


REPUBLIC OF KENYA



 THE NATIONAL ASSEMBLY PAPERS LAID	
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REPORT

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ON

**SALARIES AND REMUNERATION
COMMISSION**

**FOR THE YEAR ENDED
30 JUNE, 2025**



Salaries & Remuneration
Commission

Rewarding productivity

SALARIES AND REMUNERATION COMMISSION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30 JUNE 2025

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

**Salaries and Remuneration Commission
Annual Report and Financial Statements for the year ended 30 June 2025**

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1. ACRONYMS AND DEFINITION OF KEY TERMS

A: Acronyms

ABC	Allowances and Benefits Committee
APSEA	Association of Professional Societies in East Africa
ARCC	Audit, Risk and Compliance Committee
CBA	Collective Bargaining Agreement
CBN	Collective Bargaining Negotiations
CBS	Chief of the Order of the Burning Spear
CCIOs	Constitution Commissions and Independent Offices
CEO	Chief Executive Officer
CHRP	Certified Human Resource Practitioner
CISA	Certified Information Systems Auditor
CISMC	Corporate Image and Stakeholder Management Committee
CMA	Capital Markets Authority
CoG	Council of Governors
COTU	Central Organization of Trade Unions
COWU	Communication Workers Union of Kenya
CPA	Commonwealth Parliamentary Association
CPAK	Certified Public Accountants of Kenya
CPF	County Pension Fund
CPSB	County Public Service Board
CS	Commission Secretary
CSC	Corporate Services Committee
DSA	Daily Subsistence Allowance
EACC	Ethics and Anti-Corruption Commission
EBS	Elder of the Burning Spear
EGH	Elder of the Order of the Golden Heart
FCCA	Fellow of Chartered Certified Accountants
FIHRM	Fellow of the Institute of Human Resource Management
FY	Financial Year
GoK	Government of Kenya
H.E.	His Excellency
HELB	Higher Education Loans Board
HR	Human Resources
HRM	Human Resources Management
HSC	Head of State's Commendation
IBEC	Intergovernmental Budget and Economic Council
ICPAK	Institute of Certified Public Accountants of Kenya
ICT	Information Communication Technology
IGRTC	Intergovernmental Relations Technical Committee
IHRM	Institute of Human Resource Management
IPSAS	International Public Sector Accounting Standards
IPUCCF	Inter Public Universities Council Consultative Forum
IRA	Insurance Regulatory Authority

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JE	Job Evaluation
JESSC	Job Evaluation and Salary Structures Committee
JKUAT	Jomo Kenyatta University of Agriculture and Technology
KBC	Kenya Broadcasting Corporation
KETAWU	Kenya Electrical Trades and Allied Workers' Union
KIPPRA	Kenya Institute for Public Policy and Research Analysis
KMFRI	Kenya Marine & Fisheries Research Institute
KNEC	Kenya National Examination Council
KNUN	Kenya National Union of Nurses
KNUT	Kenya Union of Teachers
KPA	Kenya Ports Authority
KPC	Kenya Pipeline Company limited
KPIs	Key Performance Indicators
KPLC	Kenya Power and Lighting Company
KRA	Kenya Revenue Authority
KSG	Kenya School of Government
KUCFAW	Kenya Union of Commercial Food and Allied Workers
KUDHEIHA	Kenya Union Of Domestic Hotels Educational Institutions Hospitals and Allied Workers
KUPPET	Kenya Union of Post-Primary Education Teachers
KUSNET	Kenya Union of Special Needs Education Teachers
KUSU	Kenya Universities Staff Union
KUTRRH	Kenyatta University Teaching, Referral & Research Hospital
LPFC	Legal and Policy Framework Committee
MBA	Master of Business Administration
MBS	Moran of the Order of the Burning Spear
MCDAs	Ministries, Counties, Departments, and Agencies
MDAs	Ministries, Departments and Agencies
MP	Member of Parliament
MSc	Master of Science
MUST	Meru University of Science and Technology
NBV	Net Book Value
NGO	Non-Governmental Organisation
NHIF	National Hospital Insurance Fund
NIS	National Intelligence Service
NITA	National Industrial Training Authority
NPCC	National Productivity and Competitiveness Centre
NSSF	National Social Security Fund
NT	National Treasury
NWBC	National Wage Bill Conference
OGW	Order of the Grand Warrior
OSHA	Occupational Health and Safety Act
PCK	Postal Corporation of Kenya
PFM	Public Finance Management
PPADA	Public Procurement and Asset Disposal Act
PPRA	Public Procurement Regulatory Authority

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PSC	Public Service Commission
RBA	Retirement Benefit Authority
SCAC	State Corporations Advisory Committee
SHRM	Society for Human Resource Management
SRC	Salaries and Remuneration Commission
TSC	Teachers Service Commission
UASU	Universities Academic Staff Union
UoN	University of Nairobi
WBMC	Wage Bill Management Committee

B: Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the responsibility of financial resources of the organisation.

Comparative Year - The prior period.

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2. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Salaries and Remuneration Commission (SRC) was established under Article 230 of the Constitution of Kenya, 2010, and operationalised by the SRC Act, 2011 (Commencement date: 29 July 2011). The Commission is domiciled in Nairobi County and has two directorates: the Directorate of Remuneration Services and the Directorate of Corporate Services. Other departments include Legal Services, Corporate Communications, Supply Chain Management, and Internal Audit and Risk.

(b) Principal activities of the Commission

The mandate of the Commission, as provided in the Constitution, is to:

- 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 under Article 230(4) of the Constitution, SRC 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; and
- 8) Perform such other functions as may be provided for by the Constitution or any other written law. Under Section 12 of SRC Act, the Commission is further compelled to comply with the principle of equal remuneration to persons for work of equal value.

(c) Vision, Mission, and Core Values

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

1.	Vision	A productive public service that is fairly remunerated
2.	Mission	To set, review, and advise on equitable, competitive, and fiscally sustainable remuneration and benefits in the public service through research and analysis
3.	Core Values	Fairness Accountability Collaboration Integrity Innovation Transparency

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(d) Key management

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

S/No.	Designation	Name
1	Commission Secretary/Chief Executive Officer (CS/CEO)	Dr. Anne Rwamba Gitau, PhD, EBS, MBS, CHRP
2	Director, Remuneration Services	Dr. Hilary Patroba
3	Director, Corporate Services	CPA. Margaret Njoka

(e) Fiduciary management

The key personnel who held office during the financial year ended 30 June 2024, with direct fiduciary responsibility, were:

S/No.	Designation	Name
1	Commission Secretary/Chief Executive Officer (CS/CEO)	Dr. Anne Rwamba Gitau, PhD, EBS, CHRP
2	Director, Remuneration Services	Dr. Hilary Patroba
3	Director, Corporate Services	CPA. Margaret Njoka
4	Head of Legal Services	Mr. James Sitienei
5	Head of Internal Audit	Mr. Martin Musyimi
6	Head of Corporate Communication	Mr. Anthony Mwangi

(f) Fiduciary oversight arrangements

1. The Commission (Chairperson and Members of the Commission)
2. Commission Committees (They report to the Commission)
 - i. Job Evaluation and Salary Structures Committee (JESSC)
 - ii. Wage Bill Management Committee (WBMC)
 - iii. Allowances and Benefits Committee (ABC)
 - iv. Audit, Risk and Compliance Committee (ARCC)
 - v. Corporate Image and Stakeholder Management Committee (CISMC)
 - vi. Corporate Services Committee (CSC)
 - vii. Legal and Policy Framework Committee (LPFC)

(g) Commission Headquarters

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

(h) Contacts information

- a) Tel: +254 (20) 2710065/81/+254 794 587 903 / +254736712864
- b) Email: info@src.go.ke
- c) Website: <https://www.src.go.ke/>
- d) X – @srckenya: <https://mobile.twitter.com/srckenya>
- e) Instagram – @srckenya: <https://www.instagram.com/srckenya/>
- f) Threads – @srckenya: <https://www.threads.net/@srckenya>
- g) Flickr – srckenya: <https://www.flickr.com/photos/186707933@N05>
- h) Facebook – @SRCKE: <https://www.facebook.com/SRCKE>
- i) YouTube – @SRC_Kenya: https://www.youtube.com/@SRC_Kenya
- j) LinkedIn – Salaries and Remuneration Commission: <https://tinyurl.com/2bkawvae>
- k) WhatsApp – Salaries and Remuneration Commission

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(i) Commission Principal Bankers

- 1) Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000, City Square-00200
Nairobi, Kenya

- 2) Co-operative Bank of Kenya
Upper Hill Branch
P.O. Box 30415, GPO-00100,
Nairobi, Kenya

(j) Independent auditor

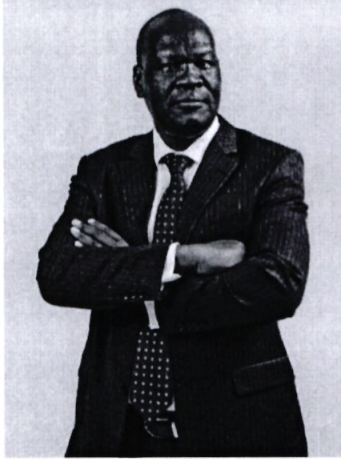

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084, GPO-00100
Nairobi, Kenya

(k) Principal legal adviser



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

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3. CHAIRPERSON AND MEMBERS OF THE COMMISSION

 <p>Sammy Chepkwony, CHRP(K), FIHRM, MIoD, Chairperson</p>	<p>Sammy Chepkwony is the Chairperson of the Salaries and Remuneration Commission. He is a strategic leader and consultant with more than 20 years of expertise in human resource management, operations, and corporate governance.</p> <p>Chepkwony held prominent leadership roles across diverse sectors. He served as Regional Director for Human Resources (HR) at Aga Khan University, Group HR Director at Kenya Airways, and Director of HR at Tata Chemicals Magadi Ltd. His career began as a Senior Consultant at PricewaterhouseCoopers (PwC), where he provided HR advisory services to public and private sector clients across East Africa.</p> <p>As a recognised organisational transformation leader, he has led multi-track HR projects that set strategic directions, policies, and frameworks for effective talent management and business process improvement.</p> <p>He holds an MBA and a Bachelor of Commerce from the University of Nairobi, and has enhanced his leadership skills through programmes at Harvard Business School and other esteemed institutions. As a member of the Institute of Directors and a Fellow of the Institute of Human Resources Management of Kenya, he remains committed to driving excellence in HR and governance.</p>
 <p>Dr. Gilda Odera, Vice Chairperson</p>	<p>Dr. Gilda Odera is the Vice Chairperson of the Salaries and Remuneration Commission, nominated by the Federation of Kenya Employers (FKE). She is the chairperson of the Corporate Image and Stakeholder Management Committee of SRC.</p> <p>Dr. Odera is an accomplished leader with more than 30 years of experience in senior management, corporate governance, and policy development in the education, health, and ICT sectors. She has played a key role in shaping policies in Kenya’s health and education sectors.</p> <p>She is the first elected female National President of FKE and a pioneer in Eastern Africa’s ICT industry. She co-founded one of the region’s first Internet service providers, expanded a startup into a major firm, and led advocacy efforts that secured World Bank funding for Kenya’s first fiber optic cable. She also played a key role in developing the country’s ICT policy and advancing Business Process Outsourcing.</p> <p>Dr. Odera holds a PhD in Public Policy and Administration from Walden University, a Master of Arts Degree in Leading Innovation and Change from the University of York St. John, and a Sociology Degree from the University of Nairobi.</p> <p>She has served on multiple boards, including the National Health Insurance Fund (NHIF), National Industrial Training Authority (NITA), Public Procurement Administrative Review Board, and the Universities</p>



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	<p>Fund. She has received numerous awards for her contributions to ICT and entrepreneurship, including recognition as a top African ICT businesswoman.</p>
 <p>Ms. Elizabeth Wangui Muchiri, HSC, Commissioner</p>	<p>Wangui Muchiri is a Member of the Commission, nominated by the National Police Service Commission. She is a public affairs, governance and security communications expert with 25 years of global experience in government, NGOs, media, communications and public relations.</p> <p>She served in the Office of the President’s Cabinet Affairs, the President’s Delivery Unit, and the Ministry of Interior and Coordination of National Government. Wangui was instrumental in several campaigns, among them, the Huduma Number rollout, Kenya census, launch of police reforms, security elections communications, Choose Kenya, ONE Africa’s Millenium Development Goals, and Pope John Paul II visit.</p> <p>Wangui chaired communication committees for police reforms and was a member of a committee investigating sexual and gender-based violence in the National Police Service and the Kenya Prisons Service. She handled the communications strategy for the Global Entrepreneurship Summit and President Obama’s first State visit to Kenya. She received meritorious awards of Head of State’s Commendation (HSC) and President Obama’s Seal of the President awards.</p> <p>Wangui worked for the US Department of State in Pretoria, and awarded a Franklin Award. She helped initiate the ‘Free African Media’ portal, and received a merit award for supporting the then-Secretary Hillary Clinton 7-nation African tour.</p>
 <p>Hon. Sen. Isaac Kipkemboi Melly, MBS Commissioner</p>	<p>Hon. Sen. Melly is a Member of the Commission, nominated by the Parliamentary Service Commission. He served as a Senator, Uasin Gishu County, from 2013–2017, and a Member of the Senate Standing Committee on ICT, Agriculture, Land and Natural Resources.</p> <p>He contributed to the development of the National Land Policy, and advised the national government on land registration, and other land issues. He has experience in benchmark salary reviews, job evaluation and analysis, training and capacity development, restructuring and organisational design.</p> <p>Hon. Sen. Melly managed university activities as Associate Dean of Students at Mt. Kenya University (Eldoret Campus from 2008-2013). He was the first chairman of the university’s student association, and Patron of Uasin Gishu County Academic Outreach Foundation. He also worked at CPF Financial Services.</p> <p>He holds a Master’s Degree in Business Administration in Strategic Management, a Bachelor of Business Management (HRM), Higher National Diploma in HRM, Diploma in Business Management, Advanced</p>


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	<p>Certificate in HR, and Certificate in Business Management. He is a PhD candidate in Leadership and Governance.</p> <p>Hon. Sen. Melly is a member of IHRM, and member of the alumni associations of Mt. Kenya University and Kenya Institute of Management.</p>
 <p>Mr. Abdiwahab Abdullahi Abdi, MBS Commissioner</p>	<p>Mr. Abdiwahab Abdullahi Abdi is a Member of the Commission, nominated by the Judicial Service Commission. He holds a Bachelor of Business Management Human Resource Management Option from Moi University. He is currently finalising a Master of Arts Degree in Sociology, Egerton University.</p> <p>Mr. Abdi has more than 14 years of experience in strategy development, HR management, project management and planning. He worked with County Land Management Board under the tutelage of the National Land Commission. He also consulted for the International Centre for Participatory Health and Environmental Research.</p> <p>He is a certified Strategic Management Analyst accredited by the Global Academy of Finance and Management, in Colorado, USA. He holds a Certificate in Strategic Leadership and Management from the University of Illinois, Urbana Champaign, USA, as well as a Certificate on Transparency, Accountability and Ethics in Public Institutions issued by the United Nations.</p> <p>Mr. Abdi also attended a training programme on negotiations skills for effective collective bargaining and formalisation of informal economy, held at the International Training Centre in Turin, Italy.</p> <p>He merited Board Directorship of Kenya Veterinary Board where he served two Board Sub-Committees, namely; Finance and Administration and Communication, Partnership and Stakeholder Engagement. In addition, Mr. Abdi is a member of the Society for Human Resource Management (SHRM-USA), IHRM-Kenya, and Kenya Institute Management.</p>

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 <p>Mohamed Aden Abdi, CHRP, Commissioner</p>	<p>Mohamed Aden Abdi is a Member of the Salaries and Remuneration Commission, nominated by the Senate on behalf of county governments. He is a distinguished human resource (HR) professional with more than 13 years of experience in HR management and administration, primarily in the private sector.</p> <p>He has held significant roles, including HR and Administration Manager at Soliton Telmec Limited, where he enhanced operational efficiency and employee engagement, earning multiple safety awards. As the Founder and Director of Rightways Consulting Ltd, he led transformative HR projects, developing policies and performance management systems for various organisations.</p> <p>Commissioner Aden holds an MBA in HR Management (HRM) from the University of Nairobi, a Bachelor’s Degree in Business Management (HR) from Moi University, and a Higher National Diploma in HRM.</p> <p>He is a Certified Human Resource Professional (CHRP-K) and holds an International Diploma in Occupational Health and Safety (NEBOSH, UK). He has completed various training programmes, including on strategic leadership and HR consultancy.</p> <p>As an Independent Board Member of the Human Resource Management Professionals Examinations Board, he plays a key role in certifying HR professionals and advancing HR standards in Kenya. Commissioner Aden’s contributions have led to the successful certification of more than 2,000 HR professionals.</p>
 <p>Geoffrey Apollo Omondi, Commissioner</p>	<p>Geoffrey Apollo Omondi is a Member of the Salaries and Remuneration Commission, nominated by the Central Organisation of Trade Unions (COTU). He is the chairperson of the Legal and Policy Framework Committee (LPC) of SRC.</p> <p>As a seasoned labour relations expert with more than 35 years of experience in labour administration and policy development, he has served as Commissioner for Labour and Chief Executive of Jeffmonds Management and Consultancy Services.</p> <p>He was also the Principal Counsellor in Labour matters and Liaison Officer at Kenya’s Mission to the United Nations (UN) in Geneva (2005–2009), where he represented Kenya at the International Labour Organisation (ILO) and UN, coordinated the African Group at ILO, and contributed to labour law reforms.</p> <p>He participated in ILO’s Centenary conference, voting for the Convention on the Elimination of Violence at the Workplace in 2019.</p> <p>Domestically, Omondi worked with key stakeholders such as the Federation of Kenya Employers and COTU. He has lectured at multiple</p>

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	<p>universities and was the Chief Examiner in the Employee Relations Course at the Kenya National Examination Council.</p> <p>A PhD research student at the University of Nairobi, he holds a Master’s Degree in Labour and Development Studies and a Bachelor of Arts Degree in Political Science and Sociology. As a certified Mediator and Conciliator, he has consulted for prominent institutions and is a Court-Annexed Mediator at the High Court of Kenya.</p>
 <p>Jane Gatakaa Njage, OGW, Commissioner</p>	<p>Jane Gatakaa Njage is a Member of the Salaries and Remuneration Commission, nominated by the Teachers Service Commission (TSC). She is an educationist with more than 30 years of experience in institutional leadership and educational reform in Kenya.</p> <p>Beginning her career as an assistant teacher and rising through the ranks as a deputy principal and high school principal, she has consistently demonstrated a passion for transforming educational environments.</p> <p>Commissioner Njage served in TSC as County Director for Kiambu and Muranga counties, and Regional Director for Nairobi and Nyanza, where she successfully implemented innovative policies and improved operational efficiency.</p> <p>She holds a Master of Education Degree from Egerton University and a Bachelor of Education Degree from Kenyatta University, providing her with a solid academic foundation. Her professional development is further enhanced by extensive training in leadership, ICT, mental health, psychosocial support, corporate control, and governance.</p> <p>Recognised for her strategic vision and commitment to excellence, Commissioner Njage was awarded the Order of the Grand Warrior in December 2023 for her outstanding contribution to the education sector. Her visionary leadership continues to inspire educational transformation and foster sustainable growth across Kenya’s academic institutions for lasting impact.</p>

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**Leonid Ashindu,
Commissioner**

Leonid Ashindu is a Member of the Salaries and Remuneration Commission, nominated by the Association of Professional Societies for East Africa (APSEA).

He has more than 17 years of experience as a Building Engineering Technologist, specialising in the following areas; construction engineering and technical education, developing expertise in business management, leadership, construction management, occupational health and safety, procurement, public management, administration, governance, monitoring and evaluation, work ethics, integrity, and labour laws.

Commissioner Ashindu’s academic background is robust, with a Bachelor’s Degree in Management and Leadership, and a Bachelor’s Degree in Business Management from The Management University of Africa.

He also holds a Higher National Diploma in Construction from the Kenya Institute of Highways and Building Technology, along with diplomas in Technical Education and Building Construction.

He has served in key roles at the Teachers Service Commission, including as Principal Administrative Officer and Clerk of Works, and contributed his expertise to the County Government of Kakamega and the United Nations Office for Project Services.

He holds leadership positions with the Institute of Clerks of Works of Kenya and APSEA, where he serves as First Vice Chairman. His technical expertise combined with proven leadership, makes him a valuable asset in advancing public service standards in Kenya.



**Major General (Rtd)
Martin Kizito Onyango**



Major General (Rtd) Martin Kizito Onyango Ong’oyi is a Member of the Salaries and Remuneration Commission, nominated by the Defence Council. He is the chairperson of the Corporate Services Committee of SRC.

With more than 39 years of exemplary service in national security, strategic management, and leadership, he has amassed proven track record in mission command and human resource management and significantly contributed to Kenya’s defence and public service sectors.


