



# TEACHERS SERVICE COMMISSION

PARLIAMENT OF KENYA  
LIBRARY

# ANNUAL REPORT

Submitted to the President and Parliament pursuant to the provisions of Article 252 (1) of the Constitution of Kenya

# 2024/2025

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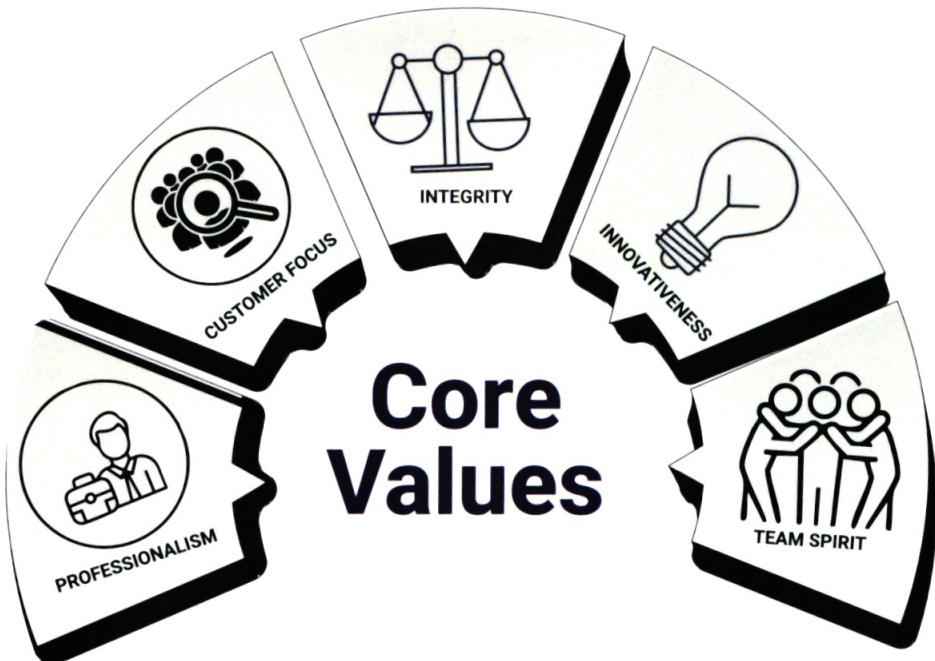
# Our Vision

A motivated, ethical and globally competitive teacher



# Our Mission

To regulate, maintain and manage the teaching service through sound policies and operational excellence for quality teaching and lifelong learning



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 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
<b>DATE:</b> 26 MAY 2026	<b>DAY:</b> Tuesday
<b>TABLED BY:</b>	Leader of the Majority Party
<b>CLERK-AT THE-TABLE:</b>	Gebrude Cheset

## ABBREVIATION & ACRONYMS

<b>AIA:</b>	Appropriation in Aid
<b>AIE:</b>	Authority to Incur Expenditure
<b>BETA:</b>	Bottom-up Economic Transformation Agenda
<b>BOM:</b>	Board of Management
<b>CBC:</b>	Competency Based Curriculum
<b>CEO:</b>	Chief Executive Officer
<b>ECDE:</b>	Early Childhood Development Education
<b>EDMS:</b>	Electronic Document Management System
<b>GVRC:</b>	Gender Violence Recovery Centre
<b>ICT:</b>	Information Communication Technology
<b>IPSAS:</b>	International Public Sector Accounting Standards
<b>ISMS:</b>	Information Security Management System
<b>JS:</b>	Junior School
<b>MOE:</b>	Ministry of Education
<b>NCPWD:</b>	National Council for Persons with Disabilities
<b>NCD:</b>	Non-Communicable diseases
<b>KPEEL:</b>	Kenya Primary Education Equity in Learning
<b>PFM:</b>	Public Finance Management
<b>PFMR:</b>	Public Finance Management Regulations
<b>PTE:</b>	Primary Teacher Education
<b>PWD:</b>	Persons with Disabilities
<b>SEQIP:</b>	Secondary Education Quality Improvement Project
<b>SBTSS:</b>	School Based Teacher Support System
<b>SNE:</b>	Special Needs Education
<b>TIMEC:</b>	Teacher Induction Mentorship and Coaching
<b>TMIS:</b>	Teacher Management Information System
<b>ToTs:</b>	Trainer of Trainers
<b>TPAD:</b>	Teacher Performance Appraisal and Development
<b>TPD:</b>	Teacher Professional Development
<b>TSC:</b>	Teachers Service Commission
<b>FCPA:</b>	Fellow Certified Practicing Accountant

## TEACHERS SERVICE COMMISSION



20<sup>th</sup> February, 2026

**H.E. Hon. Dr. William Samoei Ruto, C.G.H.,  
President of the Republic of Kenya &  
Commander-in-Chief of the Defence Forces,  
P.O. Box 62345-00200,  
Harambee House,  
NAIROBI**

The Teachers Service Commission is pleased to present the Annual Report for the fiscal year ending 30<sup>th</sup> June, 2025.

The Report has been prepared in accordance with:

- i. Article 254 of the Constitution and Section 41(2) of the Teachers Service Commission Act 2012 require the Commission to submit an Annual Report to the President and Parliament each year, encapsulating its functions, performance, activities, affairs, and financial statements.
- ii. Section 81 (1) and (2) of the Public Finance Management Act, 2012, which requires public funds to be used in a prudent and responsible manner.

In compliance with these statutory requirements, I hereby submit the attached Report and Audited financial statements for the financial year ended 30<sup>th</sup> June, 2025 for your record and consideration.

**E.J. Mitei, (MS), EBS  
Ag. Commission Secretary/Chief Executive**

## TEACHERS SERVICE COMMISSION



20<sup>th</sup> February, 2026

**Hon. Moses M. Wetang'ula, E.G.H.**  
**Speaker of the National Assembly,**  
**Parliament buildings,**  
**P.O. Box 4842-00100,**  
**NAIROBI**

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Parliament Buildings,  
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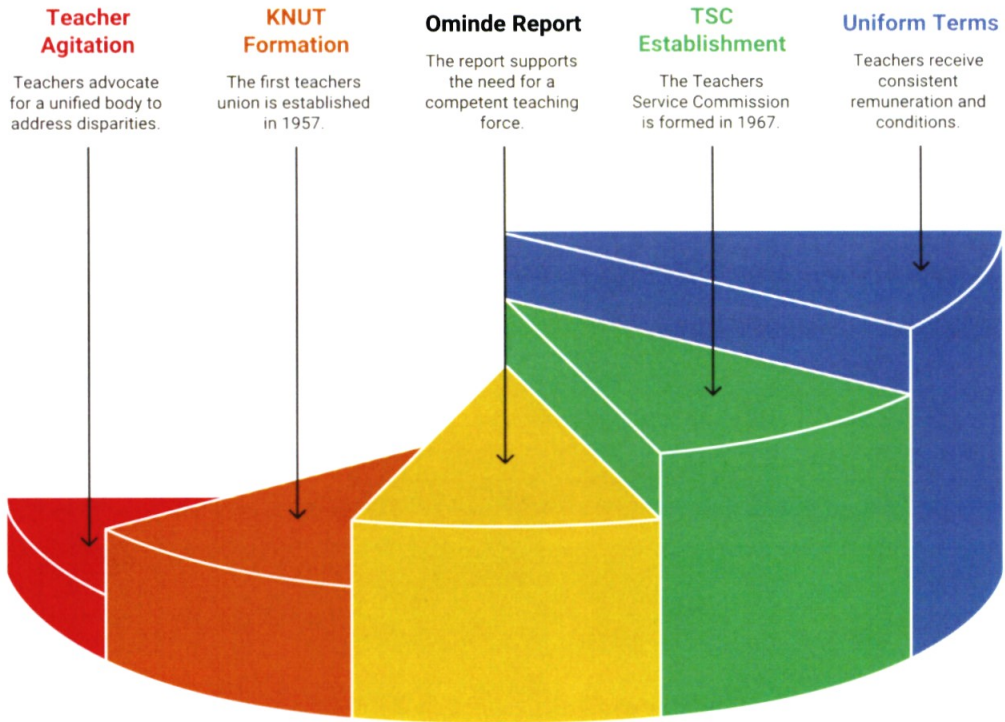
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E.J. Mitei, (MS), EBS

**Ag. Commission Secretary/Chief Executive**

# Evolution of TSC Kenya



## WORDS FROM THE COMMISSION CHAIRMAN



**I** am pleased to present the Commission's Annual Report for the financial year 2024/2025. The report stands as a testament to our unwavering commitment to the shared vision of fostering a conducive environment for a motivated, ethical, and globally competitive teaching service, while promoting productivity through quality teaching and lifelong learning.

We remain dedicated to our oversight role in strengthening ethical conduct and accountability within the teaching profession by upholding merit-based recruitment, implementing rigorous registration process, and applying fair promotion practices. Further, necessary measures are continually taken to safeguard the dignity of the profession and to maintain the highest standards of service delivery.



*“The Commission is committed to safeguarding the dignity of the teaching profession while upholding the highest standards of service delivery”*

Over time, the Commission has continually reengineered its operations by developing innovative approaches to meet changing customer aspirations and respond to emerging global trends in education. During the period under review, the Commission developed the Business Continuity Management Policy, the Data Protection Policy, and the Policy on Teacher Engagement outside Kenya. In addition, Information Security (IS) Policy was reviewed due to evolving cyber security threats to the confidentiality and integrity of teacher records.

To promote a cohesive approach in delivering quality education, the Teachers Service Commission and the Ministry of Education signed an Engagement Framework designed to harmonize their respective roles for efficient service delivery. The framework defines a shared vision, common objectives, and distinct responsibilities, ensuring alignment and preventing duplication of efforts. It further establishes clear mechanisms for communication, collaboration, and dispute resolution. In addition, the Commission continues to engage a wide range of stakeholders with the aim of strengthening linkages and enhancing partnerships.

On the international front, the Commission received delegations from the Republic of South Sudan, the Republic of Rwanda, and the Kingdom of Lesotho. The visits focused on benchmarking and sharing best practices in teacher management, particularly in recruitment, deployment, performance management, and professional development. These engagements aimed at fostering mutual learning and enhanced bilateral cooperation in the education sector.

During the period under review, the tenure of Dr Nancy Njeri Macharia, CBS, as Commission Secretary ended on 30<sup>th</sup> June 2025. Upon her departure, the Commission, appointed Ms. Evaleen Mitei as the Acting Commission Secretary/Chief Executive Officer, with effect from 1<sup>st</sup> July 2025, to steward the institution into its next chapter of growth and excellence.

As we envision the road before us, I am confident that the Commission will progressively fulfil the full implementation of its Strategic Plan and the national education sector targets enshrined in Vision 2030. We remain resolute in our commitment to continually expand the teaching workforce, equip in-service teachers with the requisite skills to meet the demands of the Competency-Based Education curriculum, and seamlessly integrate ICT into service delivery, teaching and learning to enhance educational outcomes.

I wish to convey my profound gratitude to the National Government for its unwavering support to the Commission. I equally extend my heartfelt appreciation to the Board, management, secretariat staff, teachers, and our esteemed partners for their invaluable contributions towards the successful realization of our planned activities. It is my earnest belief that this spirit of collaboration will be further strengthened as we collectively strive towards the full attainment of the Commission's mandate.



**DR JAMLECK MUTURI JOHN, EBS**  
**COMMISSION CHAIRMAN**

## CEO'S MESSAGE



**T**he 2024/2025 Annual Report is a resounding affirmation of the Commission's achievements and transformative milestones realized during the reporting period. It also offers candid reflection on the challenges encountered in the noble execution of our mandate.

Moreover, it sets forth recommendations, fortifying institutional resilience, and continuously raising teaching standards. In so doing, it reaffirms the Commission's commitment to the enduring advancement of quality education and the promotion of lifelong learning as foundational pillars of national development.

