



TEACHERS SERVICE COMMISSION

ANNUAL REPORT 2015-2016







TEACHERS SERVICE COMMISSION

Paper Laid
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ANNUAL REPORT
FOR THE YEAR ENDED
30TH JUNE 2016

VISION, MISSION AND CORE VALUES

Vision

To be a transformative teaching service for quality education

Mission

To professionalise the teaching service for quality education
and development

Core Values

Professionalism

Customer focus

Integrity

Innovativeness

Team spirit

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ABBREVIATIONS & ACRONYMS

AIA	Appropriation in Aid
CBA	Collective Bargaining Agreement
CDF	Constituency Development Fund
EMIS	Education Management Information System
IAS	International Accounting Standards
ICT	Information and Communication Technology
IEC	Information Education and Communication
IFMIS	Integrated Financial Management Information System
IPSAS	International Public Sector Accounting Standards
KNUT	Kenya National Union of Teachers
KUPPET	Kenya Union of Post Primary Education Teachers
LAN	Local Area Network
MTEF	Medium Term Expenditure Framework
PFM	Public Financial Management
SSL	Secure Socket Layer
TMIS	Teacher Management Information System
TPAD	Teacher Performance Appraisal and Development
TPC	Teacher Proficiency Course
TPD	Teacher Professional Development
PC	Performance Contract
PWD	Persons With Disability
WAN	Wide Area Network



DEFINITION OF TERMS

Automation	Use of equipment/devices especially computers in a system or process to improve efficiency or effectiveness.
Digital Literacy	The ability to use information and communication technology to find, evaluate, create and communicate information requiring both cognitive and technical skills.
Hits	The number of times the general website or a service in the website is accessed.
ICT Integration	Use of Information Communication Technology to introduce, reinforce, supplement and transmit knowledge and skills.
Local Area Network	A set of connections that link computers and other devices in a relatively small area such as single building or group of buildings.
Needs assessment	A systematic process of determining needs or "gaps" between current and desired conditions.
Online Service	Service provided by a software application making its facilities available to users over the Internet via an interface.
Professional conduct	A set of qualities, attributes and behavior that is considered acceptable or worthy of its membership by the governing body of a profession.
Quality assurance	A systematic review of educational programmes to ensure maintenance of acceptable standards
Secure Socket Layer	The standard security technology for establishing an encrypted link between a web server and a browser
Wide Area Network	A telecommunications or computer network that extends over a large geographical area



EXECUTIVE SUMMARY

Background of the Commission

The Constitution of Kenya (2010) established the Teachers Service Commission as a Constitutional Commission under Article 237 with the mandate to undertake all teacher management functions serving a workforce of 299,060 teachers deployed in public primary and post primary institutions across the country. The Commission has further amplified its mandate in section 11 of the TSC Act 2012.

The preparation of this Annual report is in compliance with the provisions of Article 254 of the constitution of Kenya. The report covers the period 1st July 2015 to 30th June 2016. It provides a detailed account of the Commission's achievements and milestones in the execution of its mandates. The report also highlights emerging issues and challenges experienced during the period under review. Detailed financial statements for the period are also provided in the report.

Composition and structure of the Commission

The TSC Act 2012, Section 5 (1) provides for the establishment of the Commission consisting of nine members who include the chairperson and eight others appointed under Article 250 of the constitution of Kenya. In addition, Section 13 (1) of the TSC Act mandates the Commission to establish Committees to assist in the performance of its mandate. The Committees thus established include; Human Resource; Strategy and Innovation; Field Services and Finance Committees. The Commission has a secretariat consisting of seven directorates and headed by the Commission Secretary/ Chief Executive.

The Commission's Reform Agenda

In its effort to support the wider government reform agenda, the Commission has initiated programmes whose overall goal is to provide quality education and protect the rights of the Kenyan child within the learning environment. The reform agenda is articulated in the TSC Strategic Plan (2015-2019) and is anchored on three pillars namely;

- i. Teacher competence, conduct and performance management.
- ii. Reforms and innovations in provision of teaching services.
- iii. Service delivery re-engineering and decentralization.

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



Milestones attained during the year under review

During the period under review, the Commission initiated key programmes aimed at providing adequate teaching services and improving the performance and professional conduct of teachers at all levels. In line with government plans and initiatives as articulated in the Vision 2030 Strategy and the education sector plans, the Commission implemented the identified flagship projects in the Medium Term Plan (MTP) II that include: providing teaching services more effectively through a digital platform; hiring of additional teachers in order to lower pupil-teacher ratio; and ensuring teachers devote the required time to teaching and learning in order to improve the quality of education. The Key achievements during the 2015/2016 period are highlighted as follows:

Collective Bargaining Agreement (CBA) between TSC and the Teachers Unions

In June 2016, the Commission signed a four year separate Collective Bargaining Agreements (CBA) with the Kenya National Union of Teachers (KNUT) and Kenya Union of Post Primary Education Teachers (KUPPET) on terms of service for teachers to provide a framework for structured engagement between the parties. This process is expected to enhance industrial harmony and minimize the teachers' strikes experienced in the past.

Institutionalizing Performance Contracting and Teacher Performance Appraisal and Development Systems

In January 2016, the Commission rolled out a performance management system which comprise of Teacher Performance and Development (TPAD) and Performance Contracting instruments for heads of institutions. This was in compliance with its mandate of monitoring the conduct and performance of teachers as provided in section 11 of the TSC Act. All TSC employed teachers in public primary and post primary institutions are now appraised using the new system. These instruments have improved supervision and accountability at the school level.

The Digital Literacy Program (DLP)

During the year under review, the Commission took a leading role in promoting the Digital Literacy Programme (DLP) in line with the government aspirations of integrating ICT in education. Towards this end, the Commission received Kshs 523 million to fund the first phase of the training of teachers on the programme. The programme targeted standard one teachers in each primary school in the country and was carried out in 36 counties. This saw 10,143 teachers trained under the DLP. The trained teachers are expected to be fully equipped with the requisite skills to drive the Digital Literacy Programme once the tablets for class one pupils are procured and distributed to all learning institutions.



Decentralization of teacher management functions

Pursuant to **Articles 6 (3)** and **174 (h)** of the Constitution, the Commission has established county and sub county offices across the country. During the period under review, the County structures were revised and officers competitively deployed to provide decentralized services at various levels. Sub County directors were recruited and deployed in sub-counties. In addition, Curriculum Support Officers were posted to all zones to enhance supervision of teacher performance.

MESSAGE FROM THE COMMISSION CHAIRPERSON



“the Commission negotiated and separately signed a four year Collective Bargaining Agreement (CBA) with the Kenya National Union of Teachers and Kenya Union of Post Primary Education Teachers on 20th and 21st June, 2016 respectively”

It is my pleasure to present the TSC Annual Report for the period 2015/2016. In an endeavor to enhance industrial harmony in the teaching service, the Commission negotiated and separately signed the first ever Collective Bargaining Agreement (CBA) with the Kenya National Union of Teachers (KNUT) and Kenya Union of Post Primary Education Teachers (KUPPET) on 20th and 21st June, 2016 respectively. This historic achievement will provide a framework for structured engagement between the two parties on matters that relate to the welfare of teachers. It also brings to an end the perennial teachers unrests that had characterized the service for many years. During the year, the Commission also continued to deliver its mandate as stipulated in the Constitution and the TSC Act. It is gratifying to note that impressive performance has been realized in the realignment of the Commission's Programmes with the Constitution and the Act. In order to enhance professionalism and integrity in the teaching profession, the Commission reviewed the Code of Regulations for Teachers and the Code of Conduct and Ethics which were published and gazetted vide Kenya Gazette Notice No. 4956 to be used with effect from 1st July, 2016. The two codes were distributed to all public learning Institutions to guide the school managers and teachers in performance of their duties. All TSC field officers were trained to enhance their capacity in the implementation and enforcement of the Codes. In addition, 8,000 head teachers, agents, field staff and other stakeholders were sensitized as measure to entrench professionalism and maintain teaching standards at the school level.

I wish to report that the TSC Strategic Plan for the period 2015-2019 was published and launched. The Plan focuses on three (3) key strategic pillars namely; *Teacher Competence and Performance Management, Reforms and Innovation in provision of teaching services and Service delivery re-engineering and decentralization*. The TSC Mission and Vision statements were also revised to align them with the redefined mandate of the Commission. In pursuance of its agenda on decentralization of services to the county level, a *Hand book on Decentralized Teacher Management Functions* was also published, launched and distributed to all relevant stakeholders.

In conclusion, I wish to thank the Government of Kenya, the Ministry of Education, all stakeholders and development partners for their support as I look forward for continued good working relationship as the Commission endeavors to deliver on quality education and improved teaching services.



DR LYDIA NZOMO, OGW, EBS

MESSAGE FROM THE COMMISSION SECRETARY



The TSC Annual Report for the period 2015/2016 highlights the Commission's performance in implementing its programmes during the period ending 30th June 2016. Among notable achievements were; registration of 54,743 teachers online, recruitment of 8,473 additional and replacement teachers in both public primary and post primary institutions and promotion of 28,235 teachers to various grades in accordance with the TSC schemes of service. In Pursuant to Articles 6 (3) and 174 (h) of the Constitution, the Commission continued to strengthen the county offices by revising the county structures which saw a competitive appointment and deployment of 47 Deputy County directors, 134 Sub County directors and 1,077 Curriculum Support Officers to provide decentralized services at various levels.

“In order to improve the performance of duties, TSC rolled out Performance Contracting and Teacher Performance Appraisal and Development (TPAD) system for heads of institutions and teachers to enhance effectiveness in curriculum implementation for improved learning outcomes”

In January, 2016 the Commission institutionalized and rolled out the Performance Contracting (PC) and Teacher Performance Appraisal and Development (TPAD) system for Heads of Institutions and teachers to enhance effectiveness in curriculum implementation for improved learning outcomes. All TSC County Directors and 800 field officers were trained to guide this process. It is expected that PC and TPAD system will reduce teacher absenteeism, improve punctuality and increase teacher contact hours with the learners. This will consequently improve the learning outcomes and bring about academic excellence in the national examinations.

In its endeavour to promote Digital Literacy Programme (DLP) in line with the Government aspirations, the commission trained 10,143 teachers on the programme in 36 counties to provide them with the requisite skills to effectively integrate Information and Communication Technology (ICT) into the education curriculum. Further, 272 teachers from 150 schools were trained on a pilot basis (one teacher in every stream) to build their capacity at the basic level. A total of 77, 859 teachers have so far been trained under this programme.

Finally, I wish to take this opportunity to thank the Commission Chairperson, all Commissioners and staff for their tireless efforts towards fulfilling our mandate.



NANCY NJERI MACHARIA, OGW, MBS



CHAPTER ONE

INTRODUCTION

1.1 Background of the Teachers Service Commission

The Teachers Service Commission (TSC) was established under TSC Act Cap 212 of 1967 to carry out teacher management functions in the country. Under this arrangement, the Commission operated as a Semi-Autonomous Government Agency under the Ministry of Education. The Constitution of Kenya 2010 re-established the Teachers Service Commission with the mandate to manage the teaching service in the country.

The mandate of the Commission is to; register trained teachers; recruit and employ registered teachers; assign teachers employed for service in any public school or institution; promote and transfer teachers; exercise disciplinary control over teachers and terminate the employment of teachers. The constitution further charges the Commission with the responsibility to review the standards of education and training of persons entering the teaching service; review the demand for and the supply of teachers and advice the national government on matters relating to the teaching profession. In addition, the TSC Act mandates the Commission to facilitate career progression and professional development of teachers and monitor their conduct and performance. The Commission currently manages a teaching force of 299,060 teachers deployed in over 28,000 public educational institutions across the country.

1.2 The composition and structure of the Commission

The Teachers Service Commission has a well-established system of governance that directs and controls its processes and operations in order to balance its interests with those of its stakeholders. The TSC Act 2012, Section 5 (1) provides for the establishment of the Commission consisting of nine members who include the chairperson and eight others appointed under Article 250 of the constitution of Kenya. In addition, Section 13 (1) of the TSC Act mandates the Commission to establish Committees to assist in the performance of its mandate. The Committee thus established include; Human Resource, Strategy and Innovation, Field Services and Finance Committees. The Commission has a secretariat consisting of seven directorates and headed by the Commission Secretary/ Chief Executive.

1.3 The Commission's Reform Agenda

In its effort to support the wider government reform agenda, the Commission has initiated programmes whose overall goal is to provide quality education and protect the rights



of the Kenyan child within the learning environment. The reform agenda is articulated in the TSC Strategic Plan (2015-2019) and is anchored on three pillars namely; teacher competence, conduct and performance management; reforms and innovations in provision of teaching services and Service delivery re-engineering and decentralization.

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

CHAPTER TWO

PERFORMANCE MILESTONES AND ACHIEVEMENTS

2.1 Introduction

The Constitution of Kenya (2010) empowers the Teachers Service Commission to carry out teacher management functions in the country to ensure effective teaching and learning with a view to promoting quality and better learning outcomes. To achieve this, the Commission undertook a variety of programmes during the 2015/2016 period. Highlights of key achievements during the year under review include the following:

2.1.1 Collective Bargaining Agreement (CBA)

During the reporting period, the Commission negotiated and separately signed the first ever Collective Bargaining Agreement (CBA) covering the period 2013-2017 with the Kenya National Union of Teachers and Kenya Union of Post Primary Education Teachers on 20th and 21st June, 2016 respectively. It is expected that this historic CBA will provide a framework for structured engagement between TSC and the teachers' unions on matters that relate to teachers' welfare. The CBA will bring to an end the perennial teacher's unrests that had characterized the service for many years and establish industrial harmony in the education sector.



Left: TSC Chairperson Dr Lydia Nzomo and Kenya Union of Post Primary Teachers (KUPPET) Chairman Omboko Milemba exchange a signed Collective Bargaining Agreement. **Right:** TSC CEO Nancy Macharia and Kenya National Union of Teachers (KNUT) Secretary General Wilson Sossion exchange a signed Collective Bargaining Agreement.

2.1.2 Institutionalizing Performance Contracting and Teacher Performance Appraisal and Development Systems

The Commission is responsible for monitoring the conduct and performance of teachers in the teaching service as provided in section 11 of the TSC Act. In January 2016, the Commission rolled out an open performance management system which comprise of performance appraisal for teachers and performance contracting for heads of institutions. All teachers are now appraised using standards enshrined in the new Teacher Performance Appraisal and Development system. In addition all heads of institutions are required to sign a performance contract that strengthens their commitment in supervision of curriculum implementation at the institutional level.

The purpose of establishing the PC and TPAD systems is to reduce teacher absenteeism, improve punctuality and increase teacher contact hours with the learners. Other benefits of the system include; improvement on the preparation of teaching/learning documents and increased supervision of the learning process. To strengthen the process, all TSC County Directors and 800 field officers were trained on Performance Contracting and Teacher Performance Appraisal and Development. It is expected that Performance Contract and TPAD will in the long run, improve the quality of education and academic standards in the country.



Ann Tsavi and Mueni Kithuku head teacher and deputy head teacher respectively, from Kitui County go through the teacher appraisal document at a sensitization meeting. The Commission introduced Performance Contracting (PC) for heads of institutions and Teacher Performance Appraisal and Development (TPAD) for teachers in January 2016.

2.1.3 The Digital Literacy Program (DLP)

During the year under review, the Commission took a leading role in promoting the Digital Literacy Programme (DLP) in education in line with the government aspirations of integrating ICT in education. The DLP training is designed to provide teachers with the skills to effectively integrate Information and Communication Technology into the existing curriculum. Towards this end, the commission received Kshs 523 million to fund the first phase of the training of teachers on the programme. The programme targeted standard one teachers in each primary school in the country and was carried out in 36 Counties. This saw 10,143 teachers trained under the DLP. Further, 272 teachers from 150 schools were trained on a pilot basis (one teacher in every stream) to build their capacity at the basic level. A total of 77, 859 teachers have so far been trained under this programme. The trained teachers are expected to be fully equipped with the requisite skills to drive the Digital Literacy Programme once the tablets for class one pupils are procured and distributed to all learning institutions.



Commission Secretary, Nancy Macharia, joins the pupils of St Kizito Kathangari Primary School, Embu in celebrating the arrival of tablets in their school. On her left is Jane Onyango, TSC County Director Embu.



2.14 Decentralization of teacher management functions

Pursuant to Articles 6 (3) and 174 (h) of the Constitution, the Commission has established county and sub county offices across the country. During the period under review, the County structures were revised and officers competitively appointed and deployed to provide decentralized services at various levels. This included; 47 Deputy County directors, 134 Sub County Directors and 1,077 Curriculum Support Officers. This decentralization of the teacher management functions is expected to improve service delivery in the teaching service by ensuring easy access to services while reducing time wastage by teachers travelling to seek services at the headquarters. A *Hand Book on Decentralized Teacher Management Functions* was also published and distributed to all relevant stakeholders to guide the decentralization process.

2.1.5 Enhancing Teacher Professionalism and Conduct

In order to enhance professionalism and integrity in the teaching profession, the Commission reviewed the Code of Regulations for Teachers and the Code of Conduct and Ethics which were published and distributed to all public learning Institutions to guide the school managers and teachers in the performance of their duties.

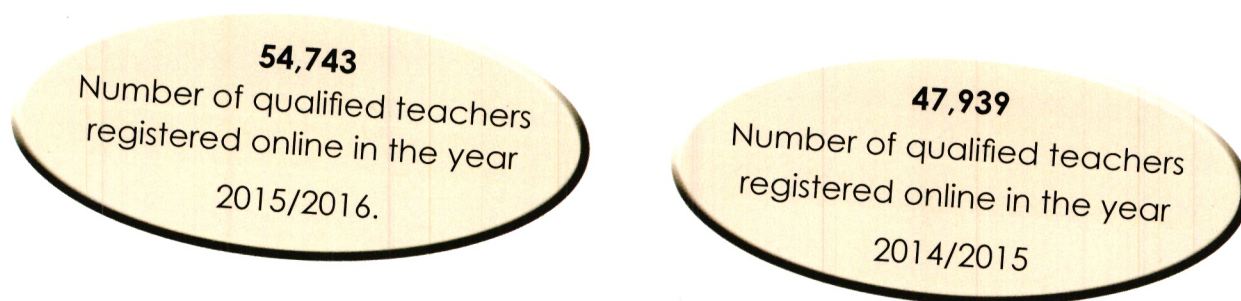
All TSC field officers were trained to enhance their capacity in the implementation and enforcement of the Codes. In addition, 8,000 head teachers, agents, field staff and other stakeholders were sensitized as a measure of entrenching professionalism and maintenance of teaching standards at the school level.

2.2 Highlights on other Achievements

2.2.1 Teacher registration

The Commission registered 54,743 qualified teachers online during the 2015/2016 period compared to 47, 939 registered the previous year. This translates to an increase of 14.2%. This increase is attributed to reduced turn-around time of registration as a result improved online teacher management services.

Figure 1: Teacher Registration





2.2.2 Recruitment of teachers

During the period under review, 8,616 were recruited, which includes 3,844 in post primary and 4,772 in primary institutions. There was a decline in exits due to natural attrition in the year under review that caused a drop in recruitment of replacement teachers compared to the performance in 2014/2015. Among the teachers recruited for primary schools 2,481 were additional teachers which has reduced the teacher shortage in primary schools from 44,732 in 2014/15 to 42, 251 in 2015/16. This translated to a decrease in teacher shortage of 5.6 percent. However, the shortage in post primary institutions increased by 2,608 from 45, 498 in 2014/2015 to 48, 106. This is attributed to higher transition rates from primary to secondary and establishment of new schools through Constituency Development Fund (CDF) efforts.

Figure 2: Recruitment of teachers

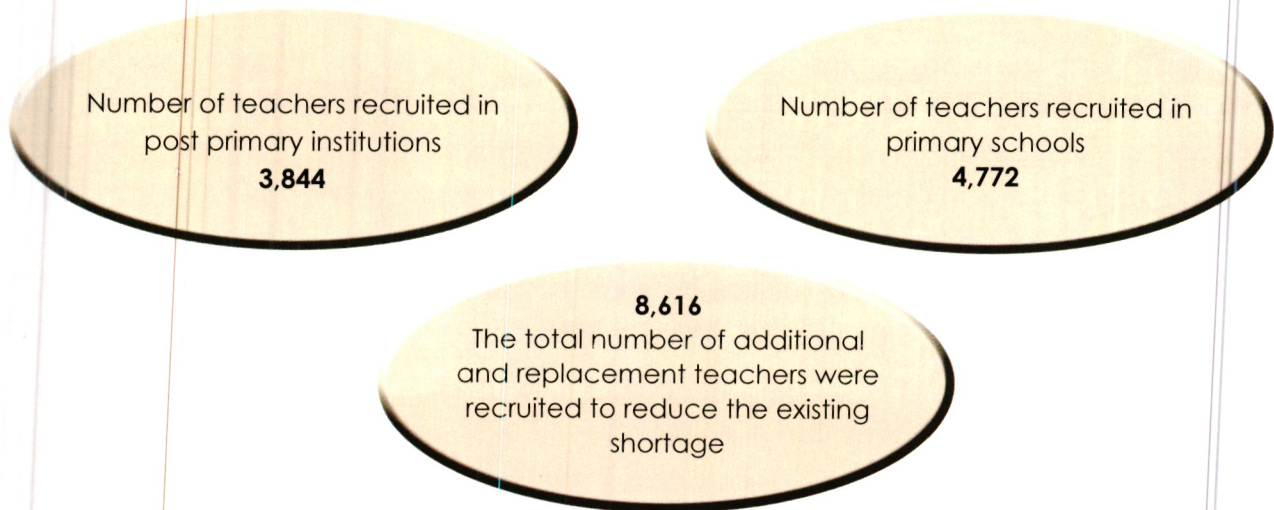
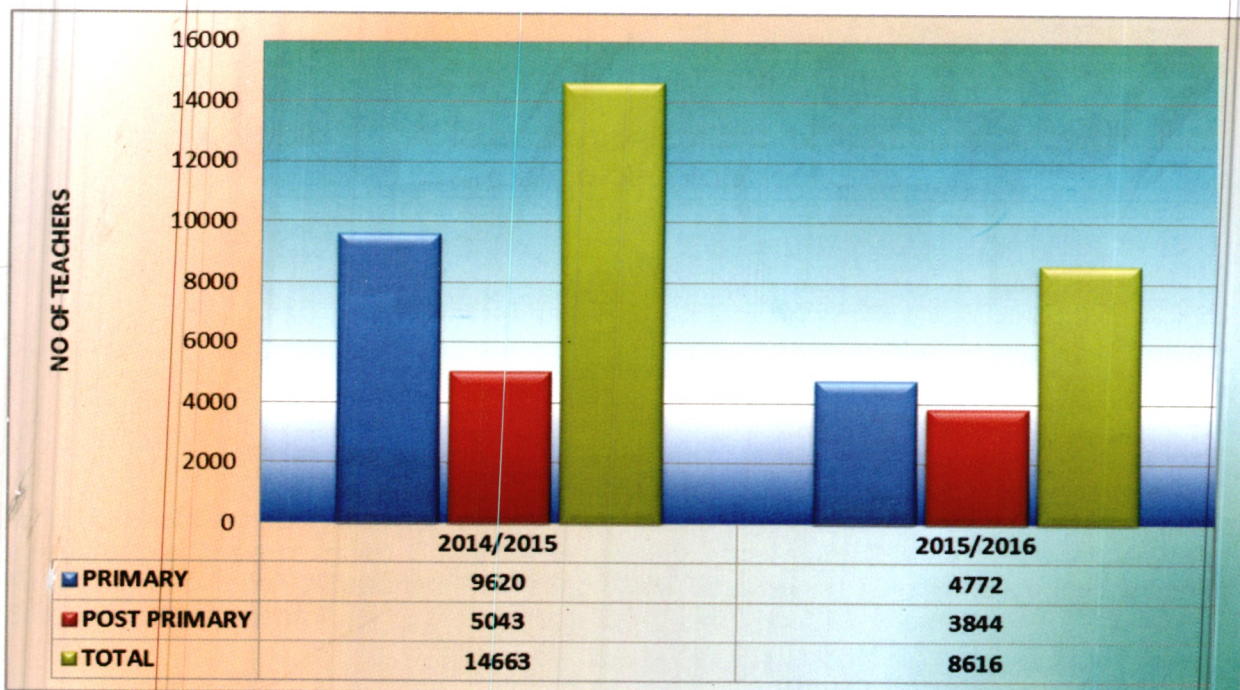


Figure 3: Comparisons on replacement of teachers (2015/2016 & 2014/2015)

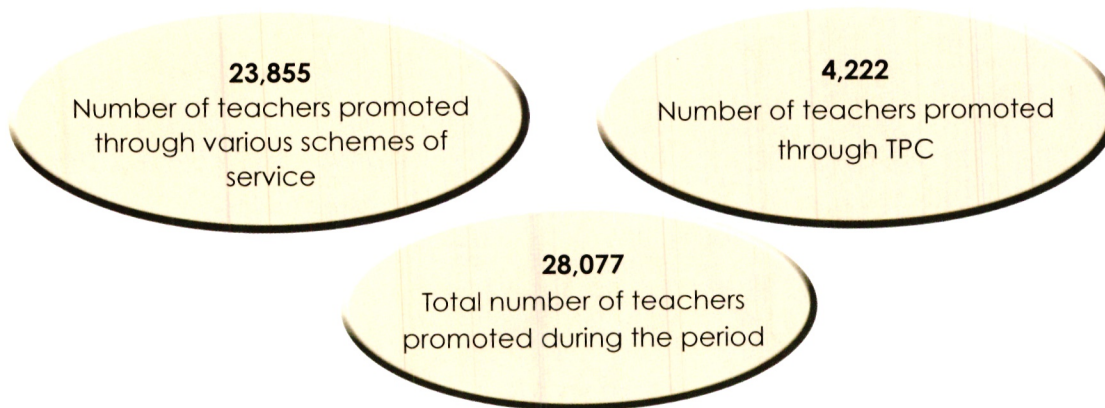


Source: TSC Records

2.2.3 Promotion of teachers

Promotion is aimed at recognizing and rewarding efforts, aligning employees for succession management and motivating teachers to improve performance. In addition to the 28,077 teachers promoted through the various schemes of service, the Commission, through the TOYA and POYA award programmes rewarded four (4) heads of institutions and six (6) teachers who had demonstrated exemplary performance in their responsibilities. This initiative is aimed at improving teacher's performance in all aspects.

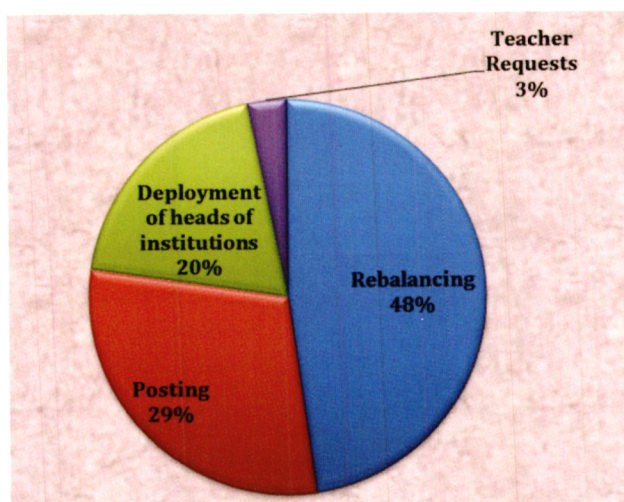
Figure 4: Promotion of teachers



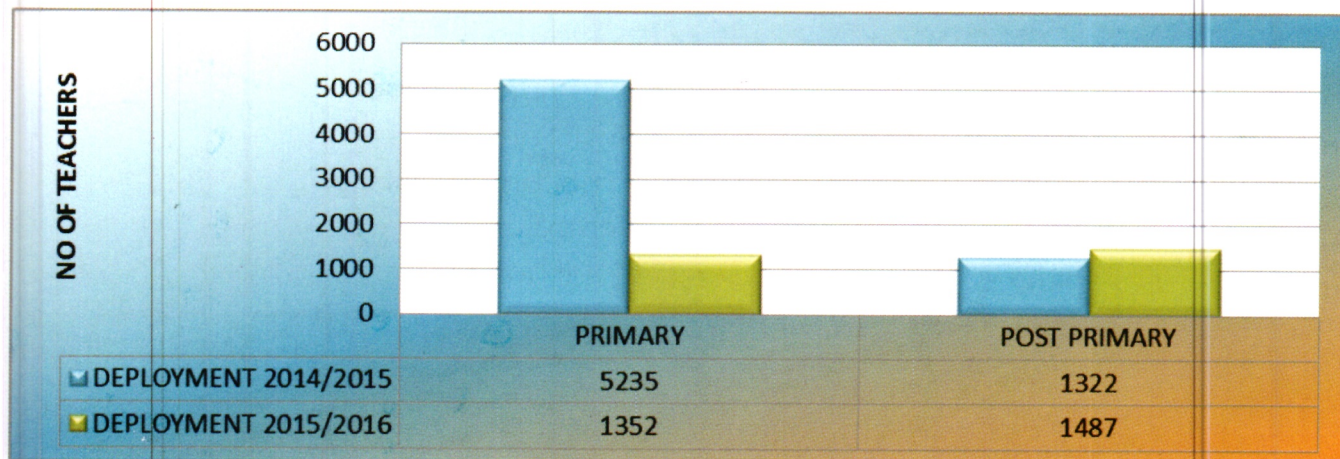
2.2.4 Teacher deployment and utilization

This is aimed at achieving equitable distribution for optimal utilization of teachers through transfers, rationalization and posting. During the year under review, 922 teachers were transferred within post primary institutions while 565 teachers were posted after study leave and disciplinary process. In addition, 876 primary school teachers were transferred to various counties upon request and 476 posted after study leave and disciplinary process.

Fig 5: Deployment of teachers



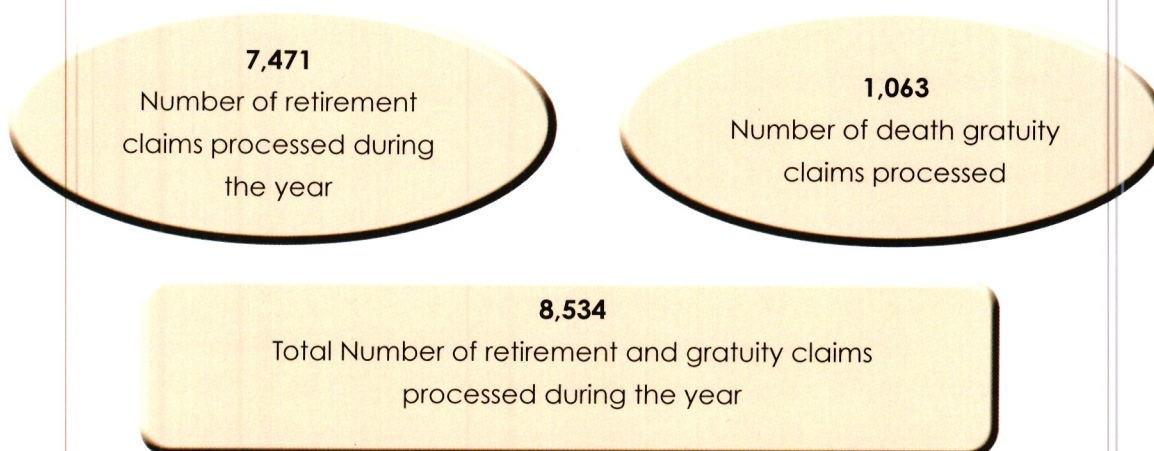
Source: TSC Records

Figure 6: Comparisons on teacher deployment (2014/2015 & 2015/2016)

Source: TSC Records

2.2.5 Separation from TSC employment

The Commission ensured that employee benefits paid to them or their dependants upon separation was processed within the shortest time possible. A total of 8,534 claims which include 7,471 for retirement and 1063 for death gratuity were processed and submitted to the National Treasury for payment. The Commission also sensitized 4,692 teachers aged 57 years and above in preparation for retirement. In addition, 285 county staff were trained as Trainer of Trainers (TOTs). Information Education and Communication materials (IEC) on retirement requirements were updated and posted on the TSC website.

Figure 7: Separation from TSC employment



CHAPTER THREE

SUPPORT SERVICES

3.1 Introduction

The Commission carries out a variety of programmes to enhance its mandate, improve employee welfare and comply with the government policy on education and other statutory obligations such as the tendering policy for Youth, Women and Persons with Disabilities among others.

3.2 Information Communication Technology (ICT)

During the year under review, the Commission made remarkable progress in realizing automation in its key teacher management functions. These include;

3.2.1 ICT Infrastructure Improvement

The Commission upgraded connectivity and technology infrastructure in the headquarters and the counties. Installation and integration of Wide Area Network (WAN) was initiated in 25 Counties while the Local Area Network (LAN) infrastructure was installed in six (6) counties. The increased connectivity led to improvement in service delivery across the TSC offices.

3.2.2 Online Services

TSC automation level was improved from 52 percent in 2014/2015 to 53.5 percent in 2015/2016. Access to online services via the TSC website displayed a total of 2,440,077 hits. Online union validation was also introduced during the year under review.

3.2.2.1 Online pay slips system (T-Pay system)

During the period under review, the Commission designed a T-Pay system to enable employees to access their pay slips and process loans online. This enhanced enforcement of the one third (1/3) rule and prevented the fraudulent acquisition of pay slips. This resulted to an increase in online pay slip registration by teachers. Online Union membership validation and installation of a Secure Socket Layer (SSL) for data protection was also undertaken.

3.2.2.2 Teacher Management Information System (TMIS)

Teacher Management Information System (TMIS) was rolled out to all counties. The roll out was followed by capacity building of field officers and head teachers to equip them with requisite skills for data capture at source. This enabled the head teachers to capture data on Education Management Information System (EMIS) and teacher appraisal systems and transmit it in real time to the headquarters.

**Table 1: Access to Online services during 2015/2016 and 2014/2015 periods**

Online Services	Number	
	2015/2016	2014/2015
Online TSC website downloads	1,085,219	336,489
Online teacher registration	54,743	47,929
Online advert applications	14,948	95,047
Online Pay slip registration	116,180	42,231
Online Pay slip hits	4,947,484	2,002,320
Online Teacher Union validation	72,481	-

Source: TSC Records

3.3 TSC strategic plan 2015-2019

During the year under review, the Commission finalized and launched the TSC Strategic Plan for the period 2015-2019. The plan focuses on three (3) key strategic pillars namely; Teacher Competence and Performance Management, Reforms and innovation in provision of teaching services and Service delivery re-engineering and decentralization. The TSC Mission and Vision statements were also reviewed to reflect the aspirations of the Commission.

3.4 Tenders for Youth, Women and Persons with Disabilities (PWDs)

The government directed all government agencies to set aside 30% of Tenders for Youth, Women and PWDs. During the period under review, the Commission set aside Kshs.100 million for this purpose of which tenders worth Kshs. 98,610,138 were awarded.



CHAPTER FOUR

EMERGING ISSUES AND RECOMMENDATIONS

4.1 Introduction

Although the Commission realized significant achievements during the 2015/2016 period, it encountered emerging issues that need to be addressed. Below are some of issues and recommendations for action.

4.2 Automation

The manual nature of the TSC records and inadequate computerization has negatively affected effectiveness and efficiency in the delivery of service both at the Headquarters and at the counties. There is therefore need to give priority to digitization of records, provision of additional computers and integration of the Commission's systems on a single platform.

4.3 Teacher career growth and progression

Although the Commission has continued to promote its teachers annually, it is constrained by inadequate budgetary provisions in performing this function. Consequently there were 11,310 teachers who had served in the same grade for over 20 years by the end of 2015/2016 period. This has resulted to low morale among teachers. There is the need to enhance funding for promotion of teachers under the various schemes of service.

4.4 Teacher shortage

Although the Commission has been recruiting 5,000 additional teachers annually and replacing those who exit service due to natural attrition, there is still a teacher shortage of 87,489 affecting both the primary and post-primary public institutions. The shortage is attributed to the success in Free Day Secondary and Free Primary education initiatives which has led to the establishment of many new schools and expansion of the existing ones across the country. There is therefore need to recruit more teachers to reduce the shortage to safeguard and improve the quality of education in the country.

4.5 Insecurity

Insecurity was experienced in certain parts of the country resulting in mass desertion of duties by teachers, transfer requests and resistance to teacher deployments in these parts. There is need for the local leaders, security agents and relevant stakeholders to work together to ensure that security is provided to all teachers and public officers regardless of their areas of origin.



CHAPTER FIVE

FINANCIAL REPORT FOR THE YEAR 2015/2016

5.1 TEACHERS SERVICE COMMISSION: Extract of Un-Audited Financial Statement for the Year ended 30th June, 2016

5.1.1 Statement of Receipts and Payments

RECEIPTS	NOTE	2015-2016 KSHS	2014-2015 KSHS
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	260,821,649
TOTAL REVENUES		184,939,593,477	166,307,821,649
PAYMENTS			
Compensation of Employees	4	179,933,405,806	170,245,074,391
Use of goods and services	5	586,457,648	523,156,818
Acquisition of Assets	6	86,296,496	59,550,094
TOTAL PAYMENTS		180,606,159,950	170,827,781,303
SURPLUS/DEFICIT		4,333,433,527	(4,519,959,654)

5.1.2 Statement of Financial Position

FINANCIAL ASSETS	NOTE	2015-2016 KSHS	2014-2015 KSHS
Cash and Cash Equivalents			
Bank Balances	7A	1,003,926,446	859,462,916
Cash Balances	7B	1,859	16,272
Total Cash And Cash Equivalents		1,003,928,305	859,479,188
Accounts Receivables - Outstanding Imprest and Clearance Accounts	8	114,086,817	361,306,319
TOTAL FINANCIAL ASSETS		1,118,015,122	1,220,785,507
LESS: FINANCIAL LIABILITIES			
Accounts Payables -	9	41,177,694	4,477,381,609
NET FINANCIAL ASSETS		1,076,837,428	(3,256,596,102)
Fund balance b/fwd.	10	(3,256,596,101)	1,263,363,552
Surplus/Deficit for the year		4,333,433,527	(4,519,959,654)
Prior year adjustments		-	-
NET FINANCIAL POSITION		1,076,837,428	(3,256,596,102)



5.1.3 Statement of Cash Flow

	NOTE	2015-2016 KSHS	2014-2015 KSHS
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Transfers from National Treasury	1	184,675,540,000	166,047,000,000
Other Revenues	3	263,161,477	260,821,649
TOTAL		184,938,701,477	166,307,821,649
Payments for operating expenses			
Compensation of Employees	4	179,933,405,806	170,245,074,391
Use of goods and services	5	586,457,648	523,156,818
TOTAL		180,519,863,454	170,768,231,209
Adjusted for:			
Changes in receivables		(247,219,502)	(836,649,734)
Changes in payables		(4,436,203,915)	3,218,134,870
Adjustments during the year		-	-
Net cash flow from operating activities		229,853,610	(405,624,956)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	892,000	-
Acquisition of Assets	6	(86,296,496)	(59,550,094)
Net cash flows from Investing Activities		(85,404,496)	(59,550,094)
Net Increase In Cash And Cash Equivalent		144,449,114	(465,175,050)
Cash and cash equivalent at beginning of the year		859,479,188	1,324,654,238
Cash and cash equivalent at END of the year		1,003,928,305	859,479,188



5.1.4 Statement of Comparative Budget and Actual Amounts

Revenue/ Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization Difference to Final Budget
	a	b	C=a+b	d	e=d-c	f=e/c %
Revenues/ Receipts						
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)	(0.01)
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
Total Revenues/ Receipts	181,211,612,264	5,306,887,736	186,518,500,000	184,939,593,477	(1,578,906,523)	(0.01)
Payments/ Expenses						
Compensation of Employees	179,908,630,000	5,361,987,736	185,270,617,736	179,933,405,806	(5,337,211,930)	(0.03)
Purchase of Goods and Services	919,203,264	4,224,375	923,427,639	586,457,648	(336,969,991)	(0.36)
Acquisition of Non- Financial Assets	383,779,000	(59,324,375)	324,454,625	86,296,496	(238,158,129)	(0.73)
Total Payments/ Expenses	181,211,612,264	5,306,887,736	186,518,500,000	180,606,159,950	(5,912,340,050)	(0.03)



5.1.5 Notes to the Financial Statements

1. Exchequer Releases

Description and reference of the transfer	Date of transfer	2015-2016	2014-2015
		kshs	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
TOTAL		184,675,540,000	166,047,000,000

2. Proceeds from sale of Non-Financial Assets

	2015/2016 (KSHS)	2014/2015 (KSHS)
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	<u>892,000</u>	-
TOTAL	<u>892,000</u>	-

3. Other Revenues

	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	85,000	-
TOTAL	263,161,477	260,821,649
Other Property Income - Collected as AIA relates to rental Income from:		
Mwalimu National Sacco	988,320	741,240
National Bank of Kenya	2,793,124	2,793,123
TOTAL	3,781,444	3,534,363
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	17,786,518	20,137,014
TOTAL	250,751,319	247,265,873



4. Compensation of Employees

	2015/2016 (KSHS)	2014/2015 (KSHS)
Basic salaries of permanent employees	115,489,960,496	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	-	1,881,550,301
TOTAL	179,933,405,806	170,245,074,391

5. Use of Goods and Services

	2015/2016 (KSHS)	2014/2015 (KSHS)
Utilities, supplies and services	18,116,113	32,327,198
Communication, supplies and services	27,142,367	47,766,420
Domestic travel and subsistence	41,679,900	116,753,505
Foreign travel and subsistence	6,859,083	15,107,198
Printing, advertising and information supplies & services	6,371,734	15,007,878
Rentals of produced assets	7,316,903	31,637,307
Training expenses	21,954,281	53,500,384
Hospitality supplies and services	12,709,768	636,529
Insurance costs	309,781,008	8,531,334
Specialized materials and services	219,960	9,970
Office and general supplies and services	15,510,295	82,134,132
Other operating expenses	79,185,082	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	15,195,338	54,431,341
TOTAL	586,457,648	523,156,818

6. Acquisition of Assets

Non-Financial Assets	2015/2016 (KSHS)	2014/2015 (KSHS)
Refurbishment of Buildings	10,568,089	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	29,723,211	-
Acquisition of Intangible Assets	-	7,677,176
Purchase of ICT Equipment	-	43,264,870
TOTAL	86,296,496	59,550,094

**7. Cash at Bank and Cash in Hand****A. Bank Accounts**

Name of Bank, Account No. & currency	Indicate whether recurrent, Development, deposit, revenue, CRF etc.	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 A/C No.01377083109304	Deposit	511,115,127	502,571,413
Central Bank of Kenya A/C No. 120375	Recurrent	(141,758,990)	-
TOTAL		1,003,926,446	859,462,916

B. Cash in Hand

	2015/2016 (KSHS)	2014/2015 (KSHS)
Cash in Hand – Held in domestic currency	1,859	16,272
TOTAL	1,859	16,272

8. Accounts Receivables - Outstanding Imprest and Clearance Accounts

Description	2015/2016 (KSHS)	2014/2015 (KSHS)
Domestic Debtors & Advances	10,208,571	12,432,111
Other Debtors & Pre-payments	(21,290,861)	227,536,985
Government Imprests	96,180,113	5,199,680
Agency Accounts	(152,294,871)	-
Suspense & Clearance Account	181,283,865	116,137,543
TOTAL	114,086,817	361,306,319

9. Accounts Payables

	2015/2016 (KSHS)	2014/2015 (KSHS)
Other Liabilities	(14,027,965,435)	4,477,381,609
Withholding Taxes	(648,556)	-
System Required Liabilities A/Cs	14,069,791,685	-
TOTAL	41,177,694	4,477,381,609

**10. Balances Brought Forward**

	2015/2016 (KSHS)	2014/2015 (KSHS)
Bank accounts	859,462,916	1,324,547,251
Cash in hand	16,272	106,987
Receivables - Outstanding Imprest	361,306,320	1,197,956,053
Payables	(4,477,381,609)	(1,259,246,739)
TOTAL	(3,256,596,101)	1,263,363,552



APPENDIX I:

MEMBERS OF THE COMMISSION



Dr Lydia Nzomo, OGW, EBS
Commission chairperson



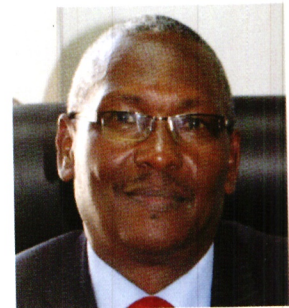
Cleophas Tirop, OGW
Commission Vice Chairman



Saadia Abdi Kontoma, OGW
Commissioner



Salome Gichura, OGW
Commissioner



Kinoti Imanyara
Commissioner



Beatrice Marengo Adu, HSC
Commissioner



Albert Fred Ekirapa
Commissioner



Mbarak Twahir, FKIM
Commissioner



Tache Bonsa Gollo
Commissioner



APPENDIX II:

TSC MANAGEMENT TEAM



**Nancy Njeri Macharia, OGW, MBS
Commission Secretary**



**Simon M. Kavisi OGW
Ag. DCS**



**Cheptumo Ayabei
Director Finance**



**Josephine Maundu
Director HRM & D**



**Ibrahim G. Mumin, OGW
Ag. Director AS**



**Mary C. Rotich
Ag. Director TM**



**Ayub Imbira
Director ICT**



**Grace Ngure
Ag. Director Accounts**

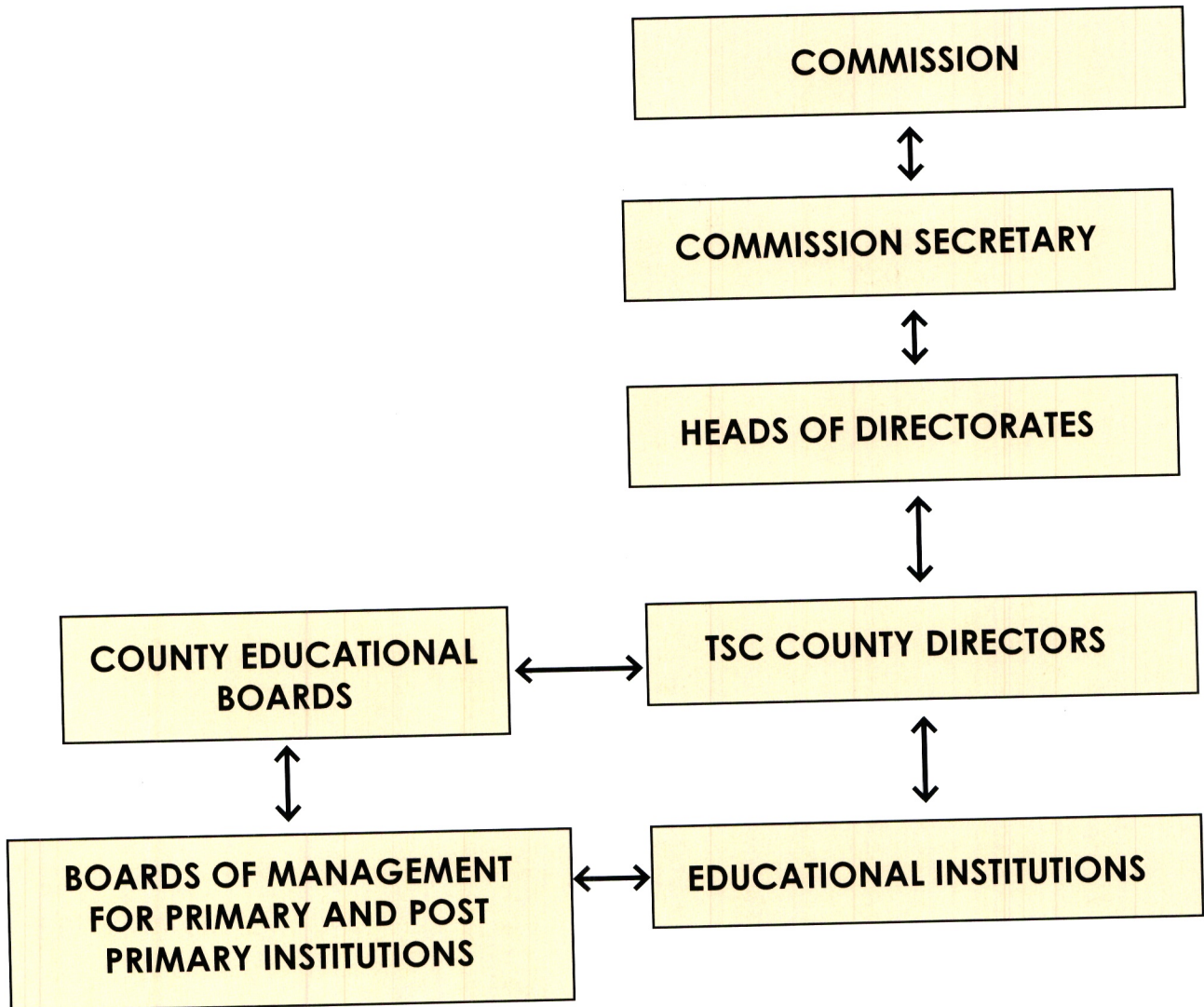


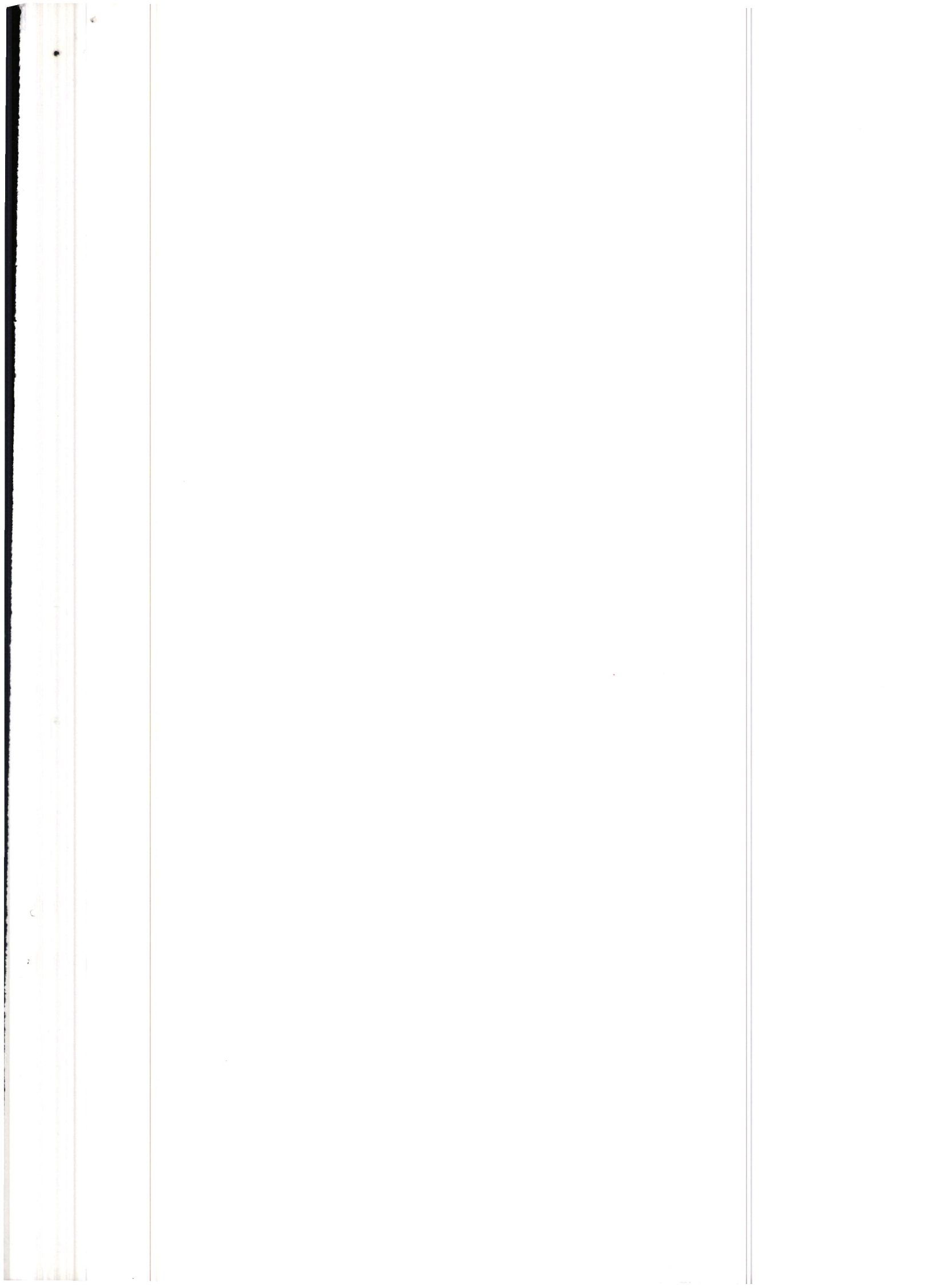
**Patrick Mang'atu
Ag. Director Internal Audit**



APPENDIX III:

INSTITUTIONAL FRAMEWORK





TEACHERS SERVICE COMMISSION-KENYA
TSC HOUSE, KILIMANJARO ROAD, UPPER HILL, NAIROBI
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