As a Managing Director of the Kenya Ordnance Factory Cooperation, he drove business development, strategic planning, and stakeholder engagement. His tenure as Commandant at the Joint Command and Staff College showcased his leadership in producing mission-ready officers, while as Chief of Personnel at Defence Headquarters he formulated critical personnel and administration policies.

Additionally, his role on the Defence Forces Job Evaluation Team ensured pay structures and career progression for military personnel. He also

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<p>Ong’oyi, CBS, ndc, psc(K), Commissioner</p>	<p>chaired the Kenya Defence Forces Pay and Allowances Review in 2015, aligning remuneration and service conditions with national standards.</p> <p>Commissioner Kizito’s extensive military career included advanced professional training locally and internationally, including courses in the UK, Italy, and Canada. He holds a Master of Arts Degree in Political Science and Public Administration, a Bachelor of Arts Degree, and a Diploma in International Studies from the University of Nairobi.</p>
 <p>Hon. CPA. John Mbadi Ng’ongo, CBS, EGH, Commissioner</p>	<p>Hon. John Mbadi Ng’ongo is the Cabinet Secretary (CS) for The National Treasury and Economic Planning. He has served as a nominated Member of Parliament (MP) and the Chairperson of the Public Accounts Committee in the National Assembly, having also previously elected MP for Suba South Constituency, Suba Constituency, and Gwassu Constituency.</p> <p>In his parliamentary tenure, he was a member of numerous key committees. These include, the House Business Committee, Liaison Committee, Budget and Appropriations Committee, Selection Committee, Appointments Committee, Public Accounts Committee, Public Investments Committee, Constitutional Implementation Committee, the Ad Hoc Committee on the Cost of Living, the Defence and Foreign Relations Committee, and the Legislative Taskforce for drafting the Public Finance Management Act of 2012.</p> <p>His experience extends to roles such as Assistant Minister in the Office of the Prime Minister and Leader of Minority in the National Assembly. Hon. Mbadi is a seasoned finance professional with 28 years of experience, having worked in the University of Nairobi (UoN) and Medair East Africa.</p> <p>He holds a Bachelor of Commerce Degree from UoN with a specialisation in Accounting. He is a member of the Institute of Certified Public Accountants of Kenya, the Architectural Association of Kenya, the Institute of Quantity Surveyors of Kenya, and the Chartered Institute of Arbitration.</p> <p>The alternate member is Mr. Francis Anyona, MBS.</p>
 <p>Hon. Geoffrey Kiringa Ruku, Commissioner</p>	<p>Hon. Geoffrey Kiringa Ruku is a Kenyan leader and politician with vast experience in executive management of public and private sector affairs. He’s currently the Cabinet Secretary for the Ministry of Public Service, Human Capital Development and Special Programmes. He is also the immediate former Member of Parliament for Mbeere North Constituency in the National Assembly of Kenya.</p> <p>Hon. Ruku has worked in various other leadership positions in Kenya, Africa and beyond. As a climate finance consultant for the Southern Africa Fair Climate Network, he facilitated the actualization of Carbon credit</p>

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	<p>projects in Kenya, South Africa, Namibia, Malawi, Mozambique, Botswana, and Madagascar.</p> <p>He has worked with the Embassy of Israel in Kenya as MASHAV Coordinator, a role that further accelerated his public sector affairs management and international relations and diplomacy, with extensive professional training and practice in Kenya and Israeli institutions.</p> <p>Hon. Ruku is also a business leader, having been the Founder and Executive Director of Climate Pal Ltd., Carbon Manna Africa Ltd., and other entrepreneurship endeavors in Kenya and globally. He also worked as a lecturer at the Technical University of Kenya, formerly Kenya Polytechnic.</p> <p>He has a rich educational background with a Master of Business Administration (MBA) in Finance, University of Nairobi, a Postgraduate Diploma in International Relations and Diplomacy, University of Nairobi, a Bachelor of Commerce, Catholic University of Eastern Africa, and other trainings from Kenya, USA, and Israel.</p> <p>The alternate member is Mr. Emmanuel Omondi Bitta, MBS.</p>
 <p>Hon. Dorcas Agik Odhong Oduor, OGW, EBS, SC, Commissioner</p>	<p>Hon. Dorcas Agik Odhong Oduor is the Attorney General of the Republic of Kenya. She is also a Member of the Judicial Service Commission pursuant to Article 171(2)(e) of the Constitution of Kenya, 2010.</p> <p>Until her appointment Hon. Oduor was the Secretary, Public Prosecutions and the Principal Deputy to the Director of Public Prosecutions. A career Prosecution Counsel, she previously served in public prosecutions for more than 20 years, having begun her career as a State Counsel in 1991.</p> <p>Hon. Oduor holds a Master's Degree in International Conflict Management and a Bachelor of Law Degree from the University of Nairobi.</p> <p>The alternate member is Mr. Emmanuel Omondi Bitta, MBS.</p>

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**Dr. Anne Rwamba
Gitau, PhD, EBS, MBS,
CHRP,
Commission
Secretary/Chief
Executive Officer**

Dr. Anne R. Gitau, who has served as the Chief Executive Officer of the Salaries and Remuneration Commission since 2015, brings nearly two decades of executive leadership experience spanning the public and private sectors.

She is a distinguished leader in public service reforms, particularly in remuneration management, and has collaborated extensively with both national and international partners to align Kenya's compensation frameworks with global best practices.

A certified Human Resources Practitioner in Kenya, Dr. Gitau is also a passionate mentor, guiding the next generation of professionals in the field of talent management.

Her contributions have earned her significant national recognition, including the Elder of the Burning Spear (EBS), awarded in 2023 by H.E. President William Samoei Ruto, and the Moran of the Burning Spear (MBS), awarded in 2017 by the 4th President, H.E. Uhuru Kenyatta.

Through her visionary leadership and collaborative approach, SRC has become a model for innovative, fair, and sustainable remuneration systems, contributing to Kenya's position as a thought leader in public service reforms across the region and beyond.

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4. KEY MANAGEMENT TEAM**



**Dr. Anne Rwamba
Gitau, PhD. EBS, CHRP
Commission
Secretary/Chief
Executive Officer**

Dr. Anne R. Gitau, who has served as the Chief Executive Officer of the Salaries and Remuneration Commission since 2015, brings nearly two decades of executive leadership experience spanning the public and private sectors.

She is a distinguished leader in public service reforms, particularly in remuneration management, and has collaborated extensively with both national and international partners to align Kenya's compensation frameworks with global best practices.

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Through her visionary leadership and collaborative approach, SRC has become a model for innovative, fair, and sustainable remuneration systems, contributing to Kenya's position as a thought leader in public service reforms across the region and beyond.






**Margaret Njoka
Director, Corporate
Services**

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

She is a Certified Public Accountant (K), a Credit Management Professional, and a qualified HR and administration practitioner. Ms. Njoka has more than 20 years of experience in finance and HR in senior management in both the public and private sectors.

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 <p>Dr. Hillary Patroba PhD, Director, Remuneration Services</p>	<p>Dr. Hilary Patroba is the Director, Remuneration Services, appointed to the position in January 2020. His experience spans public and private sector organizations. He holds a PhD in Economics from Stellenbosch University.</p>
 <p>James Sitienei, Head, Legal Services</p>	<p>Mr. Sitienei is the Head of Legal Services. He holds a Bachelor's and Master's degrees in law and is an advocate of the High Court of Kenya. He has more than 20 years of experience in the private and public sectors.</p>
 <p>Anthony Mwangi, Head, Corporate Communications</p>	<p>Mr. Mwangi is the Head of Corporate Communications, with more than 20 years of experience in the field of communications, media, social media, advocacy, audio-visual communications, digital communication, among others. He possesses a Bachelor's and Master's degrees in Mass Communication and Journalism.</p> <p>He has previous work experience in the communications field with the United Nations system, international organizations, civil society organizations, and the private sector, having also worked in some countries at the international level.</p>

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**Martin Musyimi Head,
Internal Audit**

Mr. Martin Musyimi is the Head of Internal Audit, appointed to the position in January 2013. He holds a Master's Degree in Business Administration from United States International University.

He is a Certified Information Systems Auditor (CISA) and a Fellow of Chartered Certified Accountants (FCCA). His experience spans private and public sector organizations.

Salaries and Remuneration Commission
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5. CHAIRPERSON'S STATEMENT

With the utmost gratitude, I present this annual report for the financial year (FY) 2024/2025. The financial year marked the completion of the six-year tenure of the Second Commission, from September 2018 to September 2024.

Before exiting in September 2024, the Members of the Second Commission engaged in a series of stakeholder meetings and media interviews to showcase its scorecard, which was enumerated in an End-of-Term Report. The tenure was marked by successes and milestones that will inspire SRC's future endeavours.

The Third Commission took the oath of office on 20 January 2025 and immediately commenced with several stakeholder engagements and induction sessions undertaken by external entities and Secretariat staff.

While the induction sessions progressed, SRC continued to monitor economic indicators and parameters of the national wage bill. The public service wage bill stood at Ksh 1.171 trillion in financial year (FY) 2023/2024 and is estimated at Ksh 1.24 trillion in FY 2024/2025.

The growth is largely attributed to the increase in the workforce through employment in essential services in education, health, and security sectors. It is also a result of upward reviews of remuneration and benefits in response to cost-of-living adjustments and the need to attract and retain requisite skills.

On the other hand, the wage bill to ordinary revenue ratio declined from 54.77 per cent in FY 2020/2021, to 43.33 per cent in FY 2023/2024, and is projected to decline to 40.64 per cent in FY 2024/2025.

In collaboration with other public institutions, SRC has been working tirelessly towards ensuring that remuneration and benefits across the public service do not exceed the threshold of the wage-bill-to-revenue ratio of 35 per cent, as set by the Public Finance Management (PFM) Act, 2012.

This is also in adhering to the resolutions of the Third National Wage Bill Conference, which set the deadline for achieving the 35 per cent mark by the year 2028. This target, which is surmountable, at least by noting the positive trajectory in the right direction, will be achieved through a whole-of-government and whole-of-society approach.

SRC created awareness in various public service institutions and trained champions on productivity measurement and improvement in line with the Framework for Recognising Productivity and Performance in the Public Service.

This awareness enables entities to maximise the use of resources, improve service delivery, optimise budgets, enhance accountability, drive innovation, and ultimately provide better value to citizens and stakeholders, among other benefits.

SRC addressed equity and fairness through job evaluation, harmonisation of salary structures, and streamlining allowances and benefits. This is in keeping with the principle of Equal remuneration to persons for work of equal value.

Third Commission embarked on wide stakeholder engagements and consultations to boost understanding of SRC's mandate and policy decisions.

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The dialogues resulted in better working relationships, partnerships, collaboration and cooperation with the key stakeholders. SRC will continue to engage stakeholders to find mutually acceptable and beneficial outcomes influenced by constitutional and statutory principles.

The financial year witnessed critical court judgements issued in favour of SRC. The Supreme Court of Kenya dismissed an appeal by the defunct National Health Social Fund (NHIF) Management Board, and upheld the Court of Appeal’s decision, affirming that SRC has total jurisdiction over remuneration and benefits for employees of State corporations.

The Supreme Court judgment clarified with finality the supremacy and binding nature of SRC’s constitutional mandate over remuneration and benefits at the national and county government levels.

The Court of Appeal upheld SRC’s advice on house allowance and the capping of sitting allowance for Members of Parliament (MPs).

Further, the Court of Appeal overturned a ruling by the Employment and Labour Relations Court, affirming the jurisdiction of SRC on the determination of remuneration and benefits for public officers in all State corporations, including the National Social Security Fund (NSSF).

In the landmark judgment, the Court affirmed that NSSF employees are public officers subject to SRC’s mandate under Article 230 of the Constitution, setting aside the lower court’s decision that had declared SRC’s circular inapplicable to State corporations.

The High Court upheld SRC’s advice on the rate of stipend for healthcare interns, affirming that SRC acted within its constitutional authority, thereby dismissing five petitions that sought to overturn SRC’s decision on grounds of discrimination and alleged overreach. The court ruled that SRC’s stipend advice, given the financial context, was lawful and not discriminatory.

SRC commenced the development of the Strategic Plan for the period 2025/2026 – 2029/2030. As the Strategic Plan is launched in the next financial year, SRC will continue to serve all stakeholders with diligence, determination and commitment, and seek to achieve higher targets in the coming years.



**Sammy Chepkwony, CHRP(K), FIHRM, MIOB
CHAIRPERSON**

Date: 24/10/2025

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6. REPORT OF THE CHIEF EXECUTIVE OFFICER

It gives me great pleasure and admiration to table this annual report and financial statements for the financial year (FY) 2024/2025. Year after year, we continue to experience continued high levels of commendable performance across board.

Firstly, with a heart full of warmth, the Commission welcomed the newly appointed Chairperson of SRC, Sammy Chepkwony, and six Commissioners, Dr. Gilda Odera, Maj-Gen (Rtd) Martin Kizito Ong'onyi, Mohamed Aden Abdi, Jane Gatakaa Njage, Geoffrey Apollo Omondi, and Leonid Ashindu. The appointments to serve a six-year term were officially announced on 16 January 2025 through Gazette Notice Vol. CXXVII—No. 10.

The Third Commission embarked on wide stakeholder engagements and consultations. This saw critical meetings held between SRC and the Head of Public Service, Parliamentary Service Commission, Public Service Commission, Judicial Service Commission, National Assembly Committee on Delegated Legislation, and National Assembly Committee on Labour.

Other engagements included, County Assemblies Forum, County Public Service Boards – National Consultative Forum, Thought Leaders and Media, Steering Committee of the Third National Wage Bill Conference, Ethics and Anti-Corruption Commission, Ministry of Public Service, Human Capital Development and Special Programmes, and State Corporation Advisory Committee.

Further, SRC held technical meetings with the German Agency for International Cooperation (GIZ) with a view to seeking support for SRC's programmes on productivity and performance. The engagement will continue into the next financial year.

An advocacy session was also held with the National Taxpayers Association, with Equity Bank Kenya Limited with a view to tapping into the bank's vast funding and technical support opportunities, the World Bank to explore partnerships on the public wage bill.

As a key activity, the Steering Committee on the implementation of the Resolutions of the Third National Wage Bill Conference received the progress report on the status of implementation of the 58 key performance indicators (KPIs). With 31 per cent fully completed, 41 per cent at different stages, and 28 per cent at initial stages of implementation, the results showed that implementation levels by all stakeholders need to be stepped up.

To promote a predictable and stable labour environment, SRC, in collaboration with stakeholders, provided advice on negotiation parameters for CBAs to public institutions, as well as strengthened the capacity of public officers drawn from some institutions.

On productivity mainstreaming in the public service, SRC provided advice to 17 institutions on productivity and performance-based incentives; developed a draft framework for linking productivity to the 35 per cent wage-bill-to-revenue ratio; and offered technical support to MDAs to develop institution-specific productivity metrics.

For the first time, SRC undertook concurrent Monitoring and Evaluation (M&E) exercises in all 47 counties countrywide, targeting county executives and county assemblies. The exercise reviewed the status of implementation of SRC's advice with support from the Kenya Devolution Support Programme (KDSP) II.

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The feedback from the M&E exercise was communicated to the counties to undertake remedial measures on areas of non-adherence to SRC advice.

To boost awareness on SRC's mandate and initiatives, SRC engaged in media and social media initiatives, as well as updated the website and MailChimp that achieved wide visibility for SRC. Several communication materials, annual reports, quarterly Mishahara Newsletters, e-Connect and e-Hub digital bulletins, were produced. The brand image continued to grow positively. SRC is keen on diversifying its audiences to deliver critical messages.


SRC employs Corporate Social Responsibility initiatives as a niche through which it contributes, however small, to improve the lives of vulnerable groups across Kenya. It is with joy, therefore, that SRC provided food and non-food donations to 20 households hosting survivors of sexual and gender-based violence (SGBV) and children living with HIV/AIDS in Kibera.

SRC also provided a hot cup of porridge over a four-day period to 700 pupils of Mbagathi Road Primary School in Kibera, Nairobi, as well as food and non-food items to 85 children at Mama Fatuma Children's Home in Eastleigh, Nairobi.

Allow me to applaud the dedication by Secretariat staff in the delivery of the commendable results during the reporting period. SRC appreciates stakeholders at the national and county governments for the support that has augmented SRC's work.

The Commission looks forward to continued collaboration and cooperation with stakeholders for a better Kenya.

Thank you



CPA. Margaret Njoka
Ag. COMMISSION SECRETARY/CEO

Date: 24/10/2025

Salaries and Remuneration Commission

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7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE FINANCIAL YEAR 2024/2025

Introduction

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

SRC developed its annual work plan based on the above five KRAs. SRC's performance was assessed quarterly against its annual work plan. The achievement of the performance targets set for the Financial Year (FY) 2024/2025 was as tabulated below:

Table 1: Programme Performance Review for the Financial Year 2024/2025

Key Result Area (KRA)	Strategic Objective	Outcome	Output	Output Indicator	Achievement for the FY			Cumulative Achievement by the end of the FY			Remarks
					Target	Actual	Variance	Target	Actual	Variance	
KRA 1: Affordability and fiscal sustainability of the public service wage bill	To achieve an equitable, affordable, and fiscally sustainable remuneration and benefits regime	Equity, Fairness, and affordability in the management of allowances and benefits in the Public Service	Reduction of the wage bill to revenue ratio to align with the PFM Act 2012 and the PFM Regulations, 2015	35% wage bill to revenue ratio	35%	40.64%	(5.6%)	35%	40.6%	(5.6%)	a) The wage bill to ordinary revenue ratio declined from 54.77% in FY 2020/2021 to 43.33% in 2023/2024, and projected to reduce to 40.64% in 2024/2025. b) SRC convened the Third National Wage Bill Conference (NWBC) under the 'Towards 35%', theme in April 2023. The conference generated 10 Resolutions which are being implemented.
	Recognize and reward productivity and performance in the Public Service	Attraction and retention of a productive workforce in the Public Service	Framework for linking productivity to a 35% wage-bill to revenue ratio	Approved framework	1	1	0	1	1	0	A draft framework for linking productivity to 35% wage-bill-to-revenue ratio was developed.
	Recognize and reward productivity and performance in	Attraction and retention of a productive workforce in	Advice on performance and productivity	% of advice on performance and productivity	100%	100%	-	100%	100%	-	During the financial year, advice was given on productivity and performance to 17 institutions.

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Key Result Area (KRA)	Strategic Objective	Outcome	Output	Output Indicator	Achievement for the FY			Cumulative Achievement by the end of the FY			Remarks
					Target	Actual	Variance	Target	Actual	Variance	
	the Public Service	the Public Service		issued on requests for MCDAs							
KRA 2: Remuneration and Benefits	Equal remuneration to persons of equal value, fairness, and transparency	Rationalized, harmonized, and defensible grading structures	Job evaluative carried out for requests received	% of jobs reviewed	100%	100%	-	100%	100%	-	a) 14,269 jobs were evaluated under Phase II of the third remuneration and benefits review cycle. b) JE reviews from 102 public service institutions were processed and communicated.
	Establish equitable salary structures		Salary structures established	% of institutions advised on salary structures	100%	100%	-	100%	100%	-	36 public service institutions were advised on salary structures under the third remuneration review cycle.
	Streamline allowances and benefits	Equity, fairness, and affordability in the management of allowances and benefits in the public service	Advice issued on allowances	% of institutions advised on allowances based on requests received	100%	100%	-	100%	100%	-	Issued advice on 224 requests on allowances and benefits.
	To promote a predictable and stable labour environment	Effective collective bargaining, Equity and fairness, and fiscally	Advice issued on Collective Bargaining Agreements (CBAs)	% of advice issued on CBAs on requests from MCDAs	100%	100%	-	100%	100%	-	a) Issued advice to 28 public institutions on negotiation parameters for CBAs.

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Key Result Area (KRA)	Strategic Objective	Outcome	Output	Output Indicator	Achievement for the FY			Cumulative Achievement by the end of the FY			Remarks
					Target	Actual	Variance	Target	Actual	Variance	
		sustainable wage bill.									b) 23 public officers trained on collective bargaining and labour relations.
KRA 3: Policy and legal framework	To ensure compliance with remuneration and benefits set, reviewed, and advised by SRC.	Enhanced compliance to SRC advice, guidelines, and regulations.	No. of reports on monitoring and evaluative carried out	1 report	1	1	-	1	1	-	a) SRC undertook M&E visits to assemblies and executive arms in all 47 counties. b) SRC carried out sensitisation on its circulars and advice for assemblies and executive arms in all 47 counties.
			Quarterly Wage Bill Bulletin	No. of Wage Bill Bulletins	4	4	-	16	16	-	
KRA 4: Collaboration and partnerships	Establish and sustain partnerships with stakeholders	Synergetic relationships enhanced with stakeholders, leading to win-win collaborations	Partnership with NTA leverage	No. of wage bill bulletins disseminated to NTA	4	3	-1	4	3	-1	Ongoing.
				No. of awareness session held for NTA	1	1	-	1	1	-	Completed.
				No. of specialised CSOs leveraged	1	1	-	1	1	-	Completed.
			Stakeholders engaged	No. of stakeholders engaged	3	14	+11	3	14	+11	Completed.
	Strengthen stakeholder engagement	Provide support to	Corporate Social Responsibility	No. of CSRs held	2	3	+1	2	3	+1	Completed.