“

*“As we look into the future, I am confident that the Commission will fully implement its strategic plan and National education sector targets outlined in the vision 2030” Ms. Evaleen Mitei, Ag. CEO TSC*

During the year under review, the Commission achieved significant milestones, including 46,000 teachers converted from internship to permanent and pensionable Terms of Service, the promotion of 27,452 teachers through competitive selection and the retooling of 78,000 Junior Secondary School teachers on the implementation of the Competency Based Education. In addition, having successfully implemented the 2021–2025 Collective Bargaining Agreement (CBA), negotiations for the 2025–2029 CBA were initiated to review the terms of service for teachers.

Despite these notable achievements, the Commission encountered significant challenges during the year. Key among them: Shortage of teachers to meet the requirements of Curriculum Based Education implementation (CBE), inadequate budgetary allocations and late disbursement of funds and unfavorable work environment leading to high transfer requests. There was also a substantial budget shortfall, with an approved allocation of Ksh 369.585 billion against actual expenditure of Ksh 374.380 billion, resulting in a deficit of Ksh 5.191 billion that constrained the Commission's ability to fully meet its financial obligations. In response, the Commission initiated consultations with the National Treasury to advocate for enhanced budgetary support and secure sustainable funding for critical programs and projects in future financial years.

Going forward, the Commission will prioritize the recruitment of teachers to support the implementation of the Competency Based

Education (CBE), review teacher entry requirements for the Teaching Service, and establishing a teacher competencies framework for effective curriculum delivery. Efforts will also focus on training teachers for the effective implementation of CBE, exploring alternative modes of curriculum delivery in schools, and developing additional in-service Training for Professional Development (TPD) modules. Plans are also underway to roll out the Electronic Document Management System (EDMS) to county offices. Further, the Commission will continue to strengthen its resource mobilization strategies through partnerships and collaborations.

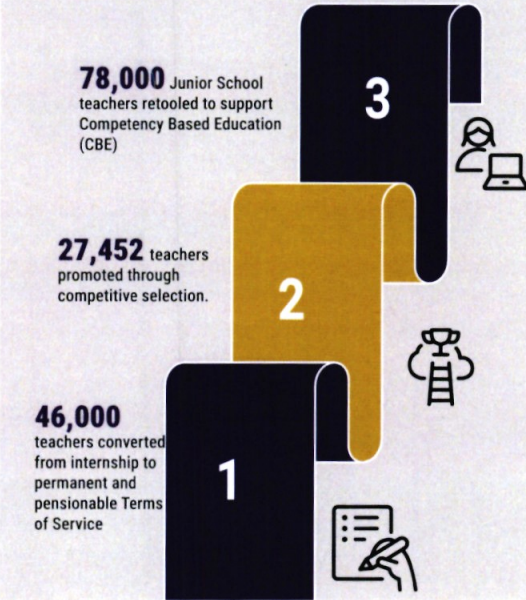
On behalf of the management and staff of the Commission, I wish to convey my profound gratitude for the support and wise counsel of the Board, the National Assembly Committee on Education, the National Treasury, the wider education sector, and our esteemed stakeholders, whose efforts have greatly advanced the realization of our mandate. I also extend my appreciation to the teachers and the citizens we serve for their enduring trust and steadfast support.



**MS. EVALEEN MITEI**  
**Ag. COMMISSION SECRETARY/CEO**

# AT A GLANCE

## ENHANCING TEACHER WELFARE AND CAREER PROGRESSION



## STRATEGIC PARTNERSHIPS AND COLLABORATION

### Collaborative Impact

Unified, efficient, and inclusive education



## INTERNATIONAL ENGAGEMENTS

### Hosted Delegations

Delegations were hosted from South Sudan, Rwanda, and Lesotho.



### Focused Areas

benchmarking best practices in teacher recruitment, deployment, performance management, and professional development

## LEADERSHIP TRANSITION



## COLLECTIVE BARGAINING & INDUSTRIAL RELATIONS



### CBA Implementation

Effective execution of the 2021–2025 Collective Bargaining Agreement.



### CBA Negotiations

Successful completion of negotiations for the 2025–2029 CBA.



### Bipartite Dialogue

Engaging in bipartite social dialogue with teachers' unions.

## Harmonious Industrial Relations

## POLICY DEVELOPMENT & INSTITUTIONAL STRENGTHENING



### Developed Policies

Key policies were developed, including Business Continuity Management and Teacher Engagements outside Kenya.



### Reviewed Policies

The Information Security Policy was reviewed.

## Focus Area 1: Quality Teaching & Curriculum Implementation



### Teacher Registration

48,901 teachers have successfully registered.



### Curriculum Delivery

84,165 teachers were retooled in CBE, and 96.35% TPAD compliance was achieved.



### Recruitment

6,000 primary, 39,550 Junior School, 450 Secondary, 20,000 Junior School Interns, and 17,945 additional & replacement teachers were recruited.



### Promotions

27,452 competitive promotions and 15,323 Common Cadre promotions were awarded.

## Focus Area 2: Service Delivery Re-engineering & Innovation



### Digitization

43,794 new files uploaded, 253,360 records uploaded.



### Innovation

Automated teacher transfer module, automatic swap function.

## Focus Area 3: Institutional Capacity & Governance



### Human Resource

1790 staff and committee members trained.



### Performance Management

Results-based contracts evaluated. 149 Directors trained.



### Employee Wellbeing

6,365 sensitized on health and mental wellness.



### Industrial Harmony

CBA's with unions sustained.



### Governance & Compliance

Legal Compliance Audit done.



### Infrastructure

Machakos and Kilifi offices done.



### Stakeholder Engagements

Active participation in KESSHA, KEP SHA AAPSCOMS & ICP.

# CHAPTER 1: CORPORATE GOVERNANCE STATEMENT

This chapter provides a comprehensive overview of the establishment of the Teachers Service Commission and the legal framework underpinning its formation. It further outlines the Commission's core mandate as derived from the Constitution and relevant statutory provisions, and provides an in-depth explanation of its governance structures, including the roles and responsibilities of its key organs and leadership.

## 1.1 ESTABLISHMENT

The Teachers Service Commission (TSC) was established under Article 237 of the Constitution of Kenya. Table 1.1 provides the specific constitutional and statutory provisions that define the mandate and functions of the Commission.

Table 1.1: TSC Establishment

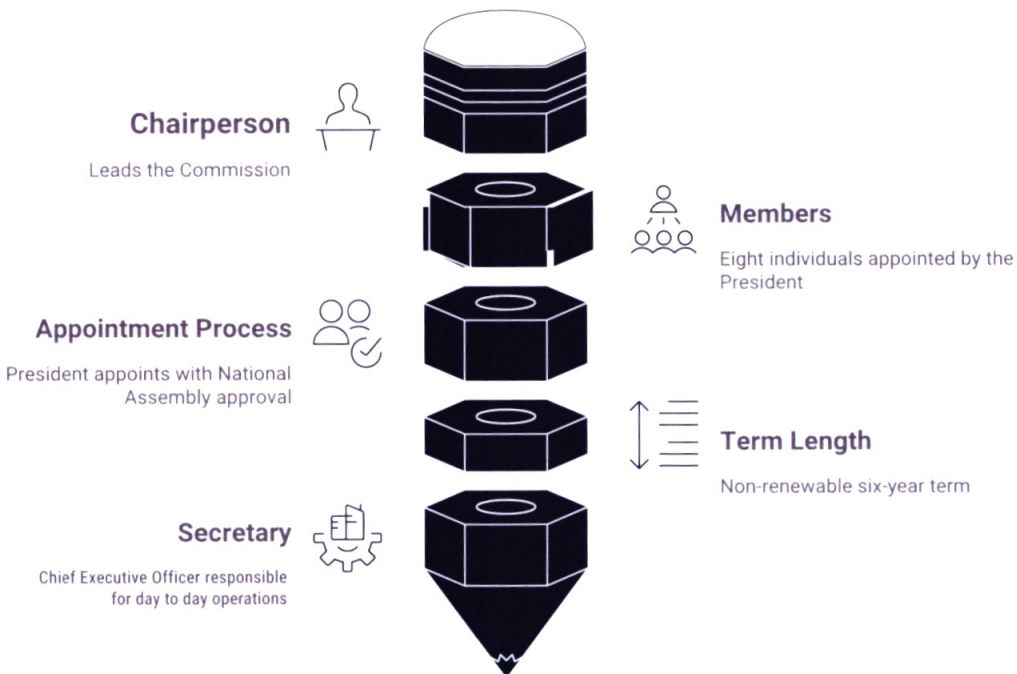
Mandate	Legal Provision	Brief Description
Registration of Teachers	Constitution Art. 237(2)(a); TSC Act Sec. 23	Register all qualified teachers to safeguard professionalism and ensure only competent individuals join the teaching service.
Recruitment & Employment	Constitution Art. 237(2)(b)	Recruit and employ registered teachers to meet staffing requirements in public schools and institutions.
Teacher Deployment	Constitution Art. 237(2)(c)	Assign employed teachers to schools and institutions, ensuring equitable distribution across the country.
Promotion	Constitution Art. 237(2)(d)	Promote and transfer teachers based on career progression guidelines and service needs to enhance professional growth.
Teacher Transfer	Constitution Art. 237(2)(d)	Transfer teachers to schools and institutions to where their services are required.
Disciplinary Control	Constitution Art. 237(2)(e)	Exercise disciplinary authority over teachers to uphold ethics, accountability, and professional conduct.
Termination of Service	Constitution Art. 237(2)(f)	Terminate employment of teachers where necessary, in compliance with regulations and due process.
Standards of Training & Education	Constitution Art. 237(2)(g)	Review education and training standards for entry into the teaching profession
Teacher Demand & Supply	Constitution Art. 237(2)(h)	Assess teacher demand and supply to guide recruitment and deployment, ensuring balanced staffing levels.
Advisory Role to Government	TSC Act Sec. 11(f)	Advise the national government on policies related to teacher management, welfare, and professional standards.
Teacher Professional Development	TSC Act Sec. 35	Establish and oversee continuous professional development to strengthen teacher competencies for curriculum delivery.

## 1.2 GOVERNANCE STRUCTURE

The Commission comprises of the Chairperson and eight other Members appointed by the President with the approval of the National Assembly. The Chairperson and Members of the Commission are appointed for a non-renewable term of six years, in accordance with Article 250 (6)(a) of the Constitution and Section 5 (2) of the Teachers Service Commission Act, 2012.

The Commission is supported by the Secretary, who is also the Chief Executive Officer, appointed by the Commission and responsible for the day-to-day operations of the Commission.

### Commission Governance Overview



## 1.2.1 Commissioners Profiles

### Dr Jamleck Muturi John, EBS - Commission Chairman



**D**r Jamleck Muturi John was appointed Chairman of the Teachers Service Commission on April 29, 2021. He is an accomplished educationist and administrator with over 30 years of experience in teaching, education management, and public service.

Before joining the Commission, Dr Muturi served as County Executive Committee Member (CECM) in Embu County Government in various ministries, including Education, Science, Technology; Lands, Water, Environment and Natural Resources; Health; Agriculture, Livestock, Fisheries and Cooperatives; and Trade, Tourism, Investment and Industrialization.

He has lectured in the following Universities ; University of Embu, Kenyatta University, The University of Nairobi, Meru University, and the Swedish University of Agricultural Sciences (SLU), Uppsala.

Dr Muturi holds a PhD and MSc in Agricultural Entomology from Kenyatta University, an MBA in Global Business Management from USIU-Africa, a BEd (Science) in Botany and Zoology from Kenyatta University, and a Higher Diploma in Human Resource Management from the Institute of Personnel Management (Kenya).

### CPA. Leila A. Ali, MSc, MBS, ACCA, CPA(K)



**C**ommisisoner Leila A. Ali was appointed to the Teachers Service Commission on 4<sup>th</sup> May 2020 and currently serves as the Vice Chairperson. She brings over 12 years of experience in the financial sector, both in Kenya and the United Kingdom.

She has worked with Baker Tilly Merali, overseeing due diligence and audits for large and medium-sized organizations, including NGOs. She has also served on several boards such as the Wangari Maathai Foundation and the Competition Authority of Kenya.

Her strong grounding in finance and governance has been instrumental in shaping key Commission policies and guiding strategic decisions that support effective service delivery and sound financial management. Ms. Leila holds a BA (Hons) in Accounting and Finance from London South Bank University and is an affiliate of the Association of Chartered Certified Accountants (ACCA).

### His Eminence Salesa Adano Abudo, MBS



**H**.Em Salesa Abudo is a seasoned education administrator with over 36 years of experience in educational policy formulation, implementation, and management.

He has served as an Education Officer in Laikipia, Nyeri, Meru, and Kitui counties, a Programmes Officer at the Ministry of Education headquarters, and a Tutor at Meru Teachers College.

He holds a Master's Degree in International Education Management from the University of Leeds and a Bachelor of Education (Arts) from Kenyatta University. His vast experience in educational leadership and administration continues to contribute to the Commission's strategic direction

and effective teacher management.

### Mrs. Christine Kahindi, MBS



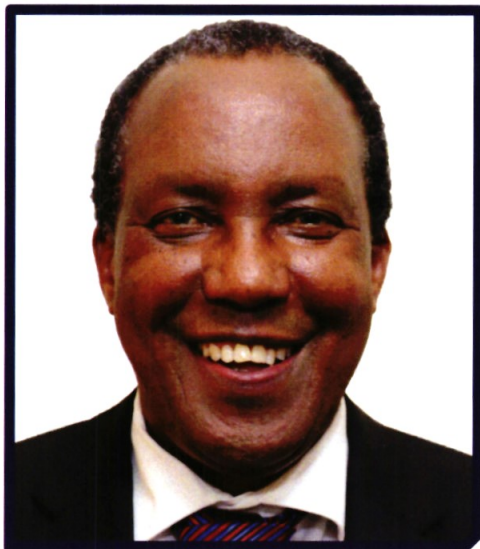
**C**ommissioner Christine Kahindi is an accomplished educationist with over 38 years of experience in teaching and school leadership.

She has served as a teacher at Jaribuni, Kilifi Township, and Lenana Schools, and as Principal at Kilifi Township, Majaoni, and Katana Ngala Secondary Schools.

She holds a Master of Education in Educational Administration from the University of Nairobi, a Bachelor of Education (Arts) from Kenyatta University, and a Diploma in Education (Humanities).

Mrs. Kahindi has received several recognitions, including the Principal of the Year Award, Kilifi County (2017) and the Distinguished Service in School Management Award (2010).

## Mr. Mbage N. Ng'ang'a,



**M**r. Mbage N. Ng'ang'a is an accomplished legal scholar and governance expert with over four decades of experience in leadership, law reform, and public policy. He is an Advocate of the High Court of Kenya and a Certified Public Secretary.

Before joining the Teachers Service Commission in 2020, he served as Chairperson of the Kenya Law Reform Commission and the Energy Tribunal, where he made significant contributions to legal and institutional reforms, including the formulation of key education and governance laws such as the Teachers Service Commission Act and the Basic Education Act.

He holds a Bachelor of Laws (LLB) from the University of Nairobi, a Master of Laws (LLM) and a Master of Science (MSc) in Agricultural Development from the University of London, and has undertaken executive programs at Harvard, Cambridge, and Duke Universities.

## CS. Sharon Kisire, MBS



**C**S Sharon Kisire is a seasoned Human Resource and organizational leadership professional with over 25 years of experience across the public and private sectors.

She has held senior HR roles at Kenya Pipeline Company, Safaricom, Kenya Wildlife Service, National Oil Corporation, and The Mater Hospital, and has also served as Executive Director at HR Powerhouse Ltd.

She holds a Master's and Bachelor's degree in Sociology from Kenyatta University and a Diploma in Human Resource Management. She is a Certified Secretary (KASNEB), Certified Governance Auditor (ICS), Certified Executive Leadership Coach, and

Certified Emotional Intelligence Assessor.

Commissioner Kisire is a Fellow of the Institute of Human Resource Management and Chair of the Human Resource Management Examinations Board. She has authored several books and is known for her advocacy on ethical leadership and sound HR practices.

## Mr. Timon Alfred Otieno Oyucho, MBS



**C**ommissioner Timon Oyucho joined the Commission in 1987 as a teacher of Mathematics and Physics and rose through the ranks, serving as Principal, District Staffing Officer, Provincial Staffing Officer, and in several senior roles at the TSC Headquarters.

A lawyer by training, Commissioner Oyucho holds Bachelor and Master of Laws degrees from the University of Nairobi, a Postgraduate Diploma in Law from the Kenya School of Law, and a Diploma in Science Education. He is pursuing a Doctor of Laws degree at the University of Nairobi and a Master's in Employment and Labour Relations from the University of Turin, Italy.

He is a member of the Law Society of Kenya and the East Africa Law Society. Through his experience and commitment, he has contributed to progressive policy formulation and the promotion of industrial harmony in the education sector.

## Mrs. Annceta Wafukho, MBS



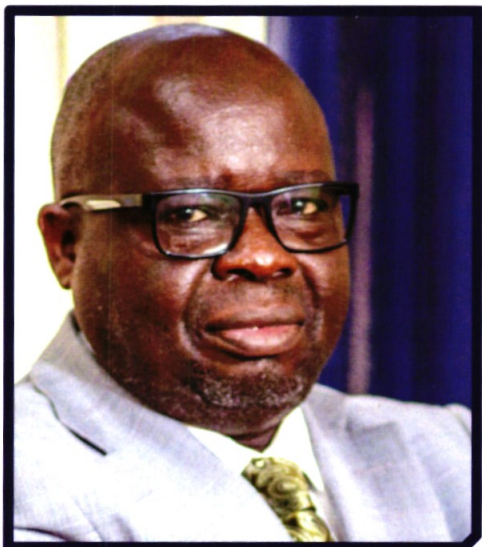
**C**ommissioner Annceta Wafukho is an accomplished educationist and public policy expert with over 20 years of experience in teaching, policy analysis, and legislative training.

She began her career as a teacher of Computer Studies and Business Studies before joining the Parliament of Kenya, where she worked at the Centre for Parliamentary Studies and Training (CPST) training Members of Parliament and staff on Public Policy Analysis and Public Participation.

She has also served as a technical adviser to legislators on education-related policies and bills covering basic, tertiary, and technical education, and played a key

role in reviewing education sector sessional papers and curriculum reforms.

Commissioner Wafukho holds a Master's degree in Public Policy Analysis and a Bachelor's degree in Education (Business and Computer Studies). She also holds certifications in Leadership, Governance, and Policy Studies.



**D**r Nicodemus Ojuma Anyang is an accomplished educationist and administrator with over 30 years of experience in Kenya’s education sector, 25 of which have been in leadership and management roles.

He has served as a teacher, head of department, principal, District Education Officer, and County Director of Education in several counties. He later served as Deputy Director of Education at the Ministry of Education and as a member of the Competency-Based Curriculum (CBC) Taskforce Secretariat.

Dr Anyang holds a PhD in Education Administration from Moi University, a Master’s in Education (Administration and Planning), and a Bachelor of Education (Arts) from Kenyatta University. He is a member of the Kenya Association of Education Administration and Management (KAEAM) and the Kenya Oral Literature Association (KOLA).

He has published widely in peer-reviewed journals and authored several books on education.

### **1.2.2 COMMITTEES OF THE COMMISSION**

The Commission has five (5) board Committees formed to assist the board to execute its mandate as per the constitution. The Committees provide detailed review of policies, reports and proposals and make recommendations to the board. The Committees are as follows:

#### **a) Strategy and Innovation Committee**

The Strategy and Innovations Committee advises the Board on the development and implementation of strategic initiatives, policies and innovative reforms for effective service delivery. The Committee monitors and evaluates performance reports and implementation of the TSC Strategic Plan. The Committees meet regularly to review and monitor the Commission’s progress with respect to strategic direction and operational effectiveness. It also evaluates periodic reports and proposals on service delivery process re-engineering and innovation and makes recommendations to the Board.

#### **b) Human Resources Management Committee**

This Committee considers and recommends to the Board, formulation and/or review of Human Resource Policies, appropriate organizational structures, staff establishment and terms and conditions of service for employees.

### **c) Field Services Committee**

The Committee recommends to the Board; formulation and review of policies to enhance teacher professionalism, conduct and performance, and decentralized functions. It also provides oversight on the decentralized functions of the Commission.

### **d) Finance Committee**

The Finance Committee provides a critical advisory role in all matters related to financial management in the Commission. The Committee considers and recommends to the Board: financial management policies, procedures and strategies aimed at maintaining the financial accountability and integrity of the Commission. It also oversees procurement and budget implementation. It receives, reviews and recommends to the board, periodic reports on the Commission's financial performances against strategic objectives.

### **e) Audit Committee**

Pursuant to Section 175 (5) of the Public Finance Management (PFM) Act, 2012, and the attendant Regulations, every national government public entity is required to establish an audit Committee whose main mandate is to support the accounting officers with regard to their responsibilities on matters of risk, control, governance and associated assurance and to follow up on the implementation of the recommendations of internal and external audit reports.

As per PFM Regulation 164 (1) (e), the audit Committee is composed of four members who comprise a commissioner; one member appointed to represent the National Treasury and two independent members of whom one is the Chairperson. The Director, Internal Audit, is the Secretary to the Committee.

### **f) Pension Management**

This is an auxiliary Committee that has been constituted to oversee the Commission's retirement schemes for its employees in compliance with the Retirement Benefits Act 1997. The schemes are; TSC Staff Superannuation Scheme (Defined Benefits) and the TSC Staff Retirement Benefits Scheme (Defined Contribution).

## **1.2.3 MANAGEMENT**

The Secretariat is headed by the Commission Secretary/Chief Executive Officer and supported by ten (10) Directorates and one (1) Division. The Directorates and Division are: Administrative Services; Finance and Accounts; Staffing; Human Resource Management and Development; Teacher Discipline Management; Teacher Professional Management; Information and Communication Technology (ICT); Internal Audit; Legal, Labour and Industrial Relations, Operations and Supply Chain Management Services.

## 1.2.4 Management Profiles

### Dr Nancy Njeri Macharia, CBS - Commission Secretary/CEO



**D**r Nancy Njeri Macharia is a distinguished educationist and public administrator who has served as the Chief Executive Officer and Secretary of the Teachers Service Commission (TSC) from 1<sup>st</sup> July, 2015 up to 30<sup>th</sup> June, 2025, becoming the first female CEO in the Commission's history.

She holds a Master's Degree in Education (Policy and Management) from University of Bristol, UK and a Bachelor of Education from Kenyatta University.

She has undergone training both locally and internationally in Leadership, Corporate Governance, Public Procurement, Policy Formulation, Information Communication Technology (ICT), Proactive

Management and Business Excellence Models, among others. In addition, she is an Executive Board Member of Africa Forum of Teaching Regulatory Authorities (AFTRA). She is also a member of the Kenya Association of Public Administration Management (KAPAM) and Institute of Directors, among others.

### Ms. Evaleen J. Mitei - Director Teacher Discipline Management



**M**s. Evaleen brings extensive experience in the teaching service, with a distinguished record in shaping education policy and leading both school-level and institutional management. She has spearheaded programs that strengthen teacher professionalism, enhance staff welfare, and improve institutional performance through innovative and strategic initiatives.

Her leadership in the Teacher Discipline Management Directorate emphasizes preventive and corrective approaches to teacher conduct, promoting accountability and excellence. She also has a strong background in human resource

management, having directed the implementation of the Integrated Personnel and Payroll Data (IPPD) system.

Appointed Acting CEO on 1<sup>st</sup> June 2025, she champions teacher development and professional standards, expands access to quality education, and fosters a collaborative, results-oriented culture. She holds an MSc in Human Resource Management from the University of Manchester (UK) and a Bachelor of Education from Moi University.

#### CPA. Ayabei Cheptumo, OGW - Director, Finance & Accounts



**H**e combines sound financial stewardship with a strong commitment to advancing educational growth. With broad experience in institutional finance management, he has strengthened financial controls, optimized resource use, and promoted transparency to support effective service delivery.

In his role, he leads strategic financial planning and resource management, ensuring that funds directly enhance teacher and staff welfare and contribute to improved education outcomes. He holds an MSc in Finance and Banking (University of Stirling, UK), a Bachelor of Education (Arts) from Kenyatta University and is a Certified Public Accountant of

Kenya (CPA-K) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK).

#### Mr. Ibrahim Mumin, OGW - Director, Administrative Services



**A**s Director of Administrative Services, Mr. Mumin brings a forward-thinking approach to institutional leadership.

He has successfully spearheaded Business Process Reengineering (BPR) initiatives and the decentralisation of services through the construction of county and sub-county offices, streamlining administrative systems while strengthening occupational health, safety, and staff wellbeing.

Through his foresight, vision, and pragmatic leadership, administrative processes have been streamlined, governance structures strengthened, and staff motivated, ensuring that operational strategies align with the organisation's mission and impact. He holds a Master's Degree in Education

(Education Management and Policy Studies) from University of Bristol and a Bachelor of Education from University of Stirling, UK. He has also undertaken executive training in management and leadership.

## Ms Antonina Lentoijoni - Director, Staffing



**M**s. Antonina Lentoijoni, Director of Staffing at the Teachers Service Commission, is a strategic and results-driven education professional with deep expertise in teacher management, policy formulation, and organisational leadership.

She holds an MBA in Strategic Management (University of Nairobi) and a B.Ed. in Mathematics (Kenyatta University) and has completed executive training in Kenya, the UK, Japan, Singapore, and Dubai.

She plays a leading role in national teacher staffing strategies and reforms, with a strong focus on ensuring the equitable distribution of teachers to

provide every child with access to quality education. She leverages strong analytical skills to design strategies aligned with emerging government reforms and has consistently championed governance, professional excellence, and the development of cohesive teams within complex education systems.

## Mr. Cavin Anyuor - Director, Legal Labour & Industrial Relations



**M**r Anyuor, Director of Legal, Labour & Industrial Relations at the Teachers Service Commission, is an accomplished Advocate of the High Court of Kenya with over 10 years of post-qualification experience and a strong focus on employment and labour law.

He holds a Master of Laws (Employment and Labour Law) from the University of Turin's ILO International Training Centre, a Bachelor of Laws (LL.B.) from the University of Nairobi, and a Postgraduate Diploma in Law from the Kenya School of Law.

He has contributed significantly to legal and policy reforms, providing expert advisory support on

collective bargaining and industrial relations matters, and shaping strategies that position the organisation for compliance and growth. A Certified Public Secretary, accredited Governance Auditor, and Certified Professional Mediator (CPM), he has completed the Senior Leadership and Development Program (SLDP) at the Kenya School of Government and is a member in good standing of the Law Society of Kenya, East Africa Law Society, and the Institute of Certified Secretaries.

## CPA. Benjamin Mainga - Director, Internal Audit



**C**PA. Benjamin Mainga, Director of Internal Audit at the Teachers Service Commission, is a highly skilled professional with extensive expertise in governance, risk management, and internal controls.

He holds a Bachelor's degree in Business Administration (Accounting Option), a Master's degree in Business Administration (Finance Option), and is a Certified Public Accountant (CPA-K), Certified Information Systems Auditor (CISA), and Certified Internal Auditor (CIA). He is a member of ICPAK, ISACA, and IIA.

He has held key audit roles at the National Land Commission, Diamond Trust Bank, Family Bank, and external audit firms. He has also served as a volunteer member of the Audit Committee of ISACA Kenya and as Chairperson of the Board Audit and Risk Committee of the Institute of Internal Auditors (IIA), Kenya Chapter. He is recognized for his integrity, analytical rigor, and commitment to institutional accountability and sound governance practices.

## Mr. Cyrus Kamau - Director, ICT



**C**yrus Kamau, Director of ICT at the Teachers Service Commission, is a visionary leader in technology and digital transformation with over 23 years of experience.

He holds an M.Sc. in Information Systems (Distributed and Networked Systems) from the University of Nairobi and a B.Sc. in Computer Science and Statistics from JKUAT, with postgraduate certificates in advanced technology and IoT.

Cyrus has led ICT initiatives in both public and private sectors, represented Kenya in regional and international expert groups, and serves on the AUDA-NEPAD panel on emerging technologies. A Fellow of the Computer Society of Kenya and member of ICTAK, ACPK, IEEE, ACM, and ISOC, he is recognised for driving innovative solutions, mentoring teams, and advancing ICT to transform education and public service.

## Mr. Gabriel Mathenge - Director, Operations



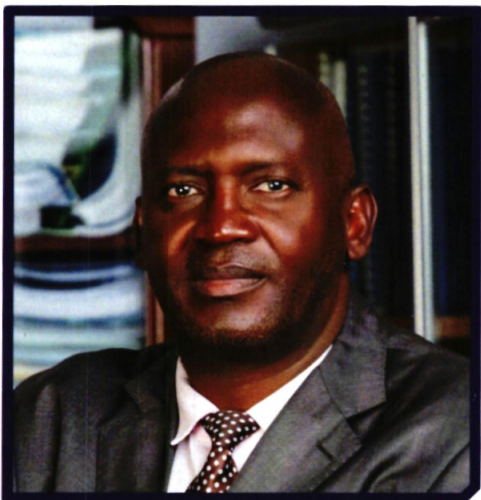
**G**abriel Mathenge is an accomplished educational administrator with expertise in teacher management, instructional leadership and educational administration. He holds a Master's Degree in Education (Educational Administration) from University of Nairobi and a Bachelor of Education (Moi University).

He has a proven track record in project coordination, capacity development and educational research that informs strategic decision-making.

Renowned for his stakeholder engagement skills, Gabriel has collaborated with government bodies, NGOs, development partners, and teacher training

institutions, successfully managing projects that advance education reforms. He has served in national and international committees, technical working groups, and boards, championing transformative initiatives, building capacity, and empowering teachers. He is a member of KAPAM, the Institute of Certified Administrators, and Corporate Governance (ICG).

## Dr Reuben Nthamburi Mugwuku - Director, Teacher Professional Management



**D**r Nthamburi, as the Director of Teacher Professional Management at TSC, draws on extensive experience in the education sector, including work with the Kenya National Commission for UNESCO.

He is passionate about research-based policy and education reforms and is a strong advocate for teacher qualifications, professional standards and resource mobilisation. He has a proven record in designing and implementing programs that strengthen educational systems.

As an AFTRA Fellow, he champions evidence-based decision-making, innovative learning methods, and initiatives that enhance teacher quality while driving sustainable improvements across the education sector. He holds a PhD in Educational Communication Technology (Moi University) and a M.Ed. in Curriculum Studies (University of Nairobi).

## CHRP Kenneth Marangu - Ag. Director, Human Resource Management & Development



**M**r. Marangu has extensive experience spanning teacher management, administration and public service, with deep expertise in human resource management within the education sector.

Throughout his career, he has championed human-centered management, valuing employees as individuals, fostering their professional growth, and promoting a culture of wellbeing, motivation and high performance. He has also made significant contributions to knowledge management by spearheading the development of key institutional documents, demonstrating initiative and a strong understanding of administrative and institutional processes.

A Certified Human Resource Professional of Kenya (CHRP-K), he holds an MBA in Human Resource Management and a Bachelor of Education from Kenyatta University.

## Mr. Oimo Lawrence Oganga - Senior Deputy Director, Supply Chain Management Services



**M**r. Oganga, Senior Deputy Director of SCMS brings over 20 years of experience in supply chain management, combining technical expertise with a systems-oriented leadership approach.

During his career, both within and outside the Teachers Service Commission, he has implemented efficient procurement, logistics, and inventory systems that drive operational efficiency and transparency.

He holds a M.Sc. in Logistics and Supply Chain Management, a B.Sc. in Business Management (Purchasing and Supplies), and is a Certified Supply

Chain Management Practitioner. He is a registered member of the Kenya Institute of Supplies Management (KISM) and is recognised for leveraging technology and strategic processes to enhance supply chain effectiveness and organisational performance.

1.3 STRATEGIC PLAN 2023/2027 FOCUS AREAS

INSTITUTIONAL  
CAPACITY AND  
GOVERNANCE



## CHAPTER 2: PERFORMANCE OF THE STRATEGIC PLAN (2023–2027)

The Teachers Service Commission Strategic Plan (2023- 2027) aims to provide strategies for regulating, maintaining and managing the teaching service through sound policies and operational excellence for quality teaching and lifelong learning, while promoting conditions for a motivated, ethical and globally competitive teacher. Thus, this Annual report provides the second-year milestones realized in the implementation of the Strategic Plan as applied in the three focus areas.

### 2.1 FOCUS AREA 1: QUALITY TEACHING SERVICE AND CURRICULUM IMPLEMENTATION

This strategic focus places emphasis on enhancing teachers' professional knowledge, strengthening their engagement within the teaching service, and ensuring the effective implementation of the curriculum. The strategy was actualized through the following:

#### 2.1.1 Teacher Registration

This is to ensure that all trained and qualified teachers are registered before they are engaged to teach in any basic public or private learning institution in Kenya as provided by the legal and regulatory frameworks guiding the Commission. During the year under review, 48,901 new applicants were registered as shown in Table 2.1.

Table 2.1: Trends in Teacher Registration for the Years 2022/2023, 2023/2024 and 2024/2025 per Education level

EDUCATION LEVELS	2022/2023	2023/2024	2024/2025
Degree	23,230	23,958	34,350
Diploma	2,371	1,966	3,020
PTE	10,500	4,859	3,877
ECDE	13,084	10,211	7,654
<b>TOTAL</b>	<b>49,185</b>	<b>40,994</b>	<b>48,901</b>

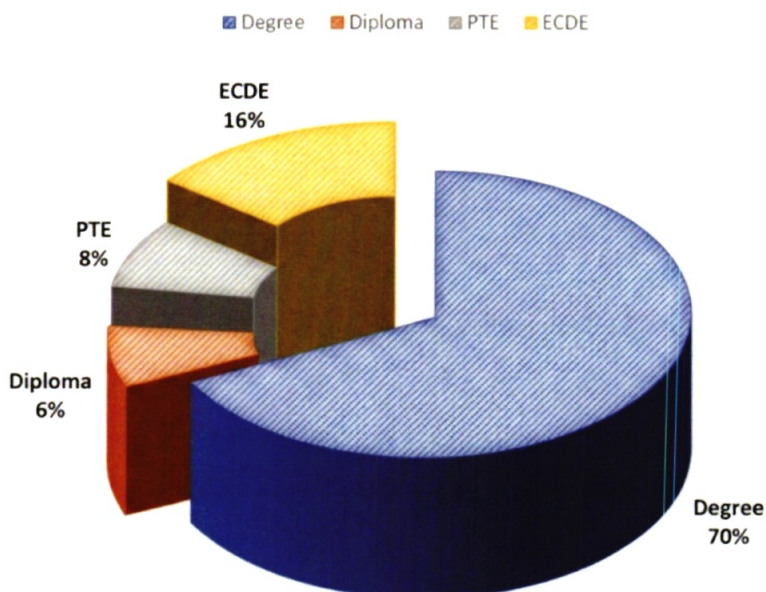


Figure 2.1: Teacher Registration 2024/2025

### 2.1.2 Teacher Recruitment

The provision of adequate teaching staff in basic learning institutions focused on reduction of national teacher shortage by a 100% of the baseline of 111,870 teachers at the beginning of the 2023/2027 strategic plan. During the period under review, the Commission recruited 46,000 teachers against the target of 22,374 teachers annually as envisaged in the strategic plan. This was a result of a deliberate move by the Government to convert all the teacher interns into permanent and pensionable terms of service as shown in table 2.2 and figure 2.2.

Table 2.2: Number of teachers recruited per category in the last three years

YEAR	CATEGORY	PRIMARY	JUNIOR SCHOOL	SECONDARY SCHOOL	TOTAL
2022/2023	Additional Teachers	1,000	9,000	5,000	15,000
	Replacement teachers	8743	0	2,703	11,446
	Teacher Interns	4,000	21,550	450	26,000
	<b>TOTAL</b>	<b>13,743</b>	<b>30,550</b>	<b>8,153</b>	<b>52,446</b>
2023/2024	Additional Teachers	0	0	0	0
	Replacement teachers	2,588	0	1,167	3,755
	Teacher Interns	2,000	18,000	0	20,000
	<b>TOTAL</b>	<b>4,588</b>	<b>18,000</b>	<b>1,167</b>	<b>23,755</b>

YEAR	CATEGORY	PRIMARY	JUNIOR SCHOOL	SECONDARY SCHOOL	TOTAL
2024/2025	Additional Teachers	6,000	39,550	450	46,000
	Replacement teachers	7,171	53	3,497	10,721
	Teacher Interns	0	20,000	0	20,000
	<b>TOTAL</b>	<b>13,171</b>	<b>59,603</b>	<b>3,947</b>	<b>76,721</b>

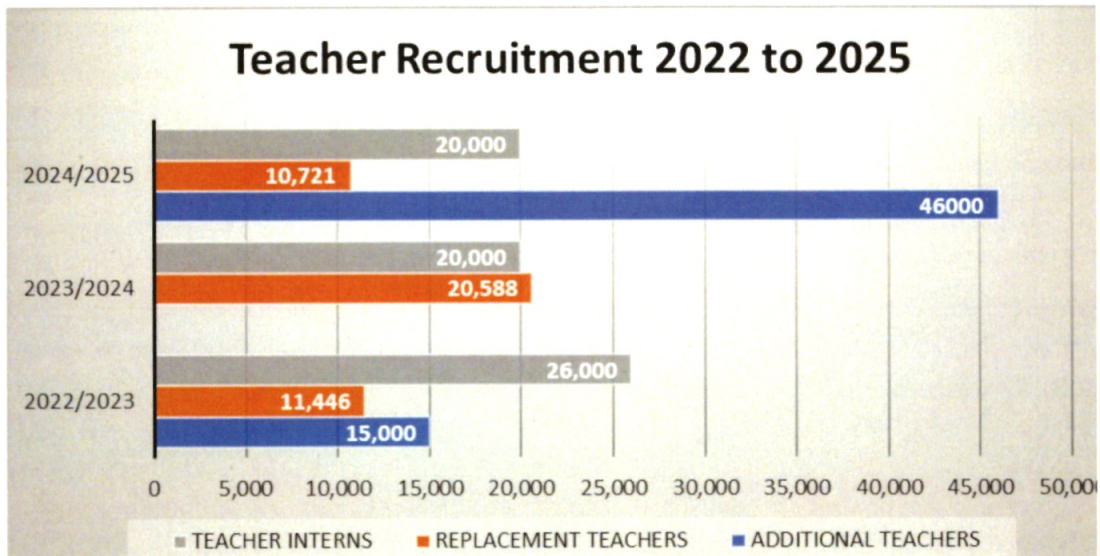


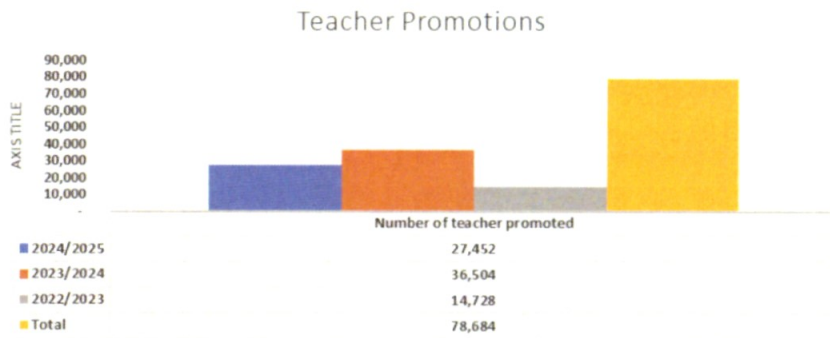
Figure 2.2: Teachers Recruited per Category in the Last Three Years

### 2.1.3 Teacher Promotion

The Commission enhanced the career progression of teachers through common cadre and competitive selection promotion.

#### a) Competitive Promotions

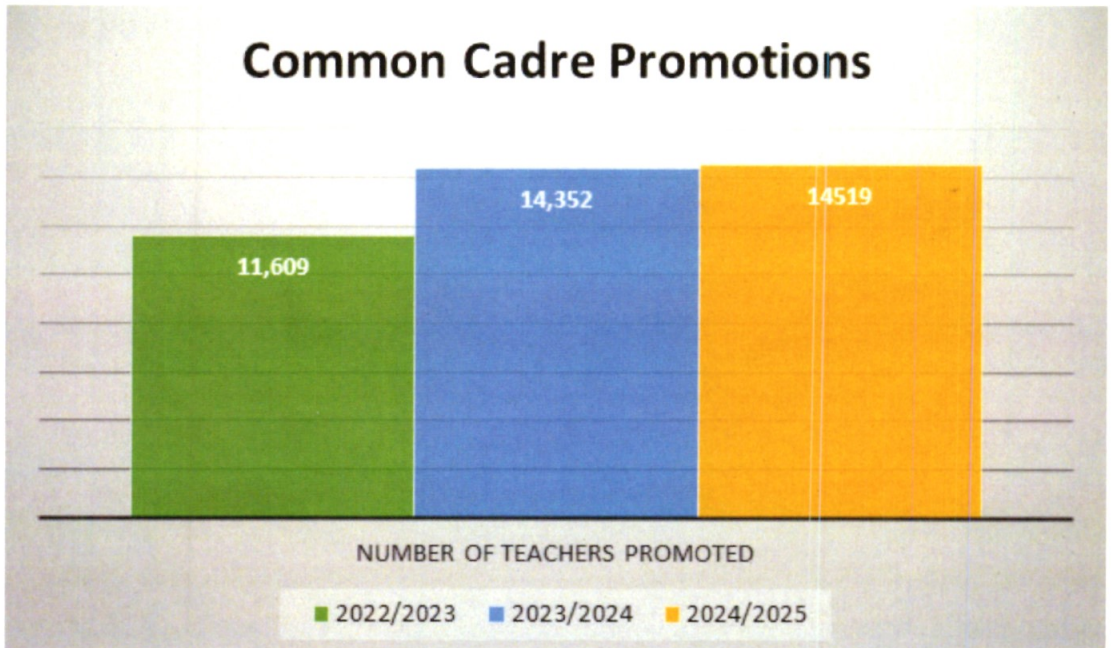
Under the 2023-2027 Strategic Plan, the Commission targeted the promotion of 60,000 teachers over the five-year period, translating to an annual target of 12,000 teachers. During the period under review, the Commission promoted 27,452 teachers through competitive selection translating to 78,684 teachers promoted over the three-year period as shown in figure 2.3. This was as a result of government allocating additional funds for teacher promotions.



**Figure 2.3: Competitive Promotion Trend for the Last 3 Years**

### b) Common Cadre Promotions

Over the last 3 years, the Commission promoted 41,284 teachers under the common cadre establishment. The number of teachers promoted in the years 2022/2023, 2023/2024 and 2024/2025 were 11,609, 14,352 and 15,323 respectively reflecting a steady upward trend as shown in the figure 2.4.



**Figure 2.4: Common Cadre Promotion Trend for the Last 3 Years**

## 2.1.4 Curriculum Implementation

### 2.1.5 Teacher re-tooling on CBE

The 2023/2027 Strategic Plan provided for the re-tooling of 60,000 teachers annually on the Curriculum Based Education (CBE) with a view of strengthening pedagogical knowledge and content in curriculum implementation. In the FY 2024/2025, the Commission re-tooled 84,165 teachers to build their pedagogical knowledge and content for effective delivery of the CBE.



**Retooling session of teachers on Curriculum-Based Education (CBE)**

#### a) Teacher Performance Management

The Commission is mandated to monitor the conduct and performance of teachers in the teaching service. During the period, The TPAD tool was reviewed, and 4,803 teachers were trained, comprising 46 master trainers (43 from primary and secondary, 3 from KIB, KISE, and TTC) and 4,759 champion teachers (3,688 primary; 1,071 secondary).

#### b) Alternative modes of Curriculum Implementation in Schools

To mitigate teacher shortages in ASAL and hard-to-staff areas, the Commission, in partnership with MoE and World Bank under SEQIP and KPEEL, adopted livestreaming lessons as a Remote Learning Methodology (RML). In 2024/2025 FY, livestreaming of lessons was expanded to 180 secondary schools and piloted in 30 primary schools across 10 counties.

In addition, a total of 333 teachers and field officers were trained on livestreaming, the 5E (engage, explore, explain, elaborate and evaluate instructional model), and use of virtual laboratories to enhance curriculum delivery and promote equitable learning outcomes as provided in table 2.3.

Table 2.3: Personnel Trained on Alternative Mood of Curriculum Implementation

Category	Number trained
Sub County Director (SCD)	14
Curriculum Support Officers (CSOs)	26
Head of Institution (HOI)	30
Champion(s)	30
Number of teachers trained	233
<b>Total</b>	<b>333</b>

### c) School based Teacher Support System

The Commission has successfully implemented the School-Based Teacher Support System (SBTSS) under the SEQIP programme. During the period, the Commission reviewed the SBTSS design and tools to cover Integrated Science, Mathematics, and English (SME) for Junior School and piloted them in 30 SEQIP counties in preparation for rollout. Additionally, in partnership with CEMASTEIA, the Commission trained and coached 1,813 subject experts to strengthen pedagogical skills and ensure sustainability of the programme beyond SEQIP.

### d) Institute of Teacher Support and Professional Development (ITSPD)

The Commission established the ITSPD to coordinate all Teacher Professional Development (TPD) programmes, develop training modules, and host them on its Learning Management System for teachers' self-paced access. Content on pedagogies, 21<sup>st</sup>-century skills, remote learning, career guidance, mentorship, stress and change management, mental health, and pre-retirement was also developed. Additionally, stakeholder engagements were held across 10 regions and at the national level to gather views on TPD design, content delivery, assessment, monitoring, and funding.

## 2.1.6 Teacher Professionalism and Integrity

In the year under review, the Commission strengthened teacher professionalism and integrity by enhancing competence, ethical conduct, and accountability within the teaching service. A total of 47,179 field staff, Heads of Institutions, and Boards of Management were trained on the management of teacher discipline, while 1,775 field officers and teachers were prepared as Trainers of Trainers (TOTs) and Champions under the Teacher Induction, Mentorship and Coaching (TIMEC) programme.

In addition, the Commission conducted the induction of 40,253 newly recruited teachers, interns, and newly appointed Heads of Institutions, equipping them with the skills and knowledge required for effective service delivery. To further improve efficiency and fairness in managing discipline, the Commission also reviewed its discipline guidelines, thereby strengthening systems for handling professional conduct cases. These interventions collectively reinforced the values of integrity, professionalism, and trust in the education sector.

## **2.2 FOCUS AREA 2: SERVICE DELIVERY RE-ENGINEERING AND INNOVATION**

The Commission under this strategic focus area envisaged re-engineering of its process and adoption of research and innovations to make them more responsive to customer needs and operational efficiency. Towards this, the Commission undertook activities on data governance and information security; business continuity management, research and innovation and construction of county offices.

### **2.2.1 Data Governance, Information Security and ICT infrastructure**

During the year under review, several initiatives were undertaken to align with government directives, improve system reliability, and safeguard digital assets against emerging cyber threats.

As part of strengthening data governance, the Commission continued to implement policies and frameworks for the appropriate collection, storage, classification, and protection of data in compliance with the Data Protection Act, 2019. Measures were put in place to enhance data accuracy, accessibility, and confidentiality, including capacity-building of staff on data handling protocols.

#### **a) Electronic Document Management System (EDMS)**

Under the Electronic Document Management System (EDMS), 43,794 teachers' files were digitized during the year, bringing the cumulative number of all digitized files to 403,000. In addition, 253,360 other records were updated to ensure records are current and accurate. This digitization initiative has eased document retrieval, reduced reliance on physical records and improved the overall efficiency of records management.

#### **b) Automation of Service**

The Transfer and Promotion Modules were installed in the Teachers Online System, providing end-to-end automation of these processes. The two modules were integrated with the Entry/Exit Module, enabling seamless data flow, reducing manual interventions, and improving turnaround times for teacher management processes.

#### **c) ICT Infrastructure**

The Commission acquired an additional seven network switches to improve connectivity, address system redundancy, and network performance across its offices. In addition, 83 computers were procured and deployed to various directorates to replace obsolete equipment, increase staff productivity, and support the adoption of modern digital tools.

In compliance with the ICT Authority's directive, the Commission commenced the migration of its official website from the Joomla Content Management System to the centrally hosted Government Web Platform. This transition aimed to enhance cybersecurity, align with the Kenya Government Web Standards, and improve the accessibility and integration of online services.

### 2.2.2 Business Continuity Management

The Commission aims to ensure uninterrupted service delivery during potential disruptions such as cyber threats, natural disasters, or pandemics through institutionalizing business continuity management. To this end, the Commission developed a Business Continuity Management Policy that guides preparedness, response, and recovery efforts, reflecting the Commission’s commitment to operational stability and public service continuity.

In addition, the Commission in implementation of the ICT disaster recovery plan tested the recovery procedures and backup systems. It was established that the identified server environment provides efficient, scalable and reliable backup.

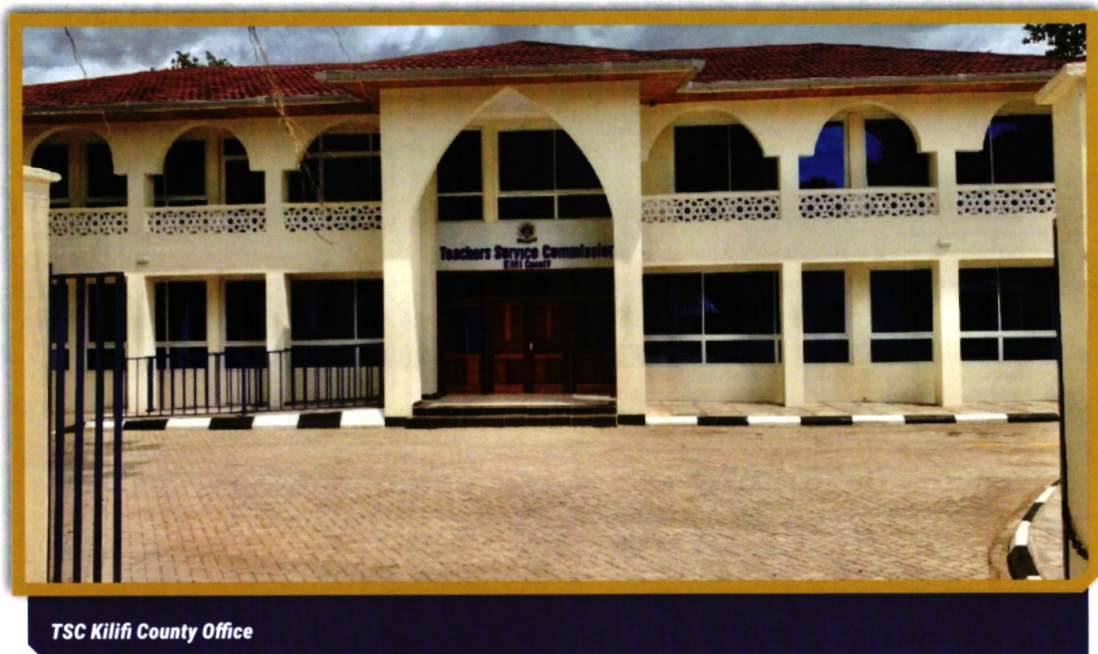
### 2.2.3 Research and Innovation

To improve service delivery, the Commission conducted two studies namely: “Factors contributing to desertion and immoral behavior among teachers in Public basic learning institutions and Customer and Employee Satisfaction Survey (CESS)”. The Commission also entered into a partnership with Zizi Afrique Foundation through the signing of a Memorandum of Understanding (MoU).

### 2.2.4 Construction of County Offices

The Commission successfully completed construction of Machakos and Kilifi County offices, to actualize decentralization of services and enhancement of infrastructure at the county level.





**TSC Kilifi County Office**

## **2.3 FOCUS AREA 3: INSTITUTIONAL CAPACITY AND CORPORATE GOVERNANCE**

This focus area refers to the Commission’s ability to effectively perform its functions, set and achieve goals and adapt to the changing environment. It entails enhancement of human resources to perform at optimum levels while taking into consideration employee welfare. It also involves resource mobilization to ensure adequate funding, formulation, compliance to policies and legal frameworks to support board oversight and improved service delivery. During the period under review, the Commission implemented the following initiatives:

### **2.3.1 Human Resource Capacity**

The Commission invested in targeted training programs that enhanced the skills, knowledge, and competencies of its employees. During the review period, 1,794 including Commissioners, Audit Committee members and Secretariat staff were trained to enhance efficiency, accountability and people centered service delivery. A summary of the training interventions undertaken is provided in Table 2.4.

Table 2.4: Summary of Training

<b>Thematic Area</b>	<b>Training Interventions</b>	<b>Number Trained</b>
<b>Leadership, Management and Teamwork</b>	Leadership skills, team building, transformative leadership, staffing norms revision, performance management	424
<b>Technical and ICT Skills</b>	EDMS development & testing, advanced Excel, Access and data software, EDMS rollout for HQ staff	749

Thematic Area	Training Interventions	Number Trained
<b>Finance, Governance, and Compliance</b>	Financial management for Commissioners, IPSAS accrual, IFRS and public sector accounting for finance staff	234
<b>Professionalism and Discipline</b>	TIMEC training on teacher professionalism, discipline procedures	208
<b>Customer Service and Communication</b>	Customer handling skills, report and minute writing	104
<b>Corporate Governance and Audit Committee Capacity</b>	Training for Audit Committee members on Audit Committee Guidelines, Global Internal Audit Standards (GIAS), Risk Management Integration, Financial Statement Review, and Zero Fault Audit Mantra	4
<b>Safety Standards</b>	Defensive driving, First aid and fire marshal training	71



*Commission secretariat staff pose for a group photo after a First Aid training programme at Machakos University held in June 2025*

### 2.3.2 Performance Management

The Commission embraced result-based performance management to strengthen accountability and service delivery by evaluating Performance Contracts (PC) across all levels. The Board carried out self-evaluation in line with Mwongozo and State Corporations Advisory Committee (SCAC) guidelines. The monitoring and evaluation of the Commission’s PC was undertaken

as per the Public Service Commission (PSC) performance management guidelines. Capacity-building sessions were also undertaken for 149 Regional, County, and Sub County Directors to address performance gaps and enhance PC implementation.

### **2.3.3 Employee Health and Wellbeing**

In promoting employee wellbeing and mitigating risks associated with health, the Commission sensitized 6,365 employees on mental health, substance abuse, HIV/AIDS, and NCDs. In addition, a mental health support system was strengthened through training of 180 peer educators and provision of psychosocial support to 1,143 employees. In HIV/AIDS management, 291 employees accessed VCT services. Through collaboration with institutions such as Coptic Hospital, Mediearth, Prime Dental, Life Care, SBM Bank, Care-Tech Medical, and Basic Rights, the Commission also coordinated the implementation of wellness initiatives and organisation of medical camps that reached 933 employees.

### **2.3.4 Gender and Disability Mainstreaming**

The Commission achieved the two-thirds gender rule, with teachers at 50.18% female 49.82% male and secretariat staff at 53.36% female and 46.64% male. In collaboration with Ujamaa Africa, 4,300 teachers were trained on gender mainstreaming and child protection. On disability, the annual work plan and workplace disability mainstreaming policy were submitted to NCPWD. Compliance on PWD employment stood at 1.42% against the 5% requirement. The Commission also awarded Kshs. 159.1M in tenders to youth, women, and PWDs. In December 2024, the Commission received an award from the Gender Disability and Development Centre (GDDC) in recognition of its outstanding performance in gender mainstreaming and inclusion.

### **2.3.5 Industrial Harmony in the Public Teaching Sector**

In keeping with its strategy to ensure industrial peace in the teaching sector through Collective Bargaining Agreement (CBA), the Commission successfully implemented the final phase of the 2021/2025 CBA which concluded on 30<sup>th</sup> June 2025., The Commission also commenced the negotiations for the 2025/2029 CBA.

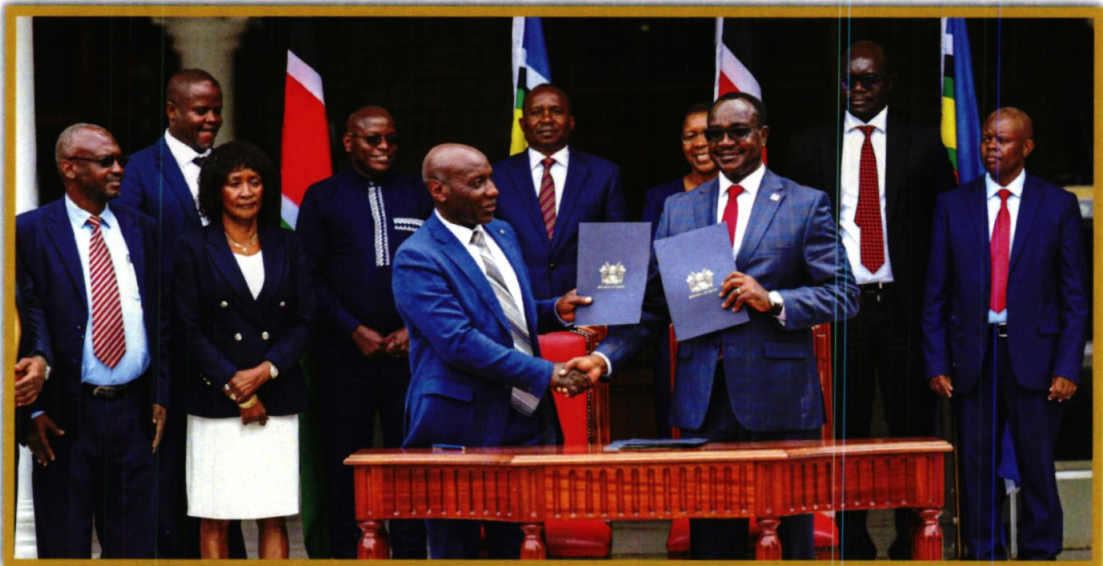
In addition, a collaborative framework was signed with the Ministry of Education to harmonize roles and strengthen sector coordination. Further, the Commission participated in County Dialogue Forums that discussed education reforms, addressing progress in Competency-Based Education, challenges, and policy recommendations.

a) TSC commissioners and senior management meet with teacher unions leaders to discuss the final phase of the 2021–2025 CBA



*Discussions on the final phase of the 2021-2025 CBA by the TSC and Teacher Union Leaders on 21st August 2024 at Kenya School of Government (KSG), Nairobi*

b) Collaborative Framework between Teachers Service Commission and Ministry of Education



*TSC Chair Dr Jamleck Muturi John, CEO Dr Nancy Macharia, and senior staff meet Deputy President, Prof Kithure Kindiki, Education CS, Julius Ogamba, Attorney General, Dorcas Oduor and other officials during the signing of a collaborative framework on 15th May 2025 in Karen*

### c) County-Based Dialogue Forums on Education Reforms



*Launch of the County-Based Dialogue Forums on Education Reforms in Machakos, March 2025*

#### 2.3.6 Development of policies

During the period under review, the Commission developed the Business Continuity Management Policy and Policy framework and guidelines for Teacher Engagement outside Kenya. It also reviewed the policy on the Management of Salary Overpayment.

#### 2.3.7 Audit, Governance and Risk management

During this period, Internal Quality Assessment (IQA) was undertaken to assess performance of the Internal Audit function at the Commission where it conformed to GIAS 2024. The Commission's internal audit function emerged as the first runners up for innovation in the adoption of Internal Auditing standards and International Professional Practices where it emerged runners up in the Internal Audit Function Category in Kenya during the 2025 internal audit and risk award gala dinner held at Ole Sereni Hotel on 11<sup>th</sup> April 2025.



*Top: Internal Audit staff receive the First Runners-Up award in the Internal Audit Function Category at the 2025 Internal Audit and Risk Awards Gala Dinner, held at Ole Sereni Hotel on 11 April 2025. The award was presented by Dr Sammy Kimung'yi, from the Office of the Auditor-General at the National Treasury*

*Bottom: Zachary Wachanga, Susan Mugo and Kenneth Chege from the Internal Audit Directorate pose with the award*

### 2.3.8 Pension Management

During the period under review, the Commission updated the Scheme's Strategic Plan to cover the period 2024–2028. It also automated benefits processing to enable seamless payment of retirement benefits to members. The Schemes recorded a strong performance in the 2024/25 financial year, with the Defined Contribution (DC) Scheme achieving 18.2% return on investments. The fund value sits at KSh 19.45 billion Defined Contribution (DC) and the Defined Benefits (DB) Scheme at KSh 1.593 billion as of 30<sup>th</sup> June 2025, bringing the total scheme fund value to KSh 21.043 billion.

### 2.3.9 Environmental Sustainability

In promoting environmental sustainability, the Commission, in partnership with stakeholders, facilitated the planting of **3.3 million trees** across the country. Additionally, an **environmental cleaning exercise** was undertaken in Nairobi in collaboration with the Nairobi County Government, reinforcing the Commission's commitment to a cleaner and greener environment.



**TSC staff join National Bank of Kenya staff in a tree-planting exercise at Bidii Primary School, Nairobi Stakeholders' engagement**

During the year, the Commission strengthened stakeholder engagement by actively participating in key forums. These included the International Confederation of Principals Convention and the 48<sup>th</sup> KESSHA Annual Conference, where policy updates and learner-focused reforms under Competency-Based Education were shared. At the 21<sup>st</sup> Kenya Primary School Heads Association (KEPSHA) Annual Conference, the Commission presented emerging policies and teacher management reforms, while at the 6<sup>th</sup> Association of African Public Service Commissions (AAPSCOMS) General Assembly, it committed to leveraging ICT, innovation, and research to promote efficiency and evidence-based decision-making in public service delivery.

### a) International Convention of Principals (ICP)



*Commission staff and other dignitaries participate in the International Confederation of Principals Convention held in Mombasa from 19th to 22nd August 2024*

### 2.3.10 48th KESSHA Annual Conference



*Commission Chairman, Dr Jamleck Muturi, receives a Certificate of Appreciation from a KESSHA representative during the 48th KESSHA Annual Conference in Mombasa, 23rd to 27th June 2025. At left, the Principal Secretary for Basic Education, Prof Amb. Bitok, looks on*

a) 21st KEPSHA Annual Conference



*Commission Chairman Dr Jamleck Muturi John delivers his speech during the 21st KEPSHA Annual Conference in Mombasa, held from 4th to 8th November 2024*

2.3.11 6th (AAPSCOMS) General Assembly and Conference



*Commission Chairman Dr Jamleck Muturi John following proceedings during the 6th AAPSCOMS General Assembly and Conference at Safari Park Hotel, Nairobi held from 6th to 8th November 2024*

### 2.3.12 Peer Learning Visits

The Commission hosted several delegations during the year, which included: Republic of South Sudan, Republic of Rwanda, Kingdom of Lesotho and Kenya National Bureau of Statistics (KNBS) providing opportunities to share best practices in teacher management, professional development, and education sector reforms.

#### a) Ministry of Education, Republic of South Sudan



*TSC, led by Commission Chairman Dr Jamleck Muturi John, holds a benchmarking meeting with a delegation from the Ministry of General Education and Instruction of the Republic of South Sudan at the Commission Headquarters*

#### b) Ministry of Education, Republic of Rwanda



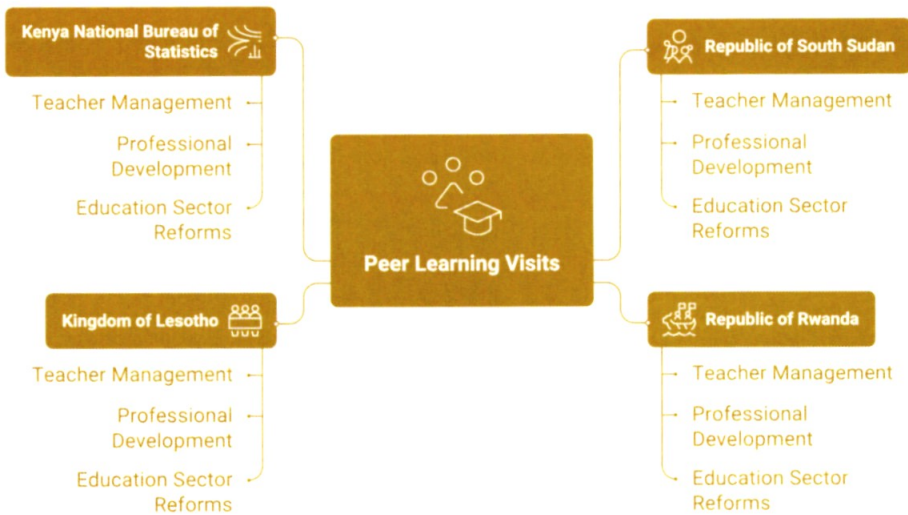
*The Commission led by the Chairman, Dr Jamleck Muturi John pose for a group photo with a delegation from the Ministry of Education, Republic of Rwanda, during a benchmarking visit to the Commission*

c) Ministry of Education and Training, Kingdom of Lesotho



*The Commission led by the Chairman, Dr Jamleck Muturi John pose for a group photo with a delegation from the Ministry of Education and Training, Kingdom of Lesotho, during a benchmarking visit to the Commission*

Peer Learning Visits: Sharing Best Practices



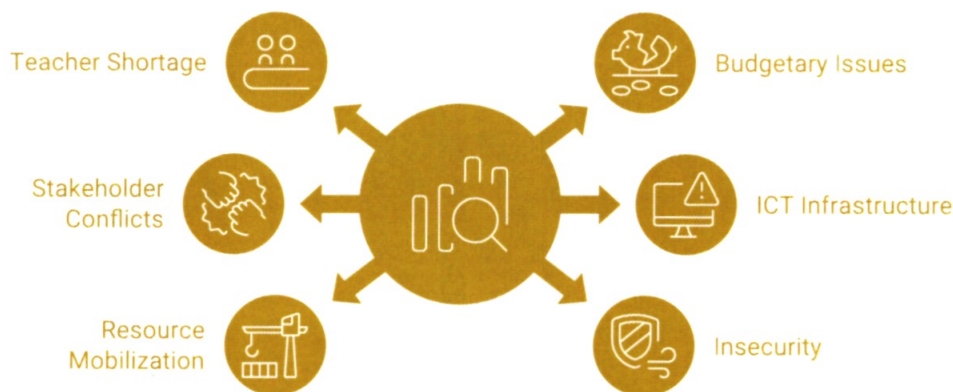
## CHAPTER 3: CHALLENGES AND RECOMMENDATIONS

The Commission, while implementing its mandate and functions, encountered various operational challenges. However, it proposed recommendations and put in place interventions to the various challenges Table 3.1 outlines the challenges and recommendations.

Table 3.1 Challenges and Recommendations

Challenges	Recommendations
i. Shortage of teachers to meet the requirements of Curriculum Based Education (CBE) implementation which stands at 72,422 Junior School teachers	Advice government & training institutions on the alignment of teacher training needs to the requirements of CBE.
ii. Inadequate budgetary allocations and late disbursement of funds	<p>a) Seek support from national treasury and parliament for enhanced budget allocation on recurrent expenditure for promotion, recruitment, medical scheme etc.</p> <p>b) Explore donor and private sector resource mobilization for additional funding for scaling up programmes such as capacity building, research, infrastructure, employee wellness programmes.</p>
iii. Conflicting stakeholder interests	Enhance stakeholder engagements.
iv. Limited ICT infrastructure affecting Commission programmes	Seek support from the National Government and partners to enhance ICT infrastructure for service delivery and scale up live-streaming of lessons as an alternative mode of curriculum delivery.
v. Limited resource mobilization to scale up wellness programmes	Enhance alternative resource mobilization strategies to scale up wellness programs.
vi. Insecurity in some parts of the country	Collaborate with ministry of interior and county governments to address insecurity concerns.

### Operational Challenges



## CHAPTER 4: FINANCIAL STATEMENTS

### 4.1 Statement of Management Responsibilities

Section 81 (1) of the Public Finance Management Act, 2012 and Section 40 of the Teachers Service Commission Act, 2012 requires that, at the end of each financial year, the accounting officer for Teachers Service Commission shall prepare financial statements in respect of the Commission. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the Teachers Service Commission is responsible for the preparation and presentation of the Commission's financial statements, which give a true and fair view of the state of affairs of the Commission for and as at the end of the financial year ended on June 30, 2025. This responsibility includes:

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

The Accounting Officer in charge of the Teachers Service Commission accepts responsibility for the Commission's financial statements, which have been prepared on the accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Commission's financial statements give a true and fair view of the state of entity's transactions during the financial year ended 30 June, 2025, and of the Commission's financial position as at that date. The Accounting Officer in charge of the Teachers Service Commission further confirms the completeness of the accounting records maintained for the Commission, which have been relied upon in the preparation of the Commission's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Teachers Service Commission confirms that the Commission has complied fully with applicable Government Regulations and the terms of external financing covenants and that the Commission's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further 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

The Commission's financial statements were approved and signed by the Accounting Officer on 17<sup>th</sup> November, 2025.



MS. EVALEEN MITEI  
Ag. COMMISSION SECRETARY/CEO  
DATE: 17-11-2025



CPA. CHEPTUMO AYABEI OGW  
DIRECTOR (FINANCE AND ACCOUNTS)  
CPAK MEMBER NUMBER: 8372  
DATE: 17-11-2025



DR JAMLECK MUTURI JOHN EBS  
COMMISSION CHAIRMAN  
DATE: 17-11-2025

## 4.2 Report of the Independent Auditor for the Teachers Service Commission

### REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



HEADQUARTERS  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

### REPORT OF THE AUDITOR-GENERAL ON TEACHERS SERVICE COMMISSION FOR THE YEAR ENDED 30 JUNE, 2025

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#### PREAMBLE

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

- A. Report on 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 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 are aimed at addressing the statutory roles and responsibilities of the Auditor-General 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 transitional IPSAS financial statements of Teachers Service Commission set out on pages 1 to 36, which comprise of the statement of financial position as at 30 June, 2025, statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of

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*Report of the Auditor-General on Teachers Service Commission for the year ended 30 June, 2025*

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 transitional IPSAS financial statements present fairly, in all material respects, the financial position of Teachers Service 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 (including the transitional provisions permitted under IPSAS 33) and comply with the Teachers Service Commission Act, 2012, the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

#### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Teachers Service 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.

#### **Material Uncertainty Related to Going Concern**

The statement of financial performance reflects a deficit of Kshs.4,385,565,208 further widening the accumulated deficit from Kshs.2,945,275,817 to Kshs.7,340,015,980 as at 30 June, 2025. Further, the statement of financial position reflects current liabilities of Kshs.12,301,009,222 and current assets balances of Kshs.4,403,246,929 resulting to a negative working capital of Kshs.7,897,762,293. This is indicative of the Commission's inability to meet its obligations as and when they fall due.

In the circumstances, the material uncertainty casts doubt on the Commission's ability to continue as a going concern and the ability to pay debts as and when they fall due.

My opinion is not modified in respect of this matter.

#### **Emphasis of Matter**

##### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects approved recurrent expenditure budget and actual on comparable basis of Kshs.369,135,379,056 and Kshs.373,617,771,141 resulting in over expenditure by Kshs.4,482,392,085 or 1.2% of the budget. This was contrary to Section 44 of the Public Finance Management Act, 2012 which requires all Government entities to operate strictly within the approved budgetary allocations, and to obtain supplementary approval before incurring any additional expenditure. However, Management has not provided explanation for the over expenditure.

In the circumstances, Management was in breach of the law.

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*Report of the Auditor-General on Teachers Service Commission for the year ended 30 June, 2025*

### 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 prior year's audit report, several issues were raised under the Report on Lawfulness and Effectiveness in the Use of Public Resources and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Commission in 2024/2025 revealed that the following eleven (11) matters remained unresolved as at 30 June, 2025:

S/No.	Audit Issue
1	Budgetary Control and Performance
2	Long Outstanding Accounts Payables
3	Operations of Car Loan and Mortgage Fund
4	Lack of Fund Governing Regulations
5	Failure to Prepare and Submit Separate Fund Financial Statements
6	Delays in Completion of Machakos and Kilifi County Offices
7	Failure to Surrender Unspent Funds for Re-Voting
8	Salary Overpayments
9	Unconfirmed Release of Pensioners Files to The National Treasury
10	Pending Teacher Transfer Requests
11	Land Parcels with Allotment Letters

### Other Information

The Commission is responsible for the Other Information set out on pages iv to liv which comprise of Key Entity Information and Management, Profile of Commission, Profiles of Commissioners, Profiles of Accounting Officer and Key Management, Statement by the Chair of the Commission, Statement by the Accounting Officer, Statement of Performance Against Predetermined Objectives for the FY 2024/25, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, and the 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, 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, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on 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 public resources have not been applied lawfully and in an effective way.

### Basis for Conclusion

#### 1. Medical Insurance Scheme Contracts

The statement of financial performance reflects use of goods and services amount of Kshs.1,820,180,606 as disclosed in Note 10 to the financial statements. Included in expenditure is insurance costs of Kshs.107,379,915. Review of the expenditure revealed the following observations:

##### 1.1 Exclusion of Government Hospitals and Facilities from the List of Service Providers

The Commission entered into a contract on 17 November, 2022 with an insurance brokerage company for a three (3)-year contract renewable annually with an end date of 30 November, 2025, for the provision of a comprehensive teachers' medical insurance cover and related benefits for all three hundred and forty-one thousand, eight hundred and thirty-seven (341,837) teachers, their spouses and up to four (4) children at a contract price of Kshs.53,580,306,270. The contract price was payable in three instalments; year 1, Kshs.14,980,217,547, year 2, Kshs.17,931,261,057 and year 3, Kshs.20,668,827,666.

Schedule 4 of the contract details out the service providers with the current list numbering eight hundred and fourteen (814) nominated to provide health care service but excludes most of the government hospitals and other health facilities. However, Management did not provide explanations for the exclusions or the criteria applied in nominating the service providers. Furthermore, it was noted that the medical services required pre-authorization which took long with teachers ending up paying to receive the service.

##### 1.2 Lack of Actuarial Reports on Medical Cover

Management did not provide for audit review the medical cover the actuarial reports for the period. The absence of these reports undermines the Commission's ability to assess the adequacy of premiums paid relative to the risk covered, and limits assurance on value for money and sustainability of the medical scheme.

In the circumstances, value for money may not have been realized from the limited list of service providers which may not have countrywide coverage due to exclusion of government hospitals and facilities while delay in performing actuarial evaluation may

denied the scheme opportunity to implements recommendations to improve on the scheme effectiveness.

## **2. Delays in Processing WIBA Approved Claims**

Review of Workers Injury Benefits Act (WIBA) claims revealed approved claims amounting to Kshs.186,370,717 relating to ninety (90) claims lodged for compensation by 31 May, 2025. However, no payment had been made as at the time of audit in June, 2025 with some of the claims dating back to August, 2001.

In the circumstances, long-outstanding and unpaid WIBA claims may expose the Commission to legal cases and accumulation of interest or penalties while Management was in breach of the law.

## **3. Long Outstanding Accounts Payable**

As previously reported, the statement of financial position reflects balance of Kshs.12,301,009,222 in respect of trade and other payables as disclosed in Note 17 to the financial statements. The payables balance includes an amount of Kshs.41,747,030 which indicated nominal movement over the last one (1) year. Further, the returned and stale cheques are indicative of failed or incomplete payment transactions.

In the circumstances, the Commission is at risk of incurring penalties and interest for failure to settle its obligations as and when they fall due.

## **4. Failure to Surrender Unspent Funds for Re-Voting**

As previously reported, the statement of financial position reflects accounts receivable from non-exchange transactions balance of Kshs.497,578,516 as disclosed in Note 15 to the financial statements. The balance includes an amount of Kshs.7,074,569 in respect of unutilized County Disbursements not returned to the Commission's account for re-voting. This was contrary to Regulation 117(2) of the Public Finance Management (National Government) Regulations, 2015. The Regulation states that, "Where an A.I.E holder observes that it will not be possible to utilize all the funds allocated for a particular project in a given financial year, the AIE holder shall inform the accounting officer not later than February. (2) The Accounting Officer will then surrender the resources to the National Treasury and the National Treasury shall ensure that the funds are re-voted for the project in the following financial year in order to continue the implementation of the project".

In the circumstances, Management was in breach of the law.

## **5. Irregularities in Human Resource Management**

Review of the Commission's human resources management revealed the following unsatisfactory matters:

### **5.1 Schools Without Substantive Administrators**

Review of the staff biodata revealed that one hundred and twenty (120) and seventy-nine (79) primary and secondary schools respectively had vacant administrator positions, contrary to Regulation 68 (I) of the Code of Regulations for Teachers, 2015 which states that, "the Commission may, for purposes of providing competent administrators for all educational institutions, deploy a teacher to any administrative position or in any other capacity through a transparent process". No explanation was provided on how the Commission addressed the gap in administrator positions in the schools.

In the absence of substantive administrators, decisions may not be made which may affect the quality of education in the schools and compliance with education regulations.

### **5.2 Discrepancies Between the Payroll and Master Data**

Comparison of the Commission's payroll against the teachers' master biodata revealed that seven (7) teachers appearing on the payroll could not be traced in the master biodata. This raises doubt on the accuracy and completeness of the payroll records and may indicate non-existent workers and therefore unauthorized salary payments. Further, personal files of the seven (7) teachers were not provided for audit.

The absence of the teachers from the official master data undermines the reliability of personnel management systems and increases the risk of financial loss through irregular or fraudulent payments.

In the circumstances, the regularity and transparency of human resource processes could not be confirmed.

### **5.3 Non-Adherence to One Third of Basic Salary Rule**

Payroll analysis for the period under review revealed that six thousand one hundred and twenty-nine (6,129) teachers earned net salaries of less than a third of their basic pay. This was contrary to Section 19(3) of the Employment Act, 2007 which provides that total amount of deductions from the wages of an employee shall not exceed two third of such wages. The affected employees pose the risk of pecuniary embarrassment to the Commission

In the circumstances, Management was in breach of the law.

## **6. Delays in Renewals and Unsigned Lease Agreements**

Review of the lease agreements for Offices maintained by the Commission revealed instances of delays and late renewals as detailed below:

### **6.1 Uasin Gishu County Office**

The Commission renewed tenancy contract for the Uasin Gishu County Office for a period of six (6) years from 01 July, 2022 to 30 June, 2028 at a monthly rate of Kshs.101,209. However, it was noted that the lease agreement was signed on 20 December, 2023, after expiry of the contract on 30 June, 2022.

## **6.2 Wajir North County Office**

The Commission leased Wajir North Office through lease agreement dated 24 April, 2023 for a period of six (6) years from 1 July, 2022 to 30 June, 2028 at a monthly rate of Kshs.40,000. However, it was not explained why the new lease contract was signed ten (10) months after the previous one had expired on 30 June, 2022. Further, it was noted that the landlord was an employee of the Commission but did not declare conflict of interest during the procurement process.

## **6.3 Tana River County Office**

The Commission renewed the tenancy agreement on 2 May, 2023 with the landlord for a period of six (6) years from 1 July, 2022 to 30 June, 2028 at a monthly rate of Kshs.60,000 after expiry of the previous contract on 30 June, 2022. The delay of ten (10) months in signing of a new agreement was not explained.

## **6.4 Unsigned Contracts**

Several lease agreements were noted to have expired but were yet to be signed as at the time of the audit. The affected offices were; Kilifi County, Siaya County, and Nyandarua County.

In the circumstances, TSC had no legal protection or recourse against the landlord during the period not covered by the lease agreements.

## **7. Irregularities in Repair and Maintenance of Motor Vehicles**

Note 10 to the financial statements discloses expenditure of Kshs.32,582,721 on routine maintenance of vehicles and other transport equipment. The following anomalies were noted:

### **7.1 Direct Procurement of Motor Vehicle Repair and Maintenance Services**

Review of expenses related to repairs and maintenance of motor vehicles revealed that the Commission procured motor vehicle repair and maintenance services through direct procurement method as outlined in the procurement plan. However, alternative or substitute, urgency, need for standardization of supplies procured from the supplier and fairness and reasonableness of the prices, contrary to the provisions of Section 103 of the Public Procurement and Asset Disposal Act, 2015 which require such conditions to be met.

### **7.2 Inadequate Documentation on Motor Vehicles Pre and Post Repairs**

Review of motor vehicle repairs revealed that, there were no approved documents outlining the specific defects of motor vehicles repaired. Additionally, post-repair inspection reports on quality of repairs were not provided for audit review.

In the circumstances, value for money may not have been realized on the expenditure of Kshs.32,582,721 on routine maintenance of vehicles and other transport equipment while Management was in breach of the law.

## **8. Failure to Develop Car Loan and Mortgage Fund Governing Regulations**

As reported in the previous years, Management does not have regulations governing the management of the Car and Mortgage Fund. As such, it was not possible to confirm whether the Fund is a self-reporting entity or part of the Commission. Further, since inception of the Fund, Management has not prepared and submitted financial statements. This was contrary to the Section 81(4)(a) of the Public Finance Management Act, 2012 which requires that, not later than three months after the end of each financial year, the accounting officer for the entity shall; submit the entity's financial statements to the Auditor-General and a copy of the statement to the Controller of Budget, The National Treasury and the Commission on Revenue Allocation.

In the circumstances, Management was in breach of the law.

## **9. Failure to Prepare and Submit Car Loan and Mortgage Fund Financial Statements**

As reported in the previous year, the statement of financial position reflects cash and cash equivalents balance of Kshs.4,126,915,330 as disclosed in Note 13 to the financial statements. Included in the balance is Commission's car and mortgage fund bank balance of Kshs.627,964,216. However, Management did not prepare and submit for audit a separate car and mortgage fund financial statements. This was contrary to Section 81(4) (a) of the Public Finance Management Act, 2012 which requires that, not later than three months after the end of each financial year, the accounting officer for the entity shall; submit the entity's financial statements to the Auditor-General and a copy of the statement to the Controller of Budget, The National Treasury and the Commission on Revenue Allocation.

In the circumstances, Management was in breach of the law.

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 THE 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, except for the effect of the matters described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance 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**

### **1. Long Outstanding Receivable from Non-Exchange Transactions**

The statement of financial position reflects accounts receivable from non-exchange transactions balance of Kshs.497,578,516 as disclosed in Note 15 to the financial statements. The balance includes salary overpayments of Kshs.236,188,109 which is net of provisions for doubtful debts of Kshs.214,173,187 or 48% of the overpayments. However, Management has not indicated measures being undertaken to recover the long outstanding overpayments. Further, examination of personal files provided for audit revealed that the overpayments were occasioned by irregular promotions which were detected several years later, salary payments to staff who had deserted duty due to delayed stoppages of salary and incorrect payment of hardship allowances.

In the circumstances, the effectiveness of internal controls over recovery of the salary overpayments could not be confirmed.

### **2. Land Ownership Documents**

As previously reported, the statement of financial position reