill bulletin

The Commission developed three quarterly wage bill bulletins, which contain the latest information on wage bill and other macroeconomic indicators that affect wage bill sustainability.

The bulletins also included advisories issued by the Commission and information on the resultant effect on the wage bill.

g) Memorandum of Understanding

The Commission reviewed and approved, for implementation, a Memorandum of Understanding (MOU) with OAG.

The Commission also held discussions with EACC geared towards entering into an MOU on potential areas of collaboration, and commitments.

The rationale for entering into the two MOUs is to develop and expand the framework of cooperation, especially on sharing of data and enhancing compliance.

The Commission developed three quarterly wage bill bulletins, which contain the latest information on wage bill and other macroeconomic indicators that affect wage bill sustainability.

8.2. Operation Performance Analysis



Recalling the National Wage Bill Conference

The strategic KRAs are the performance areas prioritised by the Commission to achieve its mandate and deliver value to its stakeholders. The following activities were implemented during the financial year 2020/21:

a) Remuneration Guideline for the Public Service

The Commission developed the Remuneration Guideline for the Public Service. The guideline went through stakeholder engagement and public participation. Submissions from stakeholders and the public were incorporated and the guideline was finalised for issuance to the public service. Technical assistance to develop the guideline was provided by the World Bank.

b) Implementation of 8th Summit Resolutions for the National Wage Bill Conference

The implementation of the 8th Summit Resolutions of the NWBC, 2019, has been ongoing throughout the year. The Technical and Steering Committee on the Implementation of the 8th Summit Resolution held several meetings with stakeholders. There has been noted progress in the implementation of the resolutions, albeit slower than envisaged.

c) Automated compliance system

The Commission developed a prototype automated compliance system, which is undergoing testing by both the technical team and the developer.

The system is expected to enhance the Commission's coverage of compliance by public institutions, provide a channel for feedback mechanism between the Commission and public institutions; and provide a channel for data collection on remuneration and benefits.

The rollout of the system and training on its use shall be undertaken in the next financial year. The project is funded through PFMR.

The Commission developed the Remuneration Guideline for the Public Service

8. MANAGEMENT DISCUSSION AND ANALYSIS

8.1. Strategic direction

The Commission is currently implementing its second Strategic Plan 2019/20 – 2023/24, and which coincides with the term of the second Commission and, most notably, coincides with the implementation of the government's Big Four Agenda and the Third Medium Term Plan of Kenya's Vision 2030.

The goals and initiatives of the strategic plan will provide guidance to the Commission over the next five years as it develops activities to realise the stated objectives. These activities support the following five KRAs; Fiscal sustainability of public service wage bill; remuneration and benefits; policy and legal framework; collaboration and partnerships; and institutional capacity.

We are currently implementing its second Strategic Plan 2019/20 – 2023/24 which coincides with the implementation of the government's Big Four Agenda and the Third Medium Term Plan of



**SALARIES &
REMUNERATION
COMMISSION**

**STRATEGIC PLAN
2019/20-2023/24**



SRC is established under Article 230 of the Constitution of Kenya, 2010, and operationalised by SRC Act, 2011

WILLIAMSON