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Key Result Area (KRA)	Strategic Objective	Outcome	Output	Output Indicator	Achievement for the FY			Cumulative Achievement by the end of the FY			Remarks	
					Target	Actual	Variance	Target	Actual	Variance		
		stakeholder needs	ity (CSR) initiatives held									
KRA 5: Institutional Capacity	Enhance awareness and visibility of the Commission	Implement the Corporate Communications Strategy	Media engagement implemented	No. of press releases issued	8	14	+6	8	14	+6	Completed.	
				No. of press briefings held	5	3	-2	5	3	-2	Ongoing.	
			Quarterly Wage Bill Bulletin popularised	No. of Wage Bill Bulletin popularised	4	3	-1	4	3	-1	Ongoing.	
			IEC materials designed and/or printed	No. of IEC materials designed and/or printed	9	9	-	9	9	-	Completed.	
			Advocacy among stakeholders	Advocacy initiatives held	No. of advocacy initiatives	1	3	+2	1	3	+2	Completed.
			Implement External Customer Perception Survey (ECPS)	ECPS recommendations implemented.	No. of ECPS recommendations implemented	3	3	-	3	3	-	Completed.

8. CORPORATE GOVERNANCE STATEMENT

The objectives of SRC are stipulated under Article 249 of the Constitution. In fulfilment of the objectives, 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 best practices 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's affairs is carried out in the best interest of the government and the public.

The Chairperson, 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 provisions of Chapter Six of the Constitution.

a) End-of-Term of the Second Commission

The Second Commission concluded its six-year tenure from September 2018 to September 2024, building on the gains from the First Commission. Before exiting in September 2024, the Members of the Second Commission engaged in a series of stakeholder meetings and media interviews to showcase its scorecard, which was enumerated in an End-of-Term Report. The tenure was marked by successes and milestones that will inspire SRC's future endeavours.

b) Third Commission takes oath of office

The newly appointed Chairperson of SRC, Sammy Chepkwony, and six Commissioners, Dr. Gilda Odera, Maj-Gen (Rtd) Martin Kizito Ong'onyi, Mohamed Aden Abdi, Jane Gatakaa Njage, Geoffrey Apollo Omondi, and Leonid Ashindu, took the oath of office on 20 January 2025, at the Kenyatta International Convention Centre. The oath was administered by the Chief Registrar of the Judiciary, Hon. Winfridah Mokaya, in the presence of the Chief Justice, Hon. Martha Koome.

The appointments were officially announced on 16 January 2025 through Gazette Notice Vol. CXXVII—No. 10. The new SRC team will serve a six-year term, during which they will oversee the implementation of SRC's mandate and initiatives. On commencement of their duty, the new team underwent several induction sessions facilitated by internal and external stakeholders.

c) Responsibilities

The Chairperson and Members of the Commission bear the ultimate responsibility for overseeing the Commission's affairs. Their decisions and actions are guided by a commitment to good governance and the Commission's core values, which are fairness, accountability, collaboration, integrity, innovation, and transparency. These values serve as the foundation for their leadership and ensure that their work aligns with the principles that uphold the Commission's mission and objectives.

The roles and responsibilities of the Chairperson and Members of the Commission include:

1. Formulation and approval of SRC'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.

d) Role of the Chairperson

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

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e) Role of the Commission Secretary/Chief Executive Officer

The Commission Secretary/Chief Executive Officer (CS/CEO) is responsible for the overall leadership and day-to-day management of operations; efficient and effective management of the Secretariat; performance management, operational controls, ethical conduct, and good corporate governance.

f) 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.

The 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 to ensure that there is independent oversight of internal controls and risk management.

g) Commission Meetings

The Commission and its Committees meet regularly in accordance with weekly and monthly schedules. Members serve on a full-time basis, earning a salary from the Consolidated Fund Services (CFS). Three ex-officio Members earn a sitting allowance for meetings attended up to a maximum of eight (8) meetings per month.

h) Commission 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 Terms of Reference (ToRs), without abdicating its ultimate responsibility. The Committees make recommendations to the Commission for consideration and adoption/resolution.

The Commission regularly reviews the membership and chairpersons of its committees, taking responsibility for filling any vacancies that arise. The Commission ensures that, collectively, the Members possess the necessary qualifications and experience to effectively fulfil the duties of their respective Committees.

The Committee's chairpersons apprise the Commission of their activities regularly, through oral and/or written reports. The agenda items for the Commission meetings are set in consultation with the Chairpersons of the Committees.

The Commission has seven Committees. Their functions and membership are as stipulated below:

i) Wage Bill Management Committee

The Wage Bill Management Committee (WBMC) oversaw matters related to the national wage bill management to ensure that the total public wage bill is sustainable, as well as the preparation of remuneration guidelines towards achieving a sustainable wage bill. It includes matters of collective bargaining negotiations (CBN), research, monitoring and evaluation, and productivity and performance.

It was chaired by John K. Monyoncho. Members included FCPA. Sophie Moturi, Nelly P. Ashubwe, and Abdiwahab A. Abdi for the period to September 2024. With effect from February 2025, the committee was chaired by Ms. Wangui Muchiri, and the members were Dr. Gilda Odera, Mr. Mohamed Aden, Dr. Geoffrey Omondi, and Mr. Leonid Ashindu. The Committee held 22 meetings during the financial year.

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ii) Job Evaluation and Salary Structures Committee

The Job Evaluation and Salary Structures Committee (JESSC) oversaw the development and implementation of a robust policy framework for job evaluation (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 Elizabeth W. Muchiri, Dr. Leah M. Munyao, Hon. Sen. Isaac K. Melly, and Hon. Moses Kuria as Members for the period to September 2024. With effect from February 2025, the committee was chaired by Hon. Isaac Melly, and the members were Maj. Gen. (Rtd) Martin Ong'oyi, Ms. Jane Njagi, Ms. Wangui Muchiri and Hon. Geoffrey Kiringa Ruku. The Committee held 15 meetings during the financial year.

iii) Allowances and Benefits Committee

The Allowances and Benefits Committee (ABC) guided on the allowances and benefits payable in the public service and provided oversight, as well as made recommendations to the Commission on policy guidelines on allowances in the public service.

Margaret Sawe chaired the Committee, with other Members being, Dr. Leah M. Munyao, Prof. Njuguna Ndung'u, and Hon. Moses Kuria for the period to September 2024. With effect from February 2025, the committee was chaired by Mr. Abdiwahab Abdi, and the members were Maj. Gen. (Rtd) Martin Ong'oyi, Dr. Gilda Odera, Hon. CPA John Mbadi Ng'ongo Hon. Geoffrey Kiringa Ruku. The Committee held 12 meetings during the financial year.

iv) 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.

It was chaired by Nelly P. Ashubwe, with Dr. Amani Y. Komora, Hon. Sen. Isaac K. Melly, and Hon. Justin B.N. Muturi as Members for the period to September 2024. With effect from February 2025, the committee was chaired by Dr. Geoffrey Omondi, and the members were Hon. Isaac Melly, Mr. Leonid Ashindu, Mr. Abdiwahab Abdi, and Hon. Dorcas Agik Odhong Oduor. The Committee held 7 meetings during the financial year.

v) Corporate Image and Stakeholder Management Committee

The Corporate Image and Stakeholder Management Committee (CISMC) oversaw the implementation of a communications strategy and stakeholder engagement strategy, with supporting processes to manage media, communications, sensitization, and awareness among stakeholders, and corporate social responsibility, among other areas.

Dr. Leah M. Munyao chaired the Committee, with Dr. Amani Y. Komora, Margaret Sawe, and Elizabeth W. Muchiri as Members for the period to September 2024. With effect from February 2025, the committee was chaired by Dr. Gilda Odera, and the members were Ms. Wangi Muchiri, Ms. Jane Njage, Mr. Abdiwahab Abdi, and Mr. Leonid Ashindu. The Committee held 9 meetings during the financial year.

vi) Corporate Services Committee

The Corporate Services Committee (CSC) oversaw the implementation of the Commission's strategic plan, provided oversight and governance on issues pertaining to HR management, general administration, financial management, ICT, and supply chain management.

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It was chaired by FCPA. Sophie Moturi, with Members being, Margaret Sawe and Abdiwahab A. Abdi, for the period to September 2024. With effect from February 2025, the committee was chaired by Maj. Gen. (Rtd) Martin Ong’oyi, with Mr. Mohamed Aden, Dr. Geoffrey Omondi, Hon. Issac Melly, and Ms. Jane Njage as members. The Committee held 13 meetings during the financial year.

vii) Audit, Risk, and Compliance Committee

The Audit, Risk, and Compliance Committee (ARCC) examined internal and external audit reports, reviewed the financial statements, risks, internal controls, and compliance. FCPA. Jane Muthaura chaired the Committee. Other Members included CPA. James Sambu, John K. Monyoncho, and Prof. Njuguna Ndung’u for the period to September 2024.

FCPA Muthaura and CPA. Sambu were independent Members serving on a part-time basis. With effect from April 2025, the committee was chaired by CPA Lucy Kabaya. Other committee members included CPA Edwin Okiah, Francis Anyona, and Mohamed Aden. The Committee held 10 meetings during the financial year and participated in 4 Commission meetings to present committee reports.

viii) Commission meetings

The Commission held 138 meetings, comprising 52 Commission meetings and 86 Committee meetings, as reflected in **Table 2** below.

Table 2: Analysis of Commission and Committee Meetings

No	Name	COMM.	WBMC	JESSC	LPFC	CISMC	CSC	ARCC	ABC
1	Mrs. Lyn Cherop Mengich, EBS	20	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Dr. Amani Y. Komora, PhD, MBS	22	N/A	7	3	3	N/A	N/A	5
3	Dr. Leah Mumbua Munyao, PhD, MBS	10	N/A	2	1	0	7	N/A	3
4	Mr. John Kennedy Monyoncho, MBS	12	8	N/A	1	N/A	N/A	N/A	N/A
5	Ms. Margaret Sawe	19	N/A	N/A	1	3	5	N/A	6
6	Ms. Nelly Peris Ashubwe, MBS	17	5	N/A	3	N/A	N/A	N/A	2
7	CPA. Sophie Moturi, MBS	22	9	N/A	N/A	N/A	6	N/A	N/A
8	Hon. Sen. Isaac K. Melly, MBS	35	N/A	17	8	N/A	2	N/A	3
9	Wangui Muchiri, HSC	21	14	9	N/A	7	N/A	N/A	N/A
10	Mr. Abdiwahab Abdi, MBS	37	5	N/A	1	3	4	N/A	N/A
11	Hon. Moses Kuria/ Dr. Jacob Mbijiwe, OGW	35	N/A	14	N/A	N/A	N/A	N/A	4
12	Dr. Dorcas Agik Odhong/Emmanuel Bitta, MBS	24	N/A	N/A	4	N/A	N/A	N/A	2

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No	Name	COMM.	WBMC	JESSC	LPFC	CISMC	CSC	ARCC	ABC
13	Hon. CPA. John Mbadi Ng'ongo/Mr. Francis Anyona	29	N/A	N/A	2	N/A	N/A	7	6
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
Members of the Third Commission									
1	Mr. Sammy Chepkwony, CHRP, FIHRM, MIOd	26	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Dr. Gilda Odera, PhD	23	11	N/A	N/A	6	N/A	N/A	5
3	Mr. Geoffrey A. Omondi	24	14	N/A	4	N/A	8	N/A	N/A
4	Ms. Jane Njage	24	N/A	9	N/A	4	8	N/A	N/A
5	Mr. Leonid Ashindu	24	13	N/A	5	5	N/A	N/A	N/A
6	Mr. Mohamed Aden Abdi	20	11	N/A	N/A	N/A	7	N/A	N/A
7	Maj. Gen. (Rtd.) Martin Ong'oyi, CBS, ndc, psk(K)	19	N/A	5	N/A	N/A	6	N/A	5
Independent Members of the Audit Committee									
1	CPA. Lucy Kabaya	1	N/A	N/A	N/A	N/A	N/A	4	N/A
2	CPA. Edwin Tito	N/A	N/A	N/A	N/A	N/A	N/A	4	N/A
Total		52	22	15	7	9	13	8	12

9. MANAGEMENT DISCUSSION AND ANALYSIS

9.0. OPERATIONAL AND FINANCIAL PERFORMANCE

9.1 Strategic Direction

SRC is currently implementing its second strategic plan covering the period 2019/2020 – 2024/2025. The strategic plan is the primary planning tool that provides a framework within which SRC developed its strategies, objectives, activities, and expected output/outcome. The strategic plan articulates SRC's vision, mission, and core values.

The strategies and output/outcome that SRC aims to achieve are anchored on five KRAs. These are: Fiscal Sustainability of Public Service Wage Bill; Remuneration and Benefits; Policy and Legal Framework; Collaboration and Partnerships; and Institutional Capacity.

9.2 Operational Performance Analysis

The five KRAs were prioritised to fulfil SRC's mandate and deliver value to the public service. The activities implemented across these KRAs were as follows:

9.2.1 Affordability and fiscal sustainability of the public service wage bill

The principle of affordability and fiscal sustainability of the public wage bill, as set out in Article 230(5) of the Constitution, ensures that aggregate remuneration and benefits are within the planned public service resource envelope, both in the short and long-term perspective. To ensure adherence to this principle, SRC and public service organisations must work towards ensuring that remuneration and benefits across the public service do not exceed the threshold set by the Public Finance Management (PFM) Act, 2012, and PFM Regulations, 2015.

a) Wage bill trend

In partnership with other institutions, SRC monitors relevant economic indicators and parameters in assessing the fiscal sustainability of the national wage bill. The indicators are published in SRC's quarterly wage bill bulletins. In this regard, the public service wage bill, as of the financial year (FY) 2023/2024, stood at Ksh 1.171 trillion, and estimated at Ksh 1.24 trillion in FY 2024/2025.

The growth in public wage bill is largely attributed to the increase in the workforce through employment in education, health, and security sectors, which are essential services. It is also a result of upward reviews of remuneration and benefits in response to cost-of-living adjustments and the need to attract and retain requisite skills.

Further, the wage bill to ordinary revenue ratio declined from 54.77 per cent in FY 2020/2021, to 43.33 per cent in FY 2023/2024, and projected to decline to 40.64 per cent in FY 2024/2025, as shown in **Table 3** below.

Table 3: Trends of Public Wage Bill, Ordinary Revenue and Employment

Economic Indicators	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25+
	(Ksh "Millions")							
Compensation to Employees/ Total Wage Bill	784,526	870,130	917,820	987,780	1,035,160	1,100,972	1,171,086	1,245,665
Total Ordinary Revenue	1,522,276	1,704,363	1,797,665	1,803,536	2,199,808	2,300,148	2,702,662	3,065,208
Wage bill to Ordinary	51.54	51.05	51.06	54.77	47.06	47.87	43.33	40.64

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Economic Indicators	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25+
	(Ksh "Millions")							
Revenue (PFM Target: 35 per cent)								

Source: KNBS – Economic Survey and Statistical Abstracts (various years) and TNT – Budget Policy Statement, 2025 * Provisional *Projected

b) Monitoring and Evaluation

SRC revised the online wage bill Monitoring and evaluation tool. All counties were sensitised virtually on the revised tool in preparation for the Monitoring and Evaluation (M&E) exercise. Subsequently, SRC undertook an M&E exercise on the implementation of SRC’s advice and guidelines in all 47 county governments. The M&E activity aligns with the Kenya Devolution Support Programme (KDSP) II Result Area 2: Intergovernmental Coordination, Institutional Performance, and Human Resource Management.

The specific area of support was monitoring adherence to remuneration and benefits structures as advised by SRC at the county level. This is a Disbursement Linked Indicator (DLI), and the implementation of these activities will be key to the achievement of the overall goal of KDSP II. The feedback on emerging issues from the M&E exercise was communicated to county executives and county assemblies to undertake remedial measures on areas of non-adherence to SRC advice.

To enhance adherence to circulars and guidelines issued to public institutions clarifying specific issues of remuneration and benefits, SRC conducted both physical and virtual sensitisation and capacity building workshops for assemblies and executive arms in all 47 counties.

The activities, which took place between 28 November and 13 December 2024, drew staff of the county executives (CS, CEC PSM, CO PSM, HR, finance, and payroll managers), and staff of the county assemblies (clerk, directors of HR and finance, and payroll managers).

The engagement report of the sensitisation and capacity building workshops highlighted key issues raised by participants and discussed with SRC facilitators. The issues were classified into five thematic areas namely; job evaluation and salary structures, allowances, benefits, collective bargaining negotiations and wage bill management.

c) Wage Bill Bulletin

The Wage Bill Bulletin is a quarterly publication produced by SRC showcasing the latest information on the wage bill and other macroeconomic indicators that affect the affordability and fiscal sustainability of the wage bill. Four quarterly wage bill bulletins for FY 2024/2025 were developed.

d) Research

SRC commissioned a consultant to undertake a survey on Wage Bill Sustainability – Realism of the Wage Bill to Revenue ratio of 35 per cent. This study will be concluded in the first quarter of FY 2025/2026. A tracker on sitting allowance for Members of County Assembly was developed. SRC also documented strategies and action plans being undertaken by county governments to achieve a wage-bill-to-revenue ratio of 35 per cent by 2028.

e) Third National Wage Bill Conference Resolutions

SRC, jointly with Intergovernmental Relations Technical Committee (IGRTC), Council of Governors (CoG), Public Service Commission (PSC), State Corporations Advisory Committee (SCAC), and the Ministry of Public Service, Human Capital Development and Special Programmes convened the Third NWBC from 15 to 17 April 2024, at the Bomas of Kenya. The conference adopted 10 Resolutions for implementation,

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with the expected outcome of realising a wage-bill-to-revenue ratio that will not exceed 35 per cent by 2028. The Summit, held in December 2024, adopted the NWBC Resolutions for implementation.

Through the Intergovernmental and Multi-Agency Technical Committee, SRC, COG and IGRTC were assigned the responsibility of tracking the implementation of the conference Resolutions and preparing progress reports on regular basis. The first meeting was held virtually on 7 February 2025, convened by SRC, and chaired by IGRTC.

In attendance included representatives from PSC, State Department for Public Service, National Productivity and Competitiveness Centre (NPCC), SCAC, Office of the President, Performance and Delivery Management Unit.

The Steering Committee meeting on implementation of the Resolutions held its first meeting on 6 May 2025. The progress reported on the status of implementation of each of the 58 KPIs showed that 31 per cent were fully completed, 41 per cent were at different stages of implementation, and 28 per cent were at their initial stages of implementation as shown in **Table 4** below.

Table 4: Summary status of implementation

	Status of implementation	Percent
The 10 Resolutions of the 3rd NWBC, 2024, are implemented through 58 KPIs	KPIs fully completed	31% (18)
	KPIs at different stages of implementation – work in progress	41% (24)
	KPIs planned for implementation	28% (16)

9.2.2 Recognising performance and productivity

The Framework for Recognising Productivity and Performance in the Public Service has been rolled out in the public service. The objective of the Framework is to operationalise the constitutional principle under Article 230(5)(c) on recognising and rewarding productivity and performance in public service. In this regard, SRC created awareness on the Framework at Board of Management levels in public service institutions and trained champions on productivity measurement and improvement.

Productivity mainstreaming in the public service is significant as it enables organisations to maximise the use of resources, improve service delivery, optimise budgets, enhance accountability, drive innovation, and ultimately provide better value to citizens and stakeholders, among other benefits.

To this end, SRC:

- a) Provided advice to 17 public service institutions on productivity and performance-based incentives.
- b) Developed a draft framework for linking productivity to a 35 per cent wage-bill-to-revenue ratio.
- c) Supported one public organisation to institutionalise productivity and create a clear linkage to a reward system by aligning its internal policy to the Framework.
- d) In collaboration with NPCC, offered technical support to 8 MDAs to develop institution-specific productivity metrics.

As part of the continued collaboration with stakeholders, SRC held technical meetings with the German Agency for International Cooperation (GIZ) with a view to seek support to SRC's programmes on productivity and performance. The engagement will continue into the next financial year.

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9.2.3 Transparency and fairness

a) Collective Bargaining Negotiation

CBN is a voluntary process that cannot be undertaken in isolation of other key actors. For the process to be successful, several actors must come into play: employers, trade unions, Ministry of Labour, Employment and Labour Relations Court (ELRC), National Treasury, and SRC. Each actor has a fundamental role in the success and implementation of Collective Bargaining Agreements (CBAs).

SRC's role in CBN revolves around advising the national and county governments on the remuneration and benefits of all other public officers. SRC's advice is anchored in the Constitution as it is linked to principles outlined in Article 230(5). SRC's advice is specifically on the items of CBAs that have a financial impact, to ensure the total public compensation bill is fiscally sustainable and that there is equity and fairness in remuneration and benefits.

To achieve these objectives, and promote a predictable and stable labour environment, SRC, in collaboration with stakeholders, has undertaken the following:

- a) Provided advice on negotiation parameters for CBAs to 28 public institutions; and
- b) In collaboration with the Kenya School of Government (KSG), SRC undertook capacity strengthening of 23 public officers drawn from Kenya Power and Lighting Company (KPLC).

9.2.4 Equal remuneration to persons for work of equal value

SRC addressed equity and fairness through JE, harmonisation of salary structures, and streamlining allowances and benefits.

a) Job evaluation

To continue institutionalising JE in the public service:

- i. 92 public service institutions were advised on JE and 10 on JE reviews, under the third remuneration review cycle; and
- ii. SRC continued to collaborate with stakeholders such as KSG to enhance the capacity of public service on JE. County executives, country assemblies and public institutions were trained and sensitised on JE.

b) Salary structures

In establishing equitable salary structures in the public service:

- i. 36 public service institutions were advised on salary structures under the third remuneration review cycle;
- ii. 125 public service institutions sought advice on salary structures reviews in the third remuneration review cycle;
- iii. On the development of a database for approved salary structures for public service institutions, a template to aid in the collection of salary data was designed and will be communicated to public service institutions during the fourth remuneration review cycle.;
- iv. A concept note to guide the International Labour Market Survey for State officers was developed. The survey was not undertaken due to lack of funds to procure a consultant;
- v. A draft report on the budget projection for salary review under the fourth review cycle was developed.

c) Salary review deferred

Following consultations with stakeholders and the National Treasury, SRC deferred the implementation of the salary review for all State and other public officers for FY 2024/2025, contingent upon the

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availability of funding. The review was initially set to take effect on 1 July 2024. This was due to fiscal constraints and budget cuts following the withdrawal of the Finance Bill, 2024.

No additional funding would be provided for implementing the JE results in FY 2024/2025. Further, SRC advised that public service institutions with CBAs affected by the deferment should engage with the respective trade unions.

d) Provide evidence-based review, setting, and advise on remuneration and benefits

As one of the measures to enable SRC to objectively execute its mandate, a concept note was developed to guide the process of undertaking an International Labour Market Survey for State officers.

e) Implementation of the Allowances Policy Guideline for the Public Service

SRC continued to implement the Allowances Policy Guideline by issuing advice to institutions. 40 cases were brought forward from FY 2023/2024, while 276 cases were received in FY 2024/2025, bringing the total to 316 cases.

Of the 316 cases reviewed, SRC communicated to 224 requests. These included, 170 direct advice based on policy, 43 from SRC decisions, and 11 closures due to non-response to requests for additional information.

SRC commissioned a survey on benefits to identify and analyse existing benefits to inform the review and develop the Public Service Benefits Policy Framework to ensure equitable administration across the public service.

9.2.5 Stakeholder engagement and communications initiatives

a) Stakeholder engagement

Acknowledging that SRC decisions and policies impact a wide range of individuals, organisations, institutions, businesses, national and county governments, and the general economy of the country, the Third Commission commenced a whirlwind of stakeholder engagements.

The engagements were premised upon the knowledge that SRC is a public institution whose mandate, as espoused in the Constitution of Kenya, 2010, and SRC Act, 2011, would be greatly enhanced through the promotion of good working relationships with stakeholders. Also, the issuance of SRC advice and policy positions has raised significant concerns from some stakeholders in the public service.

These concerns and challenges include but not limited to: the impact of the roll out of SRC's allowances and benefits policy guideline; job evaluation reviews; mandate jurisdiction; and decisions issued by the executive, legislature, judiciary, county governments, State corporations and umbrella trade unions around remuneration and benefits in the public service, amongst others.

With this in mind, SRC consulted several key stakeholders with a view to understanding and clarifying their concerns. The stakeholders included; Head of Public Service, Parliamentary Service Commission, Public Service Commission, Judicial Service Commission, National Assembly Committee on Delegated Legislation, and National Assembly Committee on Labour.

Others included, County Assemblies Forum, County Public Service Boards – National Consultative Forum, Thought Leaders and Media, Steering Committee of the Third National Wage Bill Conference, Ethics and Anti-Corruption Commission, Ministry of Public Service, Human Capital Development and Special Programmes, and State Corporation Advisory Committee.

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In addition, SRC also held an advocacy session with the National Taxpayers Association, an umbrella body comprising civil society organisations and non-governmental organisations. Engagements were also held with Equity Bank Kenya Limited on areas of collaboration and partnership, with a view to tapping into the bank's vast funding and technical support opportunities. In another similar engagement, SRC met representatives from the World Bank to explore a partnership around the management of the public wage bill.

The dialogues offered opportunities for SRC to engage in a constructive manner and sharing of views and perspectives, and which helped to improve understanding of SRC's mandate and policy decisions. This has resulted in better working relationships, partnerships, collaboration and cooperation with the key stakeholders. SRC agreed to enhance open and accessible avenues for feedback and flow of information for long-term, stable and robust relationships.

Therefore, SRC is investing more in regular, systematic, structured dialogues, engagements, sensitisation sessions and technical clinics with its stakeholders. Following the positive consultations, there is an expectation of trust and mutual working relations for improved adherence to SRC's advice, along with a systematic and consistent response by SRC to stakeholders. SRC continues to engage stakeholders to find mutually acceptable and beneficial outcomes influenced by constitutional and statutory principles.

b) Communications initiatives

To boost awareness and visibility, SRC collaborated with the media in several initiatives that achieved wide visibility for SRC, including press releases, press briefings, media interviews, and responses to media enquiries. Several information, education and communication materials, annual reports and quarterly Mishahara Newsletters on the discharge of SRC's mandate, were produced and distributed for internal and external audiences. SRC's brand image and profile continued to grow positively.

To keep external audience abreast of SRC's policies and activities, SRC regularly posted on its social media channels. As a new initiative, SRC activated #TriviaTuesdays on SRC social media platforms. The initiative involved deploying engaging questions on social media about SRC, with the fastest correct response receiving SRC-branded tokens of appreciation. Based on the numerous correct responses, #TriviaTuesdays confirmed that thousands of netizens understood the mandate and functions of SRC.

Being key to reaching and diversifying digital audiences to deliver critical messages, SRC's social media platforms experienced continued growth in followers and subscribers. SRC maintained an updated and informative website and used MailChimp to disseminate widely its e-Connect digital bulletin for internal audiences and e-Hub digital bulletin for external audiences. This ensured regular awareness and visibility for internal and external partners and the media.

9.2.6. Court rulings around SRC's mandate

a) Supreme Court reaffirms SRC's advice is binding for the public service

The Supreme Court of Kenya dismissed an appeal by the defunct National Health Social Fund (NHIF) Management Board, and upheld the Court of Appeal's decision, affirming that SRC has total jurisdiction over remuneration and benefits for employees of State corporations, such as NHIF. The court declared SRC's advice is binding on public institutions in line with Article 230(4)(b) of the Constitution.

The case arose from a dispute over a Collective Bargaining Agreement (CBA) between NHIF and the Kenya Union of Commercial Food and Allied Workers. NHIF had negotiated and sought to implement a CBA without prior advice from SRC. SRC rejected the proposal, citing non-adherence to remuneration

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guidelines and fiscal sustainability. The matter escalated through the Employment and Labour Relations Court (ELRC) and the Court of Appeal before being adjudicated by the Supreme Court.

The Supreme Court judgement clarified that SRC has constitutional authority to advise national and county governments, including State corporations, on the remuneration and benefits for all public officers. The court clarified that SRC's advice is not merely consultative, but binding, stating that upholding SRC's constitutional mandate supports fiscal sustainability and ensures harmonisation and equity across the public service compensation framework.

The Supreme Court judgment clarified with finality the supremacy and binding nature of SRC's constitutional mandate over remuneration and benefits at the national and county government levels, cementing SRC's oversight, as provided for in the Constitution and SRC Act, 2011.

b) Court of Appeal upholds SRC's advice on house allowance and capping of sitting allowance for MPs

The Court of Appeal upheld SRC's advice on house allowance and the capping of sitting allowance for Members of Parliament (MPs). While dismissing the petition filed by the Parliamentary Service Commission (PARLSCOM), the court noted that the appeal had been compromised by the recovery, over a period of one year, of monies paid to MPs for house allowance, in compliance with a High Court order, and that SRC had, subsequent to filing of the appeal, set both house and sitting allowances in consultation with PARLSCOM.

The dispute arose after PARLSCOM unilaterally decided to pay each MP a house allowance at Ksh 250,000 per month, and further objected to the capping of sitting allowance, disregarding the established remuneration and benefits structure for State officers, which is exclusively vested in SRC. The judgement by the appeals court maintains that PARLSCOM acted outside its constitutional mandate by approving house allowance for MPs without SRC's approval, declaring such actions unconstitutional.

c) Court of Appeal upholds SRC's mandate over public officers in State corporations

The Court of Appeal overturned a ruling by the Employment and Labour Relations Court (ELRC), affirming the jurisdiction of SRC on the determination of remuneration and benefits for public officers in all State corporations, including the National Social Security Fund (NSSF). In the landmark judgment, the appeals court concluded that NSSF employees are public officers subject to SRC's mandate under Article 230 of the Constitution, setting aside the lower court's decision that had declared SRC's circular inapplicable to State corporations.

The court affirmed that as long as salaries in State corporations are drawn from "Parliament through the annual national budget or funds retained by the State Corporation for purposes of defraying expenses as empowered by an Act of Parliament...", all remuneration and benefits must be determined by SRC. The court reinforced that SRC has the constitutional mandate to regulate the remuneration of public officers in State corporations. The case dates to 2016, when NSSF, the Kenya Union of Commercial Food and Allied Workers, and the Attorney General challenged SRC's directive regulating salary negotiations at NSSF.

d) High Court upholds SRC's advice on stipend for healthcare interns

The High Court upheld SRC's advice on the rate of stipend for healthcare interns, affirming that SRC acted within its constitutional authority, thereby dismissing five petitions that sought to overturn SRC's decision on grounds of discrimination and alleged overreach. The consolidated petitions argued that SRC's decision to set standard stipend rates was unconstitutional, claiming it created disparities between

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medical and non-medical healthcare interns and disregarded previously established remuneration structures.

SRC defended its decision, stating that internships are classified as training periods, rather than employment, with stipends adjusted according to available funds. SRC maintained that adjustments to intern stipends are key to ensuring fiscal responsibility amid limited government resources, highlighting the Ministry of Health’s own financial constraints, including an additional funding request of Ksh 9.6 billion to meet budgetary needs. The court ruled that SRC’s stipend advice, given the financial context, were lawful and not discriminatory.

9.2.7. Recognition at Fire Awards

SRC secured the 1st Runners Up position among Constitutional Commissions and Independent Offices (CCIOs) under the Category of International Public Sector Accounting Standards (IPSAS) Accrual, during the Financial Reporting (FiRe) Awards held in December 2024. SRC was recognised as one of the top performers among CCIOs for its accountability and prudent management of resources.

For several years in a row, SRC has consistently received FiRe Awards, which stands as the most prestigious in East Africa for financial reporting. FiRe Award aims to promote accountability, transparency, and integrity in compliance with International Financial Reporting Standards (IFRS) and other disclosures related to governance, social, and environmental reporting.

9.3 Financial Performance Analysis

a) Approved Budget Analysis

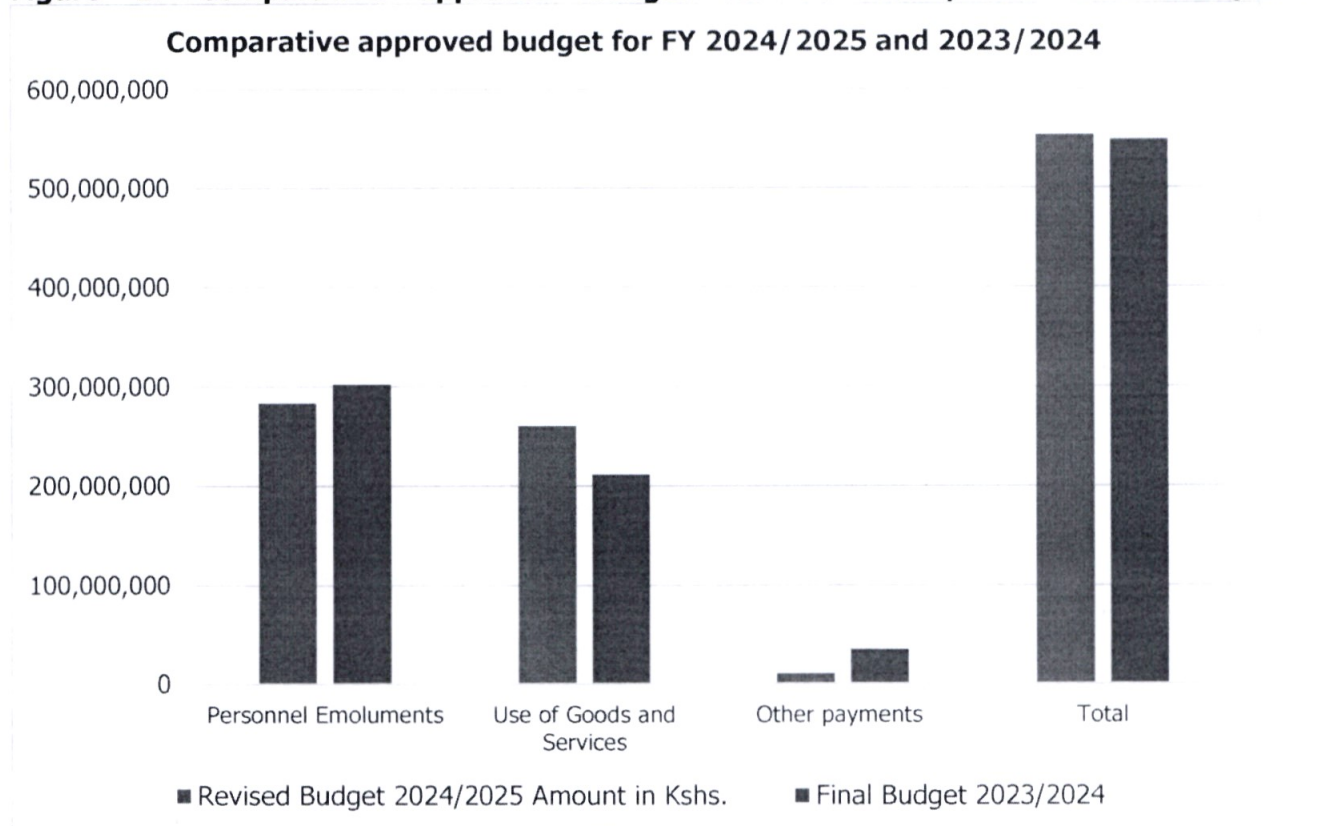
SRC’s revised budget for FY 2024/2025 is Ksh 553.91 million. The revenue estimates are based on approved activities carried out by SRC during the period under review. The approved estimates and comparatives for FY 2023/2024 are summarised in **Table 5** below.

Table 5: Comparative approved Budget for FYs 2024/2025 and 2023/2024

Details	Revised Budget 2024/2025	Final Budget 2023/2024	Increase/ (Decrease)	% Increase/ (Decrease)
	Amount in Ksh			
Personnel Emoluments	283,349,622	302,400,000	(19,050,378)	(6.30%)
Use of Goods and Services	260,162,726	211,476,144	48,686,582	23.02%
Other payments	10,398,254	35,081,311	(24,683,057)	(70.36%)
Total	553,910,602	548,957,455	4,953,147	0.90%

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Figure 1: Comparative approved budget for FY 2024/2025 and 2023/2024



b) Overall Expenditure Analysis

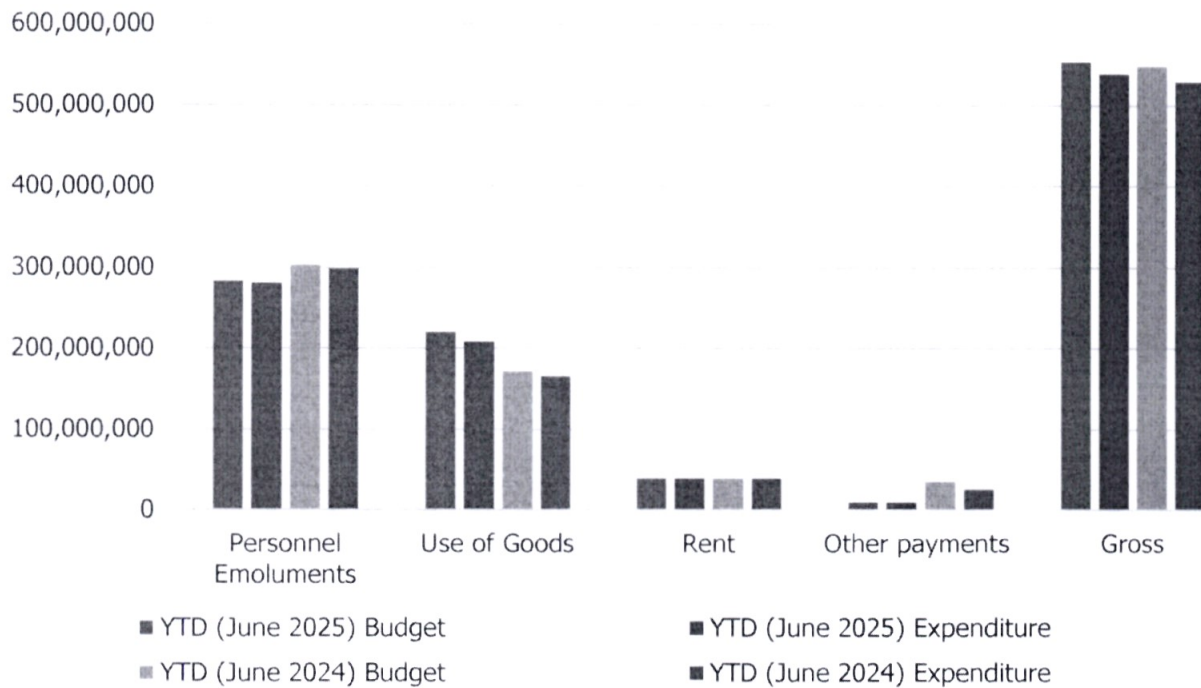
SRC incurred a total of Ksh 538.53 million in actual expenditure, translating into an absorption rate of 97.22 per cent of the approved budget for FY 2024/2025. Of the Ksh 538.53 million, Ksh 280.68 million was spent on personnel emoluments, Ksh 207.79 million on the use of goods and services, Ksh 39.67 million on rent, and Ksh 10.39 million on the acquisition of assets. The overall expenditure is summarised in **Table 6** below.

Table 6: Overall budget performance for FY 2024/2025 in comparison to FY 2023/2024 (Ksh)

Period	YTD (June 2025)			YTD (June 2024)		
	Budget	Expenditure	% Absorp.	Budget	Expenditure	% Absorp.
Personnel Emoluments	283,349,622	280,682,514	99.06	302,400,000	298,331,971	98.62
Use of Goods	220,162,726	207,786,168	94.43	171,476,144	165,412,079	96.53
Rent	40,000,000	39,671,194	99.18	40,000,000	39,885,014	99.71
Acquisition of Assets	10,398,254	10,388,247	99.90	35,081,311	25,909,790	73.86
Gross	553,910,602	538,528,123	97.22	548,957,455	529,538,854	96.46

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Figure 2: Overall Budget Performance for FY 2024/2025 in comparison to FY 2023/2024
Overall Budget Performance for FY 2024/2025 in comparison to FY 2023/2024



c) Revenue

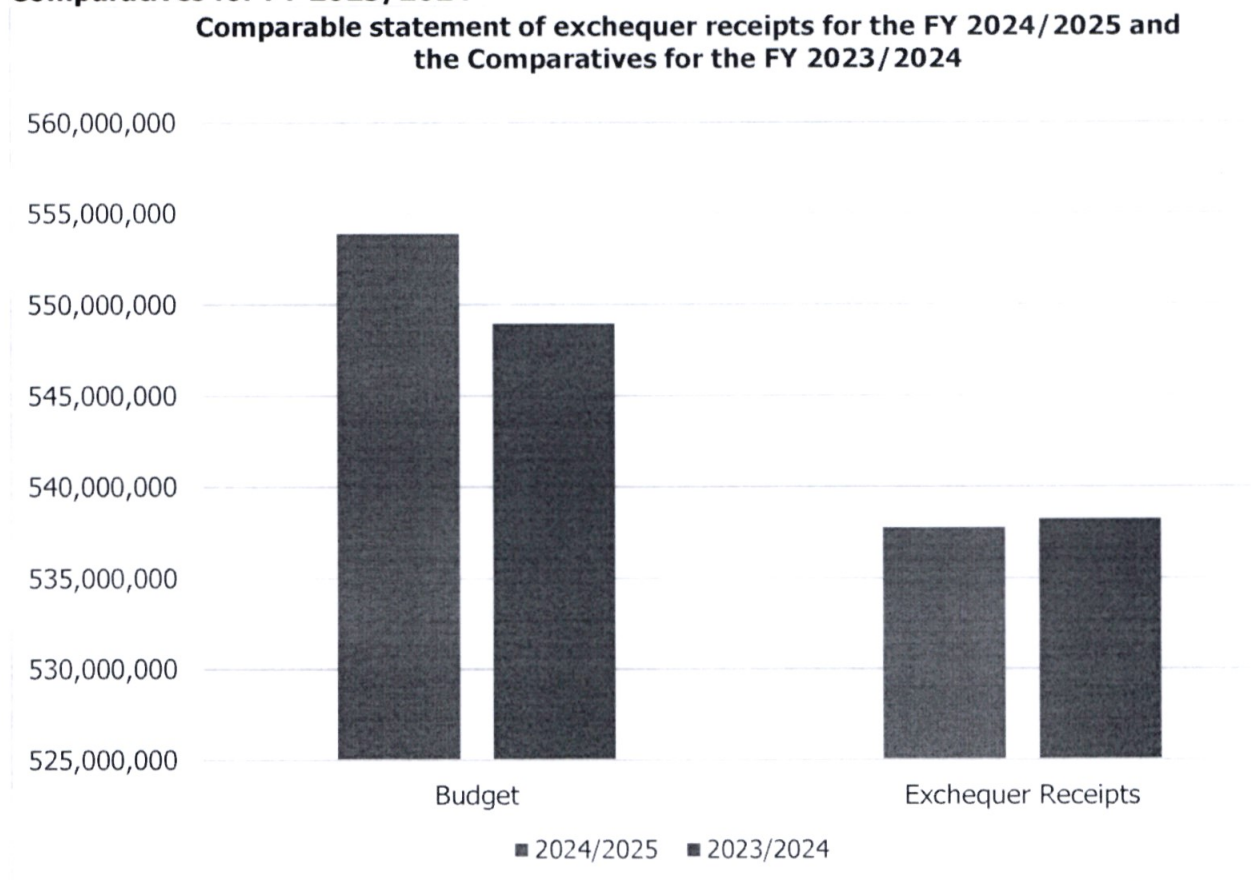
Revenue from government grants amounted to Ksh 538.25 million. This represented 97.17 per cent of SRC's approved budget. The analysis of the exchequer receipts and the comparatives for the previous financial year are summarised in **Table 7** below.

Table 7: Comparable statement of exchequer receipts for FY 2024/2025 and the Comparatives for FY 2023/2024 (Ksh)

Period	Budget	Exchequer Receipts	% of Exchequer Receipts to Budget	% Increase/ (Decrease) Exchequer Receipts
2024/2025	553,910,602	538,251,811	97.17	-0.88
2023/2024	548,957,455	538,270,246	98.05	

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Figure 3: Comparable statement of exchequer receipts for FY 2024/2025 and the Comparatives for FY 2023/2024



9.4 Compliance with statutory requirements

SRC is required to comply with various laws and constitutional provisions, which include the Constitution, SRC Act of 2011, Cap 412A of PFM Act of 2012, Cap 470 of Income Tax Act, NSSF Act, and Social Health Insurance Act (SHIA) 2023, among others.

Article 230(5a-d) of the Constitution requires SRC, while carrying out its mandate, consider the principles of fiscal sustainability, attraction and retention of skills required to execute functions, recognition of productivity and performance, transparency, and fairness.

Further, provisions of Article 254(1) of the Constitution and Article 21 of SRC Act, 2011, require SRC to prepare, publish, and publicise annual reports and financial statements and submit them to the president and parliament.

SRC prepared the annual report and financial statements for FY 2023/2024 and prior years. The financial statements for FY 2023/2024 were submitted within statutory timelines, and an unmodified audit certificate from the Office of the Auditor General was issued on 24 December 2024. Other provisions of the laws, such as SHIA, NSSF Act, and Income Tax Act, have also been complied with by SRC. The related monthly and annual deadlines for returns are observed as per the requirements of each Act.

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9.5. Risk management policies in SRC

SRC has developed and operationalised an Enterprise Risk Management Policy. This policy guides all members of staff, internal and external stakeholders how SRC identifies, analyses, evaluates and mitigates potential risks to achieve SRC's strategic objectives. The process involves the preparation of quarterly risk reports by Management for review and decision-making by the Commission. Risks rated as low for two consecutive quarters are delisted and the risk monitoring efforts continue for the medium to high rated risks for the relevant business unit.

9.6. Major risks facing SRC

In preparation of its strategic plan, SRC identified and analysed various potential risks and adopted various mitigation measures. The major risks identified are shown in **Table 7** below:

Table 7: Summary of major risks facing SRC

No	Nature of Risk	Risk	Risk Rating	Mitigating Control
1	Strategic Risk	Lack of acceptance by public service institutions of the communicated JE grading and salary structures	Medium	SRC provided a review of JE grading results as one of the steps in conducting JE to ensure job holders, while institutions dissatisfied with the outcome of JE are accorded a fair hearing.
2	Strategic Risk	Non-adherence to the SRC Circulars and Advice	Medium	a) Continuous M&E and training of stakeholders on SRC Circulars and Policy Guidelines. b) Collaboration with all key stakeholders through the signing of a Memorandum of Understanding (MOU) to enhance compliance. SRC continues to work with multi-agencies such as EACC and OAG to ensure compliance with SRC circulars.
3	Strategic Risk	Non-adherence to remuneration and benefits as set and advised by SRC.	Medium	a) Continuous M&E undertaken for public service. b) Automation of M&E System ongoing. c) Capacity build stakeholders.
4	Strategic Risk	Misinterpretation of SRC Circulars and Advice by public service institutions resulting in loss of public funds.	Medium	a) Sensitisation and capacity building programmes conducted for public service institutions. b) Sharing information for enforcement with other PFM institutions.
5	Strategic Risk	Different approaches in rewarding productivity and performance.	Medium	Sensitising public service institutions on the Framework for Recognising Productivity and Performance in the Public Service.
6	Financial Risk	Corruption and bribery practices.	Medium	a) Adherence to Cap 412A of PFM Act, PPADA, and regulations. b) Segregation of duties and responsibilities in the procurement process. c) Implementation of oversight tools.
7	Technological Risk	Failure of IT Systems due to virus/trojan/malware leading to data loss.	Medium	Installation of Fortinet FortiGate firewall, Symantec Endpoint Antivirus, and SSL digital certificate.

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10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

SRC is established under Article 230 of the Constitution to set and regularly review the remuneration and benefits of all State officers, and advise the national and county governments on the remuneration and benefits of all other public officers.

Below is a brief highlight of SRC's achievements in the following four sustainability pillars:

a) Sustainability strategy and profile

SRC developed departmental business continuity plans to ensure the maintenance of operations and restoration of services in the event of a disaster that affects its assets and infrastructure. Additionally, the implementation of cloud computing for data backup has enabled staff to access their data storage remotely, eliminating the need to physically carry external hard disks. This approach enhances both the security and accessibility of critical information, supporting SRC's resilience and operational efficiency.

b) Environmental performance

SRC initiated programmes to ensure that its environmental activities remained sustainable in the long run. This effort is demonstrated by operationalising policies relating to the disposal of electronic waste, pooling of water dispenser units, sharing of IT assets, and sharing and circulation of soft copies of documents as opposed to hard copies.

Other initiatives include, applying Just-In-Time philosophy for the replenishment of store items to minimize storage of large stocks, and printing on both sides of paper documents. In addition, SRC digitised its work processes by developing and implementing an Intranet, an Electronic Document Management System (EDMS), and a Monitoring and Evaluation System.

c) Employee welfare

SRC adheres to HR policies and procedures that align with public service values and principles outlined in Article 232 of the Constitution. Staff recruitment is conducted in accordance with these values to ensure fairness and integrity. Employees undergo a fair performance appraisal process, which helps identify areas for improvement and informs training and development initiatives.

SRC's office is certified by the Ministry of Labour as a registered workplace, ensuring compliance with the Occupational Safety and Health Act of 2007 (OSHA, 2007). Additionally, SRC provides comprehensive benefits, including medical insurance, Workers Injury Benefits Act coverage, and Group Personal Accident coverage for both the Commission and staff, as stipulated in the terms and conditions of service.

d) Operational practices

i. Responsible competition practice

The Public Procurement and Disposal Act of 2015, amended in 2022, reinforces the importance of responsible competition practices in public procurement. To further enhance transparency, the Public Procurement Regulatory Authority (PPRA) has improved the Public Procurement Information Portal. This portal allows suppliers to access information on procurement opportunities and contract awards, making it easier for them to participate in public procurement.

SRC has consistently complied with the regulations and actively utilised e-procurement systems ensuring a transparent, efficient, and accessible procurement process. Further, SRC has prioritised the request for quotation method as its preferred procurement approach. This method encourages competition among suppliers, which is a key factor in ensuring fair pricing, quality service, and overall market efficiency. Through these practices, SRC upholds the principles of responsible competition in public procurement.

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ii. Responsible supply chain and supplier relations

SRC places a strong emphasis on responsible supply chain management and fostering positive supplier relations by integrating economic, social, ethical, and environmental standards into all procurement and disposal processes. These standards are applied not only during procurement activities, but also in the registration of new suppliers and the implementation of supplier development programmes.

The adoption of framework contracts by SRC has proven to be a strategic move in promoting supply chain sustainability and resilience. These contracts allow SRC to leverage its buyer power, ensuring competitive pricing, while minimising the frequency and transactional nature of spot buying. This shift has streamlined procurement processes and significantly improved relationships with suppliers.

By aligning its procurement patterns with demand, SRC has enabled suppliers to be more responsive to urgent needs and better manage their stock. The use of e-procurement platforms for procurement opportunities and awards has further strengthened supplier confidence, as these platforms demonstrate SRC's commitment to transparency and efficiency. As a result, suppliers view SRC as a responsible and reliable business partner, fostering long-term, mutually beneficial relationships.

iii. Responsible marketing and advertisement

To enhance the visibility of procurement opportunities and job vacancies, SRC employs a responsible marketing and advertisement strategy by leveraging both print and electronic media. This multi-channel approach ensures that information about procurement opportunities and career opportunities is widely accessible, helping to reach a diverse range of potential suppliers and qualified candidates.

The seamless communication facilitated through these advertisements has significantly bolstered supplier confidence in SRC's procurement processes, resulting in higher responsiveness to tenders. In addition to traditional media, SRC is also focused on improving brand awareness and actively utilising digital and social media platforms. This expanded digital presence increases the reach of procurement advertisements and engages a broader audience, further strengthening SRC's reputation as a transparent and reliable partner in the marketplace.

iv. Product stewardship

SRC demonstrates a strong commitment to service stewardship by ensuring that its operations and procurement processes uphold quality, safety, and responsibility best practices.

SRC's approach to service stewardship is guided by:

- 1) **Alignment with user needs:** The procurement process is driven by the specific needs of its user departments, which helps eliminate unnecessary purchases and reduce waste. This focus on relevance and efficiency ensures that resources are used optimally.
- 2) **Evaluation of social and environmental impact:** The evaluation criteria for selecting suppliers and products include social and environmental considerations. This ensures that the products and services procured meet the immediate needs of SRC and contribute to broader sustainability goals.
- 3) **Commitment to safety and quality:** SRC is dedicated to procuring safe, high-quality products from reputable suppliers. This focus on quality is essential to safeguarding the rights and interests of those who rely on SRC's services.
- 4) **Robust inspection and compliance:** To ensure that all procured products and services meet the required standards, SRC forms inspection and acceptance committees for each procurement.

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These committees are composed of staff with relevant expertise, and in cases where additional technical knowledge is needed, SRC engages external experts. This thorough approach ensures compliance with user specifications and regulatory requirements.

- 5) **Supplier relations and market responsiveness:** By engaging reputable suppliers and focusing on building strong relationships, SRC enhances the responsiveness of the market to its needs.

e) Community Engagements

SRC identifies Corporate Social Responsibility (CSR) initiatives as a niche through which it contributes, however small, to improve the lives of vulnerable groups across Kenya, as well as enhance environmental sustainability. SRC will continue to support needy individuals and groups across the country.

i) CSR: Touching SGBV survivors in Kibra

SRC, in collaboration with Saidika Organisation, supported a CSR initiative aimed at uplifting vulnerable households in Kibra's informal settlements. SRC donated food items, which comprised flour, rice, beans, and cooking oil, to address the immediate needs of the beneficiaries. Among the 20 households supported through the donations, many were survivors of sexual and gender-based violence (SGBV) and children living with HIV/AIDS. SRC ensured the donations were tailored to the specific requirements of the beneficiaries, recognising that many survivors grapple with food insecurity, which exacerbates their vulnerabilities.

ii) CSR: Mbagathi Road Primary School pupils enjoy cup of uji

As the most vulnerable demographic, children often suffer the greatest impact of food insecurity, particularly in communities with limited access to nutritious meals. SRC organised a feeding programme at Mbagathi Road Primary School in Kibera, Nairobi, providing 700 pupils with a cup of porridge (*uji*) over a period of four days. SRC had procured porridge flour and sugar, and donated to the school, which then prepared the nutritious porridge. This initiative ensured the pupils received a nutritious meal essential for their growth and development, as well as alleviated short-term hunger, and helped to sustain the energy levels of the young pupils and improved their concentration in class.

iii) CSR: Sharing Eid cheer at Mama Fatuma Children's Home

As part of its CSR initiative, SRC extended a hand of kindness to Mama Fatuma Children's Home in Eastleigh, Nairobi. The visit, which was timed ahead of Eid-ul-Fitr, brought cheer and support to vulnerable children during the holy season of Ramadhan. SRC donated a range of food items, hygiene products, and personal care supplies, to support the children's daily needs, while also making them feel included in the festive spirit. SRC's engagement reflects its broader commitment to social inclusion and giving back to the communities it serves. The Home is a shelter and a refuge of hope for 85 children from diverse and heartbreaking backgrounds.

iv) Promoting staff training and development

SRC is committed to ensuring continuous upgrading of its employees' core competencies, capacity, knowledge, skills and attitudes through learning and development. This learning and development enable employees develop their careers and assimilate technology for effective and efficient service delivery.

The training needs assessment is carried out at the beginning of each financial year. This is then used to develop the training plan, which is then implemented upon approval by the Commission. The process ensures staff are adequately trained in the relevant areas. The Commission facilitated internal and external training for Commission Members and staff. The training covered senior management, managerial, corporate governance and technical skills in various areas as required.

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v) Promoting labour relations

To promote stable labour relations in the country, SRC engaged stakeholders to implement the Guidelines for Collective Bargaining in the Public Sector, 2019. The guidelines comprise a list of factors that SRC considers when advising on negotiation parameters, requirements for provision of guidelines on collective bargaining, steps and timelines in collective bargaining.

Further, SRC undertook sensitisation of public institutions on collective bargaining to ensure the institutions are conversant with the guidelines. In partnership with the Kenya School of Government, SRC developed a curriculum on Collective Bargaining in the Public Service. The curriculum was used to train public officers on collective bargaining in the public service.

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11. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Section 81 of PFM Act, CAP. 412A and Section 23 of SRC Act, 2011, require SRC to prepare financial statements in respect of SRC, which give a true and fair view of the state of affairs of SRC, as at the end of the financial year, and the operating results of SRC for that year.

The Accounting Officer of the Commission is required to ensure that SRC keeps proper accounting records, which disclose with reasonable accuracy the financial position of SRC. They are also responsible for safeguarding SRC assets.

The Accounting Officer is responsible for the preparation and presentation of SRC's financial statements, which give a true and fair view of the state of affairs of SRC as at the end of the financial year ended 30 June 2025.

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 SRC; (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 Accounting Officer accepts 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 the International Public Sector Accounting Standards (IPSAS), and in the manner required by CAP 412A of PFM Act, and SRC Act, 2011.

The Accounting Officer is of the opinion that SRC's financial statements give a true and fair view of the state of SRC's transactions during the financial year ended 30 June 2025, and of its financial position as at that date. The Accounting Officer further confirm the completeness of accounts records maintained for SRC, which have been relied upon in the preparation of SRC's financial statements, as well as the adequacy of the system of internal controls.

The Accounting Officer confirms that the Commission's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

SRC's financial statements were approved by the Commission on 28th August 2025 and signed on its behalf by:

Sign 
CPA. Margaret Njoka
Ag. Commission Secretary/Chief Executive Officer

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON SALARIES AND REMUNERATION COMMISSION FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on the Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Salaries and Remuneration Commission set out on pages 1 to 26, which comprise of the statement of financial

position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Salaries and Remuneration Commission as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Salaries and Remuneration Act, 2011 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Salaries and Remuneration Commission Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, an issue was raised under Report on Lawfulness and Effectiveness in Use of Public Resources on Non-compliance with the one-third of Basic Salary Rule. However, the issue remained unresolved as at 30 June, 2025.

Other Information

The Management is responsible for the Other Information set out on page v to I which comprise of Key Entity Information and Management, Chairperson's Statement, Report of the Chief Executive Officer, Statement of Performance against Pre-determined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Commission's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information

is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, and I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on the Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Under-Staffing at the Commission

Review of the personnel records revealed that the Commission had eighty-six (86) staff on the payroll compared to one hundred and one (101) authorized positions. This indicates that fifteen (15) positions remain vacant and thus the Commission was under-staffed.

In the circumstances, the under staffing of the Commission may affect the delivery of service to the public.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The Standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Commissioners

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

The Commissioners are responsible for overseeing the Commission's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The Standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

07 November, 2025

Salaries and Remuneration Commission

Annual Report and Financial Statements for the year ended 30 June 2025

13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

Description	Notes	2024/2025	2023/2024
		Ksh	Ksh
Revenue from non-exchange transactions			
Transfers from the exchequer	6	538,251,811	538,270,246
Total revenue from non-exchange transactions		538,251,811	538,270,246
Revenue from exchange transactions			
Other income	7	142,724	820,811
Total revenue from exchange transactions		142,724	820,811
Total revenue		538,394,535	539,091,057
Expenses			
Employee costs	8	283,253,214	304,183,881
Use of goods and services	9	164,987,895	144,531,260
Commission Expenses	10	52,185,949	33,423,437
Depreciation and amortization expense	11	34,883,857	36,223,095
Repairs and maintenance	12	19,186,601	20,356,199
Contracted services	13	2,311,200	-
Total expenses		556,808,716	538,717,872
Surplus/ (Deficit)		(18,414,181)	373,185

The notes set out on Pages 8 to 25 form an integral part of these Financial Statements. The Financial Statements set out on Pages 1 to 5 were signed on behalf of SRC by:



Mr. Sammy Chepkwony, CHRP(K), FIHRM, MIOD
Chairperson

Date 24/10/2025



CPA. Margaret Njoka
Ag. Commission Secretary/
Chief Executive Officer

Date 24/10/2025



CPA. Mary Konuche
Head of Finance and Accounts
ICPAK No: 9824

Date 24/10/2025

**Salaries and Remuneration Commission
Annual Report and Financial Statements for the year ended 30 June 2025**

14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

Description	Notes	2024/2025	2023/2024
		Ksh	Ksh
Assets			
Current Assets			
Cash and Cash equivalents	14	3,624,449	10,382,771
Prepayments	15	32,676,615	31,722,054
Receivables from Exchange Transactions	16	2,200,968	1,673,332
Total Current Assets		38,502,032	43,778,156
Non-Current Assets			
Property, Plant and Equipment	17	103,271,575	116,980,655
Intangible Assets	18	29,693,395	42,039,369
Total Non-Current Assets		132,964,971	159,020,024
Total Assets		171,467,003	202,798,180
Liabilities			
Current Liabilities			
Trade and Other Payables	19	4,815,418	1,191,870
Current Provision	20	4,995,369	7,265,662
Total Current Liabilities		9,810,788	8,457,532
Non-Current Liabilities			
Non-Current Employee Benefit Obligation	20	6,217,516	11,381,610
Total Non-Current Liabilities		6,217,516	11,381,610
Total Liabilities		16,028,303	19,839,142
Net Assets		155,438,699	182,959,038
Represented by:			
Accumulated Surplus		155,438,699	182,959,038
Net Assets		155,438,699	182,959,038

The financial statements set out on Pages 1 to 5 were signed on behalf of SRC by:



Mr. Sammy Chepkwony, CHRP(K), FIHRM, MIOd
Chairperson

Date 24/10/2025



CPA. Mary Konuche
Head of Finance and Accounts
ICPAK No: 9824

Date 24/10/2025



CPA. Margaret Njoka
Ag. Commission Secretary/
Chief Executive Officer

Date 24/10/2025

Salaries and Remuneration Commission**Annual Report and Financial Statements for the year ended 30 June 2025****15. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025**

Description	Accumulated Fund	Total
	Ksh	Ksh
As at 1 July 2023	139,313,255	139,313,255
Return to the exchequer	(3,926,492)	(3,926,492)
Surplus / (Deficit) for the year	373,185	373,185
Prior period adjustment	47,199,090	47,199,090
As at 30 June 2023	182,959,038	182,959,038
As at 1 July 2024	182,959,038	182,959,038
Return to the exchequer	(9,106,159)	(9,106,159)
Surplus / Deficit for the year	(18,414,181)	(18,414,180)
As at 30 June 2025	155,438,699	155,438,699

Notes:**Transfer to the Consolidated Fund Ksh 9,106,159**

The transfer to the Consolidated Fund relates to the unutilised exchequer balance at the end of the previous financial year that was transferred back to the National Treasury.

**Salaries and Remuneration Commission
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16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

Description		2024/2025	2023/2024
	Notes	Ksh	Ksh
Cash flows from operating activities			
Receipts			
Transfers from other government entities	6	538,251,811	538,270,246
Other income	7	142,724	606,719
Miscellaneous income		-	214,092
Contractor's retention monies		-	394,945
Total receipts		538,394,535	539,486,002
Payments			
Employee costs		290,687,600	298,442,024
Use of goods and services		122,780,408	111,479,938
Rent		39,671,194	39,885,014
Commission Expenses	10	52,185,949	33,801,157
Repairs and maintenance	12	19,186,601	20,419,441
Contracted services	13	2,311,200	-
Total payments		526,822,950	504,027,574
Net cash flows from operating activities		11,571,585	35,458,428
Cash flows from investing activities			
Purchase of property, plant, and equipment		(8,828,804)	(12,924,661)
Purchase of intangible assets		-	(12,985,489)
Contractor's retention money		(394,945)	(5,796,102)
Net cash flows from investing activities		(9,223,748)	(31,706,252)
Cash flows from financing activities			
Transfer to Consolidated Fund		(9,106,159)	(3,926,492)
Net cash flows from financing Activities		(9,106,159)	(3,926,492)
Net increase/(decrease) in cash and Cash equivalents		(6,758,322)	(174,316)
Cash and cash equivalents as at 1 July 2024		10,382,771	10,557,087
Cash and cash equivalents as at 30 June 2025	14	3,624,449	10,382,771

Reconciliations between the statement of financial performance and the cash flow statement

Employee costs

Balance as per the statement of financial performance	283,253,214
Less: Provision for gratuity	(5,032,459)
Leave provision	2,270,292
Add: Paid gratuity	10,196,554
Balance as per the cash flow statement	290,687,600

Use of Goods and Services

Balance as per the statement of financial performance	164,987,895
Add: Receivables carried forward (less prepaid rent)	32,677,588
Less: Rent expense	39,825,414
Trade payables	4,018,497
Receivables brought forward (less prepaid rent)	31,041,166
Balance as per the cash flow statement	122,780,408

**Salaries and Remuneration Commission
Annual Report and Financial Statements for the year ended 30 June 2025**

Rent

Balance as per the statement of financial performance	39,825,414
Less: Prepaid rent brought forward	2,354,220
	37,471,194
Add: Prepaid rent carried forward	2,200,000
Balance as per the cash flow statement	39,671,194

**Salaries and Remuneration Commission
Annual Report and Financial Statements for the year ended 30 June 2025**

**17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR
THE YEAR ENDED 30 JUNE 2025**

Description	Original budget	Adjustments	Final budget	Actual on a comparable basis	% utilization
	a	b	c=(a+b)	d	e= (d/c) %
Revenue	Ksh	Ksh	Ksh	Ksh	%
Transfers from the Government	472,230,922	81,679,680	553,910,602	538,251,811	97.17
Other income	-	150,000	150,000	142,724	95.15
Total income	472,230,922	81,829,680	554,060,602	538,394,535	97.17
Expenses					
Compensation of employees	318,600,000	(35,250,378)	283,349,622	280,682,514	99.06
Use of goods and services	107,134,472	113,028,254	220,162,726	207,786,168	94.38
Rent paid	40,000,000	-	40,000,000	39,671,194	99.18
Other payments	6,496,450	3,901,804	10,398,254	10,388,247	99.90
Total expenditure	472,230,922	81,679,680	553,910,602	538,528,123	97.22
Surplus for the period				(133,588)	

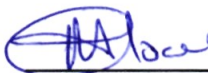
Budget notes

The difference between the original and final budget resulted from additional appropriation of Ksh 81.68 million during the supplementary estimates.

The entity financial statements were approved on 28th August 2025 and signed by:


 CPA. Margaret Njoka
 Ag. Commission Secretary/Chief Executive Officer

Date 24/10/2025


 CPA Mary Konuche
 Head of Finance and Accounts
 ICPAK No: 9824

Date 24/10/2025

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Budget Reconciliation to the Statement of Cash Flows

Description of Particulars	Amount in Ksh	
Actual Surplus Amounts as per the statement of Comparison of Budget and Actuals		(133,588)
Add: Salary Advance C/F	645,869	
Staff Imprest C/F	555,099	1,200,968
		1,067,380
Less: Payables C/F	4,018,497	
Salary Advance	673,332	4,691,829
Closing Cash and Cash Equivalent as per the statement of Cash flows		3,624,449

Employee Cost Reconciliation to the balance as per the Statement of Cash Flows

Description of Particulars	Amount in Ksh	
Balance as per the statement of comparison of budget and actuals		280,682,514
Add: Paid gratuity		10,196,554
		290,879,068
Less: Commission on salary deduction (Check-off)	142,724	
Salary overpayment recoveries	48,744	191,468
Balance as per the cash flow statement		290,687,600

Budget Execution by Programmes and Sub-Programmes for FY 2024/2025

Programme / Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on a comparable basis	Budget utilisation difference
Programme: Salaries and Remuneration Management	Ksh	Ksh	Ksh	Ksh	%
Sub-Programme: Remuneration and Benefits Management	472,230,922	81,679,680	553,910,602	538,528,123	97.22
Total	472,230,922	81,679,680	553,910,602	538,528,123	97.22

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18. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

SRC is established by and derives its authority and accountability from Article 230 of the Constitution, and was operationalised by the SRC Act, 2011. The Commission is wholly owned by the Government of Kenya (GoK) and is domiciled in Kenya. The Commission's principal activity is to set and regularly review the remuneration and benefits of all State officers and advise the national and county governments on the remuneration and benefits of all other public officers.

2. Statement of Compliance and Basis of Reporting

These financial statements have been prepared in accordance with CAP 412A of PFM Act, 2012, and in conformity with the accrual-based International Public Sector Accounting Standards (IPSAS).

For the purpose of these financial statements, SRC has been categorised as a Schedule 1 national government Ministries, Departments, Agencies (MDAs) in line with Section 4 of PFM Act, CAP 412A, read together with Regulation 211(2) of PFM (National Government) Regulations, 2015. Schedule 1 national government entities include MDAs, Constitutional Commissions and Independent Offices. MDAs are reporting entities whose primary objective is to provide policy and coordination of government services.

The use of public resources by SRC is primarily governed by Chapter 12 of the Constitution, the relevant Appropriation Act, CAP 412A of PFM Act, and the Public Procurement and Disposal Act of 2015.

These financial statements were authorised for issue by SRC on 28th August 20205.

Reporting period

The reporting period for these financial statements is for the period ended 30 June 2025.

Basis of preparation

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows).

Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

Critical accounting judgements

IPSAS requires accounting judgements to be made in determining accounting policies that impact the presentation of these financial statements. The most critical of these judgements, and their impact, are:

Recognition of revenue

Revenue is an increase in the net financial position, other than increases arising from ownership contributions. Revenue is required to be measured when the event occurs and when recognition criteria (probable inflow of resources and ability to reliably measure their value) are met. Judgment is required to determine if these criteria are met, particularly where limited evidence is available at the time the revenue is earned.

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Recognition of non-exchange expenses and liabilities

A liability is a present obligation of SRC for an outflow of resources that results from a past event. Expenses (and other liabilities) are recognised when there is a present obligation (legal or constructive) due to a past event.

An outflow of resources embodying economic benefits will probably be required to settle the obligation and a reliable estimate of the obligation can be made. Judgement is required in assessing each of these conditions, and therefore reporting if an expense and a present obligation should be reported.

SRC pursues several policy targets and outcomes. However, the commitment to these targets and outcomes, generally, do not of themselves constitute a present obligation unless SRC is clear on the cost it intends to incur, when payment will be made, and to whom and as a consequence has raised a valid expectation.

As a consequence, liabilities are not reported for costs associated with SRC's policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of SRC's future actions, expenses (and other related liabilities) are recognised for that policy.

Purpose and nature of financial instruments

Judgment is required in determining whether financial assets (including investment in securities and advances) and financial liabilities are held for trading or to provide a return through interest and principal transactions. Depending on that judgment, financial instruments will be reported at fair value or on an amortized cost basis.

Climate change obligations

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario of 143 MtCO₂eq. SRC's commitment to climate change action does not constitute a present obligation on the balance sheet, but are disclosed separately.

Physical assets

An asset is a resource presently controlled by SRC due to a past event. The primary reason for holding property, plant and equipment and other assets is for their service potential rather than their ability to generate cash flows.

Due to the types of services provided, a significant proportion of assets used by public service entities including, roads, national parks, heritage buildings etc, are specialised in nature. There may be a limited market for such assets and so judgement is required on measurement. Judgment is also required on whether assets are held for commercial or public benefit purposes.

3. Adoption of New and Revised Standards

- i. New and amended standards and interpretations issued effective year ended 30 June 2025.

There were no new and amended standards issued in the financial year.

- ii. New and amended standards and interpretations issued, but not yet effective in the year ended 30 June 2025.

Standard	Effective date and impact:
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<p>IPSAS 43: Leases</p>	<p><i>Applicable 1 January 2025</i> The Standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new Standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. The Standard has no impact on SRC.</p>
<p>IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1 January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. The Standard has no impact on SRC.</p>
<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1 January 2025</i> The Standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets. The Standard has no impact on SRC.</p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1 January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The Standard also introduces a public sector specific measurement bases called the current operational value. The Standard has no impact on SRC.</p>
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1 January 2026</i> This Standard supersedes IPSAS 9 - Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This Standard brings all the guidance of accounting for revenue under one standard. The objective of the Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>

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	The Standard has no impact on SRC.
IPSAS 48: Transfer Expenses	Applicable 1 January 2026 The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. The Standard has no impact on SRC.
IPSAS 49: Retirement Benefit Plans	Applicable 1 January 2026 The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The Standard sets the financial statements that should be presented by a retirement benefit plan. The Standard has no impact on SRC.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	Applicable 1 January 2027 The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognise exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognised. The Standard has no impact on SRC.

iii. Early adoption of standards

The Commission did not early-adopt any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

SRC recognises revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognised instead of revenue.

Other non-exchange revenues are recognised when it is probable that the future economic benefits or service potential associated with the asset will flow to SRC and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognised on obtaining control of the asset (cash, goods, services and property)

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if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to SRC and can be measured reliably.

Recurrent grants are recognised in the statement of financial performance. Development grants are recognised in the statement of financial performance after meeting the revenue recognition criteria. Conditional grants are recognised as revenue upon fulfilment of the set conditions.

ii) Revenue from exchange transactions Rendering of services

SRC recognises revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are recoverable.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2024/2025 was approved by the National Assembly on 25 June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by SRC upon receiving the respective approvals to conclude the final budget.

Accordingly, SRC recorded additional appropriations of Ksh 81.68 million in FY 2024/2025 budget following the National Assembly's approval. SRC's budget is prepared on a different basis from the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis.

The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of cash flows has been presented under section 17 of these financial statements.

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c) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition.

After initial recognition, investment properties are measured using the cost model and are depreciated over its useful life. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the surplus or deficit in the period of derecognition. Transfers are made to or from investment property only when there is a change in use.

d) Property, plant, and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, SRC recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration, the asset is initially measured at its fair value.

e) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to SRC. Assets held under a finance lease are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. SRC also recognises the associated lease liability at the inception of the lease. The liability recognised is measured as the present value of the future minimum lease payments at initial recognition.

After initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that SRC will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

f) Intangible assets

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

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Internally generated intangible assets, excluding capitalised development costs, are not capitalised, and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

g) Research and development costs

SRC expenses research costs as incurred. Development costs on an individual project are recognised as intangible assets when SRC can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential.
- iv) The availability of resources to complete the asset.
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually, with any impairment losses recognised immediately in surplus or deficit.

h) Financial instruments

IPSAS 41 addresses the classification, measurement, and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. SRC does not have any hedge relationships, and therefore, the new hedge accounting rules have no impact on SRC's financial statements.

A financial instrument is any contract that gives rise to a financial asset of one MDA and a financial liability or equity instrument of another MDA. At initial recognition, SRC measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

SRC classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/equity or fair value through surplus and deficit on the basis of both SRC's management model for financial assets and the contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

A financial asset is measured at fair value through net assets/equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/equity unless SRC has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, SRC classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost.

A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognised in profit or loss when the asset is de-recognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/equity.

Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognised in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognised at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where SRC manages financial assets with the objective of realising cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

SRC assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. SRC recognises a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

b) Financial liabilities

Classification

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SRC classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

i) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognised as an expense when deployed for utilisation or consumption in the ordinary course of operations of SRC.

j) Provisions

Provisions are recognised when SRC has a present obligation (legal or constructive) due to a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where SRC expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

k) Social Benefits

Social benefits are cash transfers provided to; i) specific individuals and/or households that meet the eligibility criteria; ii) mitigate the effects of social risks; and iii) address the need of society.

SRC recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that SRC will incur in fulfilling the present obligations represented by the liability.

l) Contingent liabilities

SRC does not recognise a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

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m) Contingent assets

SRC does not recognise a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of SRC in the notes to the financial statements.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognised in the financial statements of the period in which the change occurs.

n) Changes in accounting policies and estimates

SRC recognises the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

o) Employee benefits

Retirement benefit plans

SRC provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an MDA pays fixed contributions into a separate entity/fund, and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans.

The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

p) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate.

Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognised in surplus or deficit in the period.

q) Borrowing costs

Borrowing costs are capitalised against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalised over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalisation ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

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r) Related parties

SRC regards a related party as a person or an MDA with the ability to exert control individually or jointly, or to exercise significant influence over SRC, or vice versa. The Chairperson, Members of the Commission, the Commission Secretary/Chief Executive Officer, and directors are regarded as related parties.

The following transactions were carried out with related parties:

Description	2024/2025	2023/2024
	Ksh	Ksh
Key management compensations		
Salaries and other short-term employment benefits	24,695,800	24,620,499
Board remuneration		
Allowances paid to Members of the Commission	53,306,263	33,423,437
Grants from related parties		
Grants from GoK	538,251,811	538,270,246

s) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call, and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances relate to amounts held at the Central Bank of Kenya.

t) Subsequent events

There have been no events after the financial year end with a significant impact on the financial statements for the year ended 30 June 2025.

5. Significant judgments and sources of estimation uncertainty

The preparation of SRC's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period.

However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

SRC based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of SRC. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a) The condition of the asset based on the assessment of experts employed by SRC.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.

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- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset.

Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

6. Transfers from Exchequer

Description	2024/2025	2023/2024
	Ksh	Ksh
Recurrent exchequer transfers	538,251,811	538,270,246
Total	538,251,811	538,270,246

b) Transfers from Ministries, Departments, and Agencies (MDAs)

Name of The Entity Sending the Grant/ Transfer	Amount recognized in Statement of Financial Performance	Amount deferred under deferred income	Total transfers 2024/2025	Total transfers 2023/2024
	Ksh	Ksh	Ksh	Ksh
The National Treasury	538,251,811	-	538,251,811	538,270,246
Total	538,251,811	-	538,251,811	538,270,246

7. Other Income

Description	2024/2025	2023/2024
	Ksh	Ksh
Commission earned on the salary deductions check-off	142,724	606,719
Proceeds from the disposal of obsolete items	-	214,092
Total other income	142,724	820,811

During the financial year, SRC received Ksh 19,600,000 from the World Bank through the Kenya Devolution Support Programme (KDSP). The funds were utilised to undertake M&E exercises with the executive and assemblies across all 47 counties. The funds are accounted for in the financial statements of the State Department for Devolution.

8. Employee Costs

Description	2024/2025	2023/2024
	Ksh	Ksh
Salaries and wages	251,086,802	266,069,678
Employer contribution to pension schemes	29,404,245	32,147,773
Gratuity	5,032,459	4,646,123
Leave days provision	(2,270,292)	1,320,307
Total	283,253,214	304,183,881

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9. Use of Goods and Services

Description	2024/2025	2023/2024
	Ksh	Ksh
Communication supplies and services	6,943,864	6,462,249
Internet connections	2,146,815	1,755,000
Courier and postal services	1,129,318	2,021,841
Travel, accommodation, subsistence, and other allowances	15,408,125	9,804,928
Advertising, publishing, and printing	2,478,378	4,597,542
Newspapers, magazines, and periodicals	155,930	530,750
Rent and rates	39,825,414	39,885,014
Training expenses	23,629,995	9,541,764
Catering services	6,287,399	3,829,339
Boards, committees, conferences, and seminars	9,331,962	14,009,162
Insurance	30,985,597	27,328,643
Staff uniforms	-	91,872
Stationery and other general office supplies	1,556,981	1,927,999
Accessories for computers and printers	1,262,677	1,899,774
Fuel and oil	14,423,750	13,400,000
Contracted guards and security services	4,166,400	4,114,242
Subscriptions to professional bodies	2,320,337	1,252,642
Legal expenses	2,934,955	2,078,500
Total	164,987,895	144,531,260

Reconciliation of the balance as per Statement of Financial Performance and Cash Flow Statement for Use of Goods and Services and Rent

Description	Ksh	Ksh
Balance as per the Statement of Financial Performance		164,987,895
Add: Closing prepaid expense	32,267,667	32,267,667
Less: Rent	39,825,414	
Opening prepaid expenses	30,631,245	
Closing accrued expenses	4,018,497	(74,475,156)
Balance as Cash Flow Statement		122,780,408

Rent

Description	Ksh
Balance as per the Statement of Financial Performance	39,825,414
Add: Closing prepaid expense	2,200,000
Less: Opening prepaid expenses	(2,354,220)
Balance as Cash Flow Statement	39,671,194

10. Commission Expenses

Description	2024/2025	2023/2024
	Ksh	Ksh
Telephone expenses	7,269,170	1,860,000
Travel and accommodation	10,769,068	4,055,900
Training expenses	28,179,511	16,072,577
Sitting allowances	5,968,200	11,434,960
Total	52,185,949	33,423,437

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11. Depreciation and Amortization Expense

Description	2024/2025	2023/2024
	Ksh	Ksh
Property, plant, and equipment	22,537,884	24,143,020
Intangible assets	12,345,973	12,080,074
Total	34,883,857	36,223,094

12. Repairs and Maintenance

Description	2024/2025	2023/2024
	Ksh	Ksh
Motor vehicles	5,984,961	5,856,752
Property, plant and equipment	13,201,641	14,499,447
Total	19,186,601	20,356,199

13. Contracted Services

Description	2024/2025	2023/2024
	Ksh	Ksh
Consultancy services	2,311,200	-
Total	2,311,200	-

14. Cash and Cash Equivalents

(a) Summary of Cash and Cash Equivalents

Description	2024/2025	2023/2024
	Ksh	Ksh
Recurrent Account	2,792,782	9,106,159
Deposit Account	796,921	1,191,866
Cash in Hand	34,746	84,746
Total Cash and Cash Equivalents	3,624,449	10,382,771

(b) Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account Number	2024/2025	2023/2024
		Ksh	Ksh
a) Current Account			
Central Bank of Kenya - Recurrent	1000181303	2,792,782	9,106,159
Central Bank of Kenya - Deposit	1000182121	796,921	1,191,866
Cash in Hand		34,746	84,746
Total		3,624,449	10,382,771

15. Prepayments

Description	2024/2025	2023/2024
	Ksh	Ksh
Insurance	30,476,615	29,367,834
Rent	2,200,000	2,354,220
Total	32,676,615	31,722,054

16. Receivables from Exchange Transactions (Current)

Description	2024/2025	2023/2024
	Ksh	Ksh
Staff Imprests	555,099	-

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Description	2024/2025	2023/2024
	Ksh	Ksh
Salary advances	645,869	673,332
Receivable Deposits	1,000,000	1,000,000
Total	2,200,968	1,673,332

**17. Property, Plant and Equipment
(a) Property, Plant and Equipment**

Description	Motor vehicles	Office Equipment	Computers & IT Equipment	Furniture & Fittings	Total
Depreciation Rate	0.250	0.333	0.333	0.125	
Cost	Ksh	Ksh	Ksh	Ksh	Ksh
As at 1 July 2023	159,929,560	51,565,116	37,051,332	122,790,624	371,336,632
Additions	-	5,053,649	2,928,260	4,942,752	12,924,661
Disposals	-	-	-	-	-
Transfers/ adjustments	-	-	-	-	-
As at 30 June 2024	159,929,560	56,618,765	39,979,592	127,733,376	384,261,293
Additions	-	-	8,828,804	-	8,828,804
Disposals	-	-	-	-	-
Transfers/ adjustments	-	-	-	-	-
As at 30 June 2025	159,929,560	56,618,765	48,808,396	127,733,376	393,090,096
Depreciation and impairment					
As at 1 July 2023	102,229,296	49,618,733	24,050,393	67,239,194	243,137,617
Depreciation for the period	13,128,184	571,607	3,818,070	6,625,160	24,143,020
Impairment	-	-	-	-	-
Transfers/ adjustments	-	-	-	-	-
As at 30 June 2024	115,357,480	50,190,340	27,868,463	73,864,354	267,280,637
Depreciation for the period	10,141,209	1,887,877	4,084,284	6,424,513	22,537,884
Impairment	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-
As at 30 June 2025	125,498,689	52,078,217	31,952,747	80,288,867	289,818,521
NBV as at 30 June 2025	34,430,871	4,540,548	16,855,649	47,444,508	103,271,575
NBV as at 30 June 2024	44,572,080	6,428,425	12,111,129	53,869,021	116,980,655

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(b) Property, Plant and Equipment at Cost

SRC's assets are stated on a historical cost basis. The amounts are as follows:

Description	Cost	Accumulated Depreciation	NBV
	Ksh	Ksh	Ksh
Motor Vehicles	159,929,560	125,498,689	34,430,871
Office Equipment	56,618,765	52,078,217	4,540,548
Computers and IT Equipment	48,808,396	31,952,747	16,855,649
Furniture and Fittings	127,733,376	80,288,867	47,444,508
Total	393,090,096	289,818,521	103,271,575

18. Intangible Assets

Description	2024/2025	2023/2024
	Ksh	Ksh
Cost		
At the beginning of the year	83,065,881	70,080,391
Additions	-	12,985,489
At the end of the year	83,065,881	83,065,880
Additions—internal development	-	-
At the end of the year	83,065,881	83,065,880
Amortization and impairment		
At the beginning of the year	41,026,512	28,946,438
Amortization	12,345,973	12,080,074
At the end of the year	53,372,484	41,026,512
Impairment loss	-	-
At the end of the year	29,693,395	41,026,512

19. Trade and Other Payables

Description	2024/2025	2023/2024
	Ksh	Ksh
Trade payables	4,018,497	-
Other payables - Contractor's retention monies	796,921	1,191,866
Total	4,815,418	1,191,866

Ageing analysis: (Trade and other payables)

Description	2024/2025	% of the Total	2023/2024	% of the Total
Under one year	4,018,497	83.45		
1-3 Years	796,921	16.55	1,191,866	100.00
2-3 Years	-	-	-	-
Total	4,815,418	100.00	1,191,866	100.00

20. Provisions

Description	Leave Provision	Gratuity Provision	Total	Comparative FY 2023/24
	Ksh	Ksh	Ksh	Ksh
Opening balance 1 July 2024	7,265,662	11,381,610	18,647,272	12,795,363
Additional provisions	-	5,032,459	5,032,459	5,966,430
Provision utilised	(2,270,292)	(10,196,554)	(12,466,846)	(114,521)
Change due to discount and time value of money	-	-	-	-
Total provisions year-end	4,995,369	6,217,516	11,212,885	18,647,272

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Description	Leave Provision	Gratuity Provision	Total	Comparative FY 2023/24
	Ksh	Ksh	Ksh	Ksh
Current Provisions	4,995,369	-	4,995,369	7,265,662
Non-current Provisions	-	6,217,516	6,217,516	11,381,610

21. Financial Risk Management

SRC's activities expose it to a variety of financial risks, including credit and liquidity risks. SRC's overall risk management programme focuses on the unpredictability of changes in the business environment and seeks to minimise the potential adverse effects of such risks on its performance by setting acceptable levels of risk.

22. Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, deposits with banks, receivables, and amounts due from related parties.

Management assesses the credit quality of each customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with the set limits. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by SRC's management based on prior experience and assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing SRC's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that SRC has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

23. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with SRC, which has built an appropriate liquidity risk management framework for the management of the short, medium and long-term funding and liquidity management requirements. SRC manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by SRC under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	2024/2025	2023/2024
	Ksh	Ksh
Contractor's retention monies	796,921	1,191,866
Trade payables	4,018,497	-
Total	4,815,418	1,191,866

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24. Market risk

SRC has put in place an internal audit function to assist it in assessing the risk it faces on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates, which will affect SRC's income or the value of its holding of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

SRC's Finance and Accounts Department is responsible for the development of detailed risk management policies, subject to review and approval by the Audit and Risk Management Committee, and for the day-to-day implementation of those policies. There has been no change to SRC's exposure to market risks or the way it manages and measures the risk.

25. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to SRC include those parties that can exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates, and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of SRC, holding 100 per cent of SRC's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of SRC, both domestic and external.

Other related parties include:

- a) The parent Ministry
- b) County governments
- c) Other State Corporations and Semi-Autonomous Government Agencies
- d) Key management
- e) Board of directors

26. Events after the Reporting Period

There were no material adjusting and non-adjusting events after the reporting period.

27. Currency

The financial statements are presented in Kenya Shillings (Ksh), rounded to the nearest Ksh.

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28. APPENDICES

Appendix 1: Implementation Status of Auditor-General's Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Non-compliance with the one-third of basic salary rule.	The management advised all affected employees to restructure their pending/ongoing financial obligations to comply with the one-third of basic salary rule.	The affected employees have restructured their payslips to comply with the one-third basic salary rule	


 CPA. Margaret Njoka
 Ag. Commission Secretary/Chief Executive Officer

Date: 24/10/2025

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Appendix II: Transfers from Other Government Entities (Exchequer Receipts)

No.	Date	Ref. No.	Period	Amount (Ksh)	
1	31/07/2024	RE: 005/18/24/25	Quarter 1	25,084,859.55	49,779,494.90
2	28/08/2024	RE: 020/26/24/25		2,815,048.00	
3	04/09/2024	RE: 027/24/24/25		21,879,587.35	
4	02/10/2024	FT24276T1J5T	Quarter 2	22,729,686.80	109,043,030.55
5	07/10/2024	FT24281CNKP2		23,065,781.20	
6	25/10/2024	FT24299CHL90		9,641,072.15	
7	04/11/2024	FT243095YS2Q		23,420,548.10	
8	06/12/2024	FT24341HV1DT		30,185,942.30	
9	09/01/2025	FT250095ZK39	Quarter 3	28,784,241.20	89,245,992.75
10	06/02/2025	FT25037M2QXZ		28,074,402.20	
11	17/02/2025	FT250485R3PD		11,906,571.90	
12	07/03/2025	FT25066PK3VY		20,480,777.45	
13	02/04/2025	FT25092QDGGG	Quarter 4	28,151,011.00	290,183,293.00
14	28/04/2025	FT25118Y6VK2		32,793,993.90	
15	12/05/2025	FT25132R9G9M		51,717,961.80	
16	22/05/2025	FT251428ZBW0		8,223,044.05	
17	05/06/2025	FT251565N6LD		21,341,454.00	
18	16/06/2025	FT2516776F02		14,238,528.60	
19	24/06/2025	FT25175W9LXG		6,020,385.75	
20	27/06/2025	FT25178080YH		30,759,327.75	
21	30/06/2025	FT2518576BB0		84,498,052.50	
22	30/06/2025	FT25190Q4YXQ		11,966,804.00	
23	30/06/2025	FT25195J2FKP		472,729.65	
Total				538,251,811.20	538,251,811.20

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Appendix III: List of Advisories issued during the Financial Year 2024/2025

S/No.	Organization	Issue	Date Communicated
	JULY 2024		
1.	Jaramogi Oginga Odinga University & Science Technology (JOOUST)	Request for advice on Collective Bargaining Agreement between JOOUST Council and UASU, KUSU & KUDHEIHA for 2021 – 2025.	1 July 2024
2.	Salaries and Remuneration Commission	Request for Performance Bonus for SRC Staff and Commissioner for FY 2023/2024	26 June 2025
3.	Macdonald Ouko Ogambi	Appeal for inclusion in remuneration for a personal guide for public officers living with disabilities	1 July 2024
4.	Sports Kenya	Payment of Non-Practicing Allowance	5 July 2024
5.	Office of the Vice Chancellor	Advisory on Extraneous and Health Risk Allowance	5 July 2024
6.	Postal Corporation of Kenya (PCK)	Request for advice on the proposed CBN between PCK and COWU for 2021-24	8 July 2024
7.	KNEC	Request for review of Job Evaluation results, and upgrading and Review of Salaries for the CEO and Staff of KNEC	10 July 2024
8.	Ministry of Mining, Blue Economy and Maritime Affairs	Supervision of Fireworks Display	12 July 2024
9.	Masinde Muliro University of Science and Technology (MMUST)	Request for review of SRC's decision on proposed CBN between MMUST and UASU and KUDHEIHA for 2017-21	12 July 2024
10.	Murang'a University of Technology (MUT)	Request for review of SRC's decision on proposed CBN between MUT and UASU, KUSU and KUDHEIHA for 2013-17	12 July 2024
11.	Kenya National Innovation Agency	Request for Guidance on Facilitation of Non-State Actors	17 July 2024
12.	Ministry of Lands, Public Works, Housing, and Urban Development	Request for Advice on Remuneration of Members of the Steering Committee, Coordination Committee, and Thematic Working Groups for Review of Sessional Paper No.3 of 2009 on National Land Policy	17 July 2024
13.	County Government of Kilifi	Payment of Non-Practicing Allowance and Prosecutorial Allowance to Advocates	17 July 2024
14.	Tana River County Government	Advisory on Remuneration of Tana River Investment and Development Corporation Board	17 July 2024
15.	Gilead Mutava	Emergency Incidental Impact on the Huge Illegal Toxic Heavy Smoke Plus Update Information on My Critical Health	17 July 2024
16.	Kenya Fisheries Service	Request for Approval to pay Extraneous Allowance to Constable Fisheries Guard (CFG) deployed to the Office of the Director General	17 July 2024
17.	Rongo University	Request for advice on the proposed CBN between Rongo University and UASU, KUSU, and KUDHEIHA for the 2017-21 cycle	19 July 2024
18.	Gertrude Jeruto	Leave Allowance	24 July 2024
19.	Ministry of Wildlife and Tourism	Committee on the Review of the Tourism Policy and Amendment of the Tourism Act Cap 381	26 July 2024
20.	Ministry of Tourism and Wildlife	Compensation for CWCCs	26 July 2024

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S/No.	Organization	Issue	Date Communicated
21.	Ministry of Health	Request for advice on the proposed CBN between the Ministry of Health and KNUN for the 2021-25 cycle	26 July 2024
22.	Meru University of Science and Technology (MUST)	Request for review of SRC's advice on CBN between MUST and UASU for 2013-17 cycle	26 July 2024
23.	KBC	Determination of Allowances	26 July 2024
24.	Ministry of Education	Request for Guidelines on Remuneration of the local Organizing Committee Organizing for the ISF World School Cross Country 2023	26 July 2024
25.	NUPEA	Request for clarification on eligibility for mortgage scheme for officers on contract terms of service	31 July 2024
AUGUST 2024			
26.	Competition Authority of Kenya	Upgrade of the Competition Authority of Kenya's staff medical cover	2 August 2024
27.	National Treasury	Follow up on request for guidance on payment of non-practicing allowance to in house counsel at Kephis	5 August 2024
28.	KIPPRA	Appeal for reconsideration of extraneous allowance rate	5 August 2024
29.	Ministry of Health	Payment of Health Workers Allowance to Staff of KEMRI	5 August 2024
30.	KIPPRA	Payment of Extraneous Allowance for the Senior Administrative Assistant Officer assigned to the Executive Director	5 August 2024
31.	Office of the Attorney General	Advisory on Allowances and Other Benefits for Advisory Board of the Office of the Attorney General	6 August 2024
32.	Hassan Wangwero	Low Vision Disability	6 August 2024
33.	Office of the Deputy President	Avocado sub-sector taskforce allowance	6 August 2024
34.	Warehouse Receipt System Council	Guidance on Staff Allowances	6 August 2024
35.	Kenya Yearbook Editorial Board	Request for guidance on payable allowance to staff	7 August 2024
36.	Insurance Regulatory Authority (IRA)	Performance Incentive to the Board and Staff of Insurance Regulatory Authority for FY 2022/23	7 August 2024
37.	Kenya Medical Training College	Rewards and Recognition for Kenya Medical Training College Staff	9 August 2024
38.	Kenya Broadcasting Corporation (KBC)	Request for review of SRC's advice on proposed CBN between KBC and COWU for the period 2021-24	9 August 2024
39.	EACC	Request for documents	12 August 2024
40.	Ministry of Information, Communications, and the Digital Economy	Multi-stakeholder Committee to Review the Kenya Information and Communications Act (KICA) 1998 and sixteen regulations	13 August 2024
41.	Nakuru County Public Service Board	Advice on the payment of Top Up Allowance	13 August 2024
42.	County Government of Kiambu	Request for Advisory on Guidance on Alcoholic Drinks Control Committee Allowances	13 August 2024
43.	IGRTC	Payment of Allowances for the Members and Secretariat to the Selection Panel for the Recruitment of Members to IGRTC	14 August 2024
44.	Women Enterprise Fund	Clarification of payment of Non-Practicing Allowance	15 August 2024
45.	Elijah Mosagwe	Board Members sitting allowance	15 August 2024

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S/No.	Organization	Issue	Date Communicated
46.	Nairobi City County Assembly	Request for clarification on audit committees' allowances for the County Assembly	15 August 2024
47.	County Government of Busia	Allowances Payable to County Committees and Boards	15 August 2024
48.	Kenya Seed Company	Extraneous Allowance	19 August 2024
49.	Office of the Attorney General	Request for Extraneous Allowance for the Officers Attached to the Executive Office of the Attorney General	19 August 2024
50.	Ministry of Gender, Culture, Arts and Heritage	Extension of Taskforce Allowance Payment Period for the Multisectoral Working Group on the not more than two-thirds Gender principle	19 August 2024
51.	Sallo Halake	Remuneration for personal guides for public officers living with disability	21 August 2024
52.	County Government of Tharaka Nithi	Request for advisory and or policy direction on handling personal injury matters and related decree holders in counties	21 August 2024
53.	Higher Education Loans Board (HELB)	Request for payment of bonus to HELB Board of Directors and staff members	22 August 2024
54.	Uasin Gishu County Assembly	Extraneous Allowance for Speakers driver	23 August 2024
55.	Kenya Development Corporation	Telephone Allowance	23 August 2024
56.	Egerton University	Request for review of SRC's advice on the proposed CBN between Egerton University and UASU, KUSU and KUDHEIHA for the period 2013-17 cycle	23 August 2024
57.	Kenya Pipeline Company (KPC)	Request for review of SRC's advice on the proposed CBN between KPC and KPOWU for 2021-25 cycle	23 August 2024
58.	Meru University of Science and Technology (MUST)	Request for review of SRC's decision between MUST and KUSU for 2017-21	23 August 2024
59.	Geothermal Development Corporation (GDC)	Request for review of SRC's advice on the proposed CBN between GDC and KETAWU	23 August 2024
60.	Retirement Benefits Authority (RBA)	Request for Approval to Pay a Performance-Related Reward to the Board and Staff of the Authority for Achievement of Performance Targets During the 2022/2023 GOK Performance Contract Cycle	23 August 2024
61.	Kenya Development Corporation	Review of Extraneous Allowance	24 August 2024
62.	The Kericho National Polytechnic	Request for guidance on payment of allowance to a public officer paid by primary employer and attached to the polytechnic	27 August 2024
63.	Ministry of Lands, Public Works, Housing, and Urban Development	Payment of Sitting Allowance to the Scheme Management Committee of the Civil Servants Housing Scheme	27 August 2024
64.	Zollo Jack	Complain Disparity and discriminate payment of hardship allowances in gazetted hardship areas	27 August 2024
65.	Kennedy Odhiambo	Health Risk Allowances	27 August 2024
66.	National Treasury	Request for payment of Taskforce allowance to the Inter agency taskforce on preparation of intergovernmental agreements pursuant to section 19A to 19E of the Public Finance Management Act, 2012	27 August 2024
	SEPTEMBER 2024		
67.	Kaimosi Friends University	Request for advisory opinion	2 September 2024

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S/No.	Organization	Issue	Date Communicated
68.	RBA	Request for Policy Proposals to amend Retirement Benefits Act and Regulations	2 September 2024
69.	University of Kabianga	Personal Guide Allowance -Low Vision	5 September 2024
70.	Executive Office of the President	Request to pay allowances to the Presidential Taskforce on addressing human resources for health	6 September 2024
71.	Inter Public Universities Council Consultative Forum (IPUCCF)	Request for Review of SRC advice for the National CBA for UASU KUSU, and KUDHEIHA for cycle 2021-2025.	9 September 2024
72.	Pwani University	Payment of Risk Allowance to Kenya University Staff Union Staff	9 September 2024
73.	KEPHIS	Request for advice on the allowances and rates applicable to the security officer attached to the Chairperson of the Board of Directors, KEPHIS	10 September 2024
74.	EACC	Request for documents and information to facilitate the investigation	10 September 2024
75.	County Assembly of Kericho	Payment of Non-Practicing Allowance to the County Assembly Legal Officers	11 September 2024
76.	Agro Chemical Food Company	Payment of Non-Practicing Allowance	11 September 2024
77.	County Government of Bungoma CSBP	Request for Information	12 September 2024
78.	Multi-media University	Disability Allowance -Macdonald Ogimba	13 September 2024
79.	Ministry of Youth Affairs, Creative Economy and Sports	Review of remuneration for public officers and members of private sector (WRC) safari rally project	18 September 2024
80.	KISE	Complaint by Racheal Wanjiku Gakobo against the KISE	18 September 2024
81.	Philip Langat	Personal Guide Allowance	20 September 2024
82.	KENIA	Advisory on annual leave allowance and non-practicing allowance	24 September 2024
83.	Ministry of Water, Sanitation and Irrigation	Request for review of remuneration and benefits for the job of Director/Chief Executive Officer	24 September 2024
84.	County Government of Nyeri	Payment of Allowances to Members of the Valuation Court	24 September 2024
85.	Ministry of Water, Sanitation and Irrigation	Extraneous Allowance	24 September 2024
86.	County Government of Nyeri	Advice on Special House Allowance for Ward and Sub-County Administrators	24 September 2024
87.	Ministry of Gender, Culture, Arts and Heritage	Requests for rates for payment of allowances for Ushangaa Women Beaders	24 September 2024
88.	Agriculture and Food Authority	Remuneration for Miraa/Muguka pricing Committee Members	24 September 2024
89.	National Treasury	House Mortgage and Car Loan Schemes for State Officers and Public Officers	27 September 2024
	OCTOBER 2024		
90.	LAPPSET Corridor Development Authority	Request for Allowances	4 October 2024
91.	Executive Office of the President	Executive Staff Housing Fund Clarification on Amount and repayment car and mortgage scheme	6 October 2024
92.	The Judiciary	Remuneration of the Tribunals Chairperson and members	6 October 2024
93.	County Assembly of Kitui	Medical Ex-Gratia Policy	7 October 2024
94.	County Government of Vihiga	Clarification on Airtime Allowance	8 October 2024

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S/No.	Organization	Issue	Date Communicated
95.	Ministry of Health	Request for advice on applicable allowances payable to the Chief Executive Officer, Counsellors and Psychologist Board	23 October 2024
96.	County Assembly of Kitui	Housing Benefit for the County Assembly Speaker	24 October 2024
97.	EACC	Request for Information	25 October 2024
98.	National Treasury	Invitation for a Presidential Directive on Implementation of a New Government Transport Policy	25 October 2024
NOVEMBER 2024			
99.	Ministry of Education	Approval of Honoraria for the National Committee for the review of the New Education Funding Model	4 November 2024
100.	Kenya Biovax Institute Limited	Review of Kenya Biovax Institute Remuneration Package	4 November 2024
101.	Kenya Biovax Institute	Request for Approval to pay top-up salary and extraneous allowance to Kenya Biovax staff	4 November 2024
102.	The Kenya Veterinary Association	Harmonization of Allowances for Veterinary Personnel with other Healthcare counterparts in Public Service	7 November 2024
103.	Women Enterprise Fund	Request for guidance on equivalent Job Group for E2 in the Public Service and applicable allowances	8 November 2024
104.	Equalization Fund	Request for concurrence on payment of top allowance to equalization fund's secretariat deployed staff	8 November 2024
105.	Mombasa County Public Service Board	Request for guidance and clarification on non-practicing allowance for advocates in the County Government of Mombasa	8 November 2024
106.	Ministry on Interior and National Administration	Request for personal guide remuneration- Wycliff Odhiambo Hinga	8 November 2024
107.	County of Wajir	Rental and Special House Allowance	8 November 2024
108.	Ministry of Labour and Social Protection	Remuneration of Board of Trustees for street families Rehabilitation Trust Fund	15 November 2024
109.	Cosmas Foleni	Guidance on Daily Subsistence Allowance	15 November 2024
110.	County of Bungoma	Request for Information	26 November 2024
111.	County Government of Trans Nzoia	Remuneration for members of the Kitale Municipal Board	26 November 2024
112.	Reuben Nguta	Double Pension for Kenyan Workers	26 November 2024
113.	Wilson Ptiyos	Inquiry on quarter per diem	28 November 2024
114.	Narok County Government	Inquiry on allowances payable to counselling psychologists/counsellors under health department	29 November 2024
DECEMBER 2024			
115.	County Government of Homabay	Clarification on house allowance payable to staff working in the County Government	9 December 2024
116.	Ministry of Tourism and Wildlife	Follow up -Request for Approval for payment of Sitting and Transport allowances for the Community Wildlife Conservation and Compensation Committees domiciled in the Counties	11 December 2024
117.	County Government of Nandi	Request for Advisory on payment of allowances for Health Workers and Scheme of Service for Early Childhood Development and Education Teachers	11 December 2024
118.	Charles Kimutai Limo	Request for Consideration of non-practicing allowance for HRM officer	11 December 2024

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S/No.	Organization	Issue	Date Communicated
119.	County Government of West Pokot	Payment of Commuter Allowance to the County Attorney	11 December 2024
120.	Tharaka Nithi CPSB	Request for advice on payment of extraneous and airtime allowances in the County Government	11 December 2024
121.	SEKU	Request for advice on the terms and conditions of service for Prof. George Muluvi	13 December 2024
122.	Meru University Council	Salary Increment and entertainment allowance for the VC of Meru University	13 December 2024
123.	Executive Office of the President	Selection Panel for the recruitment of nominees for the appointment as vice chairperson and members of the Public Service Commission	16 December 2024
124.	Ministry of Livestock	Veterinary Internship Allowance	17 December 2024
125.	Kenya Veterinary Vaccines and Production Institute	Approval for payment	17 December 2024
126.	KCAA	Approval for the determination of remuneration for the Kenya Millennium Development Fund Interim Management Team	17 December 2024
127.	County Government of Kitui	Request for an advisory on the remuneration of the hospital boards, health centers, and dispensaries management committees	18 December 2024
JANUARY 2025			
128.	Siaya County Public Service Board	Request for Clarification and advisory on allowances payable to part-time Chairpersons and Members of Siaya CPSB	16 January 2025
129.	Universities Fund	Request for advice on payment of non-practicing allowance to professional bodies	21 January 2025
130.	County Government of Uasin Gishu	Request for Clarification on Commutation Leave	22 January 2025
131.	County Government of Mandera	Request for guidance on allowances	23 January 2025
132.	Cyril K. Kosgei	Request for clarification	23 January 2025
133.	Export Processing Zone	Clarity on Payment of Non-Practicing Allowance	23 January 2025
134.	County Government of Nyandarua	Request for guidance on compensating office assistants in the office of H.E. Governor and the office of the County Secretary and Head of Public Service	23 January 2025
135.	KNEC	Request for waiver for payment of remuneration for a personal guide for staff	24 January 2025
136.	County Government of Nyamira	Request for advisory opinion on payment of housing allowance for officers deployed outside the county	24 January 2025
137.	IGRTC	Request for advice on payment of responsibility allowance	24 January 2025
138.	KNEC	Request for waiver for payment of remuneration for a personal guide for staff	24 January 2025
139.	Deborah Mutuku	Clarification on attendance at professional bodies' organized trainings and events, e.g., (IEBK, LSK, ICPAK, etc.)	31 January 2025
FEBRUARY 2025			
140.	Kenya Biovax Institute	Request for Approval to pay Extraneous Allowance to all drivers, support staff, and secretarial personnel	3 February 2025
141.	Bomet CPSB	Request for information on the allowance of shared staff	5 February 2025

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S/No.	Organization	Issue	Date Communicated
142.	County Government of Nyamira	Advisory Opinion on the repayment period for a mortgage in the County Executive	5 February 2025
143.	Dennis Kipchumba	Severe Visual Impairment	5 February 2025
144.	Joseph Nyambura	Disability Allowance	6 February 2025
145.	Kenya Union of Clinical Officers	Health Risk Allowances payable to clinical officers in the public service	7 February 2025
146.	Office of the Controller of Budget	Payment of allowances to the driver attached to the deputy controller of the budget	10 February 2025
147.	Office of the Controller of Budget	Payment of allowance to the driver facilitating the transport of the security attached to the controller of the budget	10 February 2025
148.	KUSU-Chuka Branch	Clarification and assistance on the personal guide for public officers living with disabilities	17 February 2025
149.	Council of Governors	Request for guidance on payment of extraneous allowance	19 February 2025
150.	JKUAT	Allowances Implemented by the University	21 February 2025
151.	Ministry of Youth Affairs, Creative Economy and Sports	Advice on Remuneration for Pamoja Chan 2024 and Pamoja AFCON-2027 Multi-Agency Team	26 February 2025
	MARCH 2025		
152.	Ministry of Youth Affairs, Creative Economy and Sports	Advice on the remuneration for the gender protection and Implementation committee	5 March 2025
153.	Nairobi City County Assembly	Request for clarification on audit committee allowances for the County Assembly	5 March 2025
154.	KMFRI	Payment of entertainment allowance for KMFRI Directors	5 March 2025
155.	Communications Authority of Kenya (CAK)	Request for review of SRC's advice on proposed CBN between CAK and COWU for 2021-25	6 March 2025
156.	Executive Office of the President	Joint consultative meeting with PSC and SRC	11 March 2025
157.	Mohamed A. Hussein	Circular on Meal Allowance	13 March 2025
158.	Baringo County	Request for guidance/advisory	14 March 2025
159.	Kenya Maritime Authority	Appointment of Director General on acting capacity from the state department of shipping and maritime affairs	14 March 2025
160.	Commission on Administrative Justice	Request for Approval for payment of Taskforce Allowances to Members of Multi-stakeholder Committee for Development of a National Access to Information Policy for Kenya	15 March 2025
161.	Parliamentary Service Commission	Consultative meeting between SRC and PSC	20 March 2025
162.	Bukura Agricultural College	Advice on the payment of extraneous allowance to staff	20 March 2025
	APRIL 2025		
163.	Office of the Attorney General	Allowances payable to the Members and Secretariat of the Selection Panel for the recruitment of WAQF Commissioners	1 April 2025
164.	Maasai National Polytechnic	Request for advice on the proposed CBN between Maasai National Polytechnic and KUDHEIHA	1 April 2025
165.	Murang'a County Government	Request for advice on proposed CBN between Murang'a County Government and KNUN for 2021-25 cycle	1 April 2025

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S/No.	Organization	Issue	Date Communicated
166.	KENYA ELECTRICITY GENERATING COMPANY (KENGEN)	Request for payment of employee performance bonus for the FY 2021/2022 to employees of KENGEN	2 April 2025
167.	Higher Education Loans Board (HELB)	Request of Payment of Bonus to HELB Board of Director and Staff Members	2 April 2025
168.	Capital Markets Authority	Approval to pay Staff and Board of CMA a Performance Incentive Scheme Bonus for 2022/2023 Financial Year	2 April 2025
169.	Kenya Pipeline Company (KPC)	Request for Authorization to pay staff performance incentive for Financial Year 2022/23	2 April 2025
170.	Kenya Bureau of Standards (KEBS)	Approval for Payment of Performance-Based Bonus to National Standards Council (NSC) Members and KEBS Staff for FY 2023/2024	2 April 2025
171.	Kenya Deposit Insurance Corporation (KDIC)	Payment of 13th Month Salary Based on Performance Contracting Results for the Financial Years 2021/2022 and 2022/2023	2 April 2025
172.	Ministry of roads and transport	Laboratory personnel allowance request	4 April 2025
173.	Kenya National Library Service	Payment of Extraneous Allowance to administration officers/caretakers	7 April 2025
174.	County Government of Trans Nzoia	University Taskforce	7 April 2025
175.	County Government of Vihiga	Clarification of house allowance for the Hon Speaker	7 April 2025
176.	Ministry of Tourism and Wildlife	Request for Approval for payment of Sitting and Transport allowances for the Community Wildlife Conservation and Compensation Committees domiciled in the Counties	7 April 2025
177.	National Treasury	Request for payment of allowances to the Members of the Inter-Agency Taskforce on the establishment of the Kenya Credit Guarantee Company	7 April 2025
178.	Ministry of Youth Affairs, Creative Economy and Sports	Recommendation to enhance cash awards and allowances for sportspersons	7 April 2025
179.	Engineers Board of Kenya	Implementation of Utility Allowance	7 April 2025
180.	Ministry of Interior and National Administration	Request for advice on allowances for members of the Technical Committee on the development of the legal and policy framework for correctional services in Kenya	7 April 2025
181.	Victor korir	Request for consideration of extraneous, risk, and health services allowances for counsellors	8 April 2025
182.	Ministry of Health	Variation of effective dates for payment of Health Workers Allowances for clinical psychologists	8 April 2025
183.	Nairobi City County	Approval for Remuneration and Benefits for Board Members of Nairobi City County Revenue authority	8 April 2025
184.	County Government of Machakos	Allowance for ad-hoc committee on conferment of municipality status	8 April 2025
185.	National Treasury	Request for payment of allowances to members of the National Retirement Benefits Policy Taskforce	8 April 2025
186.	Ministry of Defence	Request for Advice to pay Allowances for members of the Presidential Taskforce on the development of the Kenya Home of Human Origins Museum and Science Park in the Lake Turkana Basin	8 April 2025

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S/No.	Organization	Issue	Date Communicated
187.	Council of Governors	Remuneration of the County rural and urban affordable housing committees established under the affordable housing act 2024	8 April 2025
188.	National Police Service	Request for consideration to earn Extraneous Allowance to National Police Service Staff Performing Extraneous Duties	8 April 2025
189.	Office of the President	Request for advice on allowances for Members of the Technical Committee on Review and development of legislative and policy reforms for the National Police Service and NYS	8 April 2025
190.	Victor korir	Inquiry on salary and allowances for psychologists and counsellors in county health department	8 April 2025
191.	Charles Aongo	Stoppage of my responsibility allowance and subsequent recovery running back to ten years	8 April 2025
192.	County Government of Mombasa	Request for advice on medical cover and applicable allowances to newly appointed for newly appointed Board Members of Coast General Teaching & Referral Hospital	9 April 2025
193.	OAG	Request for approval of allowances	9 April 2025
194.	Cornel Odhiambo	Sitting Allowance	9 April 2025
195.	Martin Ngari	Enquiry on the recommended allowance for public school	9 April 2025
196.	County Government of Isiolo	Request for Guidance on Allowances	11 April 2025
197.	County Government of Kisumu	Request for review of Kisumu City Board Remuneration	15 April 2025
198.	County Government of Meru	Request for extraneous allowance or the county secretary and the head of public service	16 April 2025
199.	County Government of Kiambu	Request for advisory and guidance on allowances payable to the Members of the Kiambu County Rural and Urban Affordable Housing Committee	16 April 2025
200.	Pyrethrum Processing Company of Kenya	Payment of allowance to the former acting CEO	16 April 2025
201.	Teachers Service Commission	Request for advice on proposed CBN between Teachers Service Commission and KNUT, KUPPET & KUSNET for 2025-2029	16 April 2025
	MAY 2025		
202.	Bomet University College	Appeal for reconsideration of remuneration structure for principals and Deputy principals in Bomet University College	6 May 2025
203.	Technical University of Mombasa	Payment of extraneous and health workers' service allowance for occupational allowances for occupational health and safety Officers	6 May 2025
204.	Kenya Association of Health Administrators	Request for approval and implementation of risk, extraneous, and responsibility allowance for Health administrative officers	6 May 2025
205.	Meru County Assembly	Request for guidelines for paying extraneous allowance to two payroll officers and one accountant	6 May 2025
206.	Kitui County	Allowances to the audit committee Members in the National and County Governments	7 May 2025
207.	National Biosafety Authority	Request for ratification of the payment of allowances to CEOs and Directors	7 May 2025

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S/No.	Organization	Issue	Date Communicated
208.	Simon Wahome	Disability Allowance	7 May 2025
209.	Kevin Muriithi	Inquiry on City House Allowance for Nakuru and Eldoret	7 May 2025
210.	Stephen Kimwatu	Inquiry on allowances for civil servants on approved study leave abroad	8 May 2025
211.	Embu University	Request for approval to pay a token of appreciation for exemplary performance for Embu University staff for FY 2023/2024	9 May 2025
212.	The President's Award - Kenya	Request for concurrence on Board of Trustees Bonus for the President's Award - Kenya	9 May 2025
213.	National Social Security Fund (NSSF)	The request for approval of the implementation of a Bonus based on Productivity and Performance for the National Social Security Fund (NSSF) for FY 2023/2024	9 May 2025
214.	Policyholders Compensation Fund	Request for approval for payment of performance-based bonus for board members and staff of Policyholders Compensation Fund for the FY 2023/2024	9 May 2025
215.	Karatina University	Request for advice on the proposed CBN between Karatina University and UASU, KUSU, and KUDHEIHA for 2017/21	9 May 2025
216.	Agro-Chemical and Food Company Limited (ACFC)	Request for advice on the proposed CBN between ACFC and the Kenya Chemical Workers Union	9 May 2025
217.	Golf Hotel Limited	Request for advice on the proposed CBN between Golf Hotel Limited and KUDHEIHA	9 May 2025
218.	Mavoko Water and Sewerage Company	Request for advice on the proposed CBN between Mavoko Water and Sanitation Company Verses Kenya County Government Workers Union.	9 May 2025
219.	Kenya Power and Lighting Company	Request for advice on proposed CBN for KPLC for 2025-2028, cycle	9 May 2025
220.	Karuri Water and Sanitation Company (KAWASCO)	Request for advice on proposed CBN between KAWASCO and Kenya County Government Workers Union	9 May 2025
221.	Commission for University Education (CUE)	Request for advice on proposed CBN between CUE and KUDHEIHA for 2021-2025 cycle	9 May 2025
222.	Tavevo Water and Sewerage Company Limited	Request for advice on proposed CBN between Tavevo Water and Sewerage Company Limited and KUCFAW for the period 2023-2027	9 May 2025
223.	Retirement Benefits Authority (RBA)	Request for approval to pay a performance-related reward to the board and staff of the Retirement Benefits Authority (RBA) for FY 2023/2024	9 May 2025
224.	County Government of Kirinyaga	Enquiry on remuneration of the Chairperson of the Board of Kirinyaga Investment and Development Authority	12 May 2025
225.	Hydrologists Registration Board	Commuter and Mileage Allowance	12 May 2025
226.	Ministry of Agriculture and Livestock Development	Request for advice on payment of allowances to Members and Secretariat of the Tea Task Force to investigate the underlying causes and impacts of the accumulation of unsold tea	12 May 2025
227.	KENIA	Advisory on payment structure for the Kenya Innovation Week held annually	12 May 2025

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S/No.	Organization	Issue	Date Communicated
228.	County Government of Kitui	Sitting Allowance and DSA Transport Reimbursement expenses for county transport and safety committee members	12 May 2025
229.	IGRTC	Request for Advice on payment of security allowance	12 May 2025
230.	Kenya Prisons Service	Circular on animal handling allowance	12 May 2025
231.	Daniel Awandu	Request for guidance on personal guide allowance for Daniel Awandu	14 May 2025
232.	Kenya Institute of Primate Research	Allowances applicable to the Chief Executive Officer	14 May 2025
233.	Vihiga County	Clarification on extraneous allowance	16 May 2025
234.	Sports Kenya	Advice on payment of overtime allowance	16 May 2025
235.	Kenyatta University Teaching, Referral & Research Hospital	Request for approval for extraneous and risk allowances for non-health workers	16 May 2025
236.	Kenyatta University Teaching, Referral & Research Hospital	Request for approval of extraneous and risk allowances for non-health workers	16 May 2025
237.	Tana and Athi Rivers Development Agency	Request for review of per diem rates	16 May 2025
238.	Kenyatta University Teaching, Referral & Research Hospital	Request for guidance on remuneration for the Acting CEO, KUTRRH	16 May 2025
239.	Judith Nashuru	Disability Allowances	21 May 2025
240.	Nyahururu Water and Sanitation Company	Request for advisory on compensation for employees in acting capacity	26 May 2025
241.	Kitui County	Payment of annual subscription fees for Members of the County Assembly to professional bodies and facilitation of CPD points	26 May 2025
242.	County Government of Tharaka Nithi	Advisory on Housing Benefit for the former Deputy Governor	26 May 2025
243.	Tana and Athi Rivers Development Agency	Request for review of per diem rates	26 May 2025
244.	Samburu County	Official vehicle/Mileage allowance	26 May 2025
245.	CAJ	Budgetary allocation to cater for interns' stipends, FY 2025/26	26 May 2025
246.	Meru University of Science and Technology (MUST)	Request for review of SRC advice on CBN between MUST and UASU for 2013/17 cycle and between MUST and KUSU & KUDHEIHA for 2017-21 cycle	26 May 2025
247.	Uasin Gishu County	Reminder on Risk and Extraneous Allowance for firefighters	26 May 2025
	JUNE 2025		
248.	Nairobi County Lands Liaison Committee	Request for a Courtesy Call to the Commission	4 June 2025
249.	Office of the controller of budget	Request for clarification on Car Loan and mortgage benefits for State officers in the County Assembly	5 June 2025
250.	EACC	Request for Documents	11 June 2025
251.	Kenya Seed Company	Request for advice on proposed CBN between Kenya Seed Company and KUCFAW for 2024-2028	13 June 2025
252.	Fredinah Muthangya	Disability Allowance	13 June 2025
253.	Office of the Attorney General	Appeal on sitting allowance for advisory board members of the Office of the Attorney General and department of Justice	13 June 2025

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S/No.	Organization	Issue	Date Communicated
254.	Ministry of Health	Request for advice on eligibility for personal guide allowance for public officers living with disability	16 June 2025
255.	Capital Markets Authority (CMA)	Request for Approval to Pay Board Bonus For 2022/2023 Financial Year	16 June 2025
256.	County Assembly of Kitui	Payment of Insurance Benefit for Audit Committee Members	18 June 2025
257.	KCAA	Request for guidance on payment of sitting allowance for the aeronautical search and rescue committee	19 June 2025
258.	KCAA	Request for payment of sitting allowance for the aeronautical search and rescue committee	19 June 2025
259.	Kenya Wildlife Service	Request for advice on the proposed review of benefits for holders of the Office of Director General/Chief Executive Officer	22 June 2025
260.	Meru County Assembly	Appeal for Review of House Allowance for Meru County Assembly Employees	23 June 2025
261.	Ministry of Health	Advice on allowance payable to Kenya Coordinating Mechanism Members and Committees	23 June 2025
262.	County Government of Kitui	Advisory on payment of taskforce allowance	23 June 2025
263.	Kitui County	Advisory on non-executive chairperson remuneration allowances	23 June 2025
264.	OAG	Harmonization of house allowance for Office of the Auditor General	23 June 2025
265.	Sixtus Oktech Odhiambo	Remuneration for personal guides for public officers living with disability	24 June 2025
266.	Ministry of Water and Sanitation	Extraneous Allowance	24 June 2025
267.	Ministry of Youth Affairs, Creative Economy and Sports	Taskforce Allowance	24 June 2025
268.	Makueni County fruit Development and Marketing Authority	Request for Board Allowance Rates	24 June 2025
269.	Kenya Ports Authority (KPA)	Corporate Performance Bonus of the Kenya Ports Authority under the Performance-Based Contract for Financial Year 2022/2023	27 June 2025
270.	Communications Authority	Request for approval of Directors' Performance Bonus for FY2018/19 to 2022/2023	27 June 2025
271.	Kenya Pipeline Company (KPC)	Request for Authorization to pay performance Bonus to 'Good' performers for the Financial Year (FY) 2022/2023 (Appeal)	27 June 2025
272.	Kenya Power (KPLC)	Request for approval for bonus payment for Financial Year 2023/2024	27 June 2025
273.	Nyeri Water and Sanitation Company Limited	Request for advice on proposed CBN between Nyeri Water and Sanitation Company and Kenya County Government Workers Union for 2024-28	30 June 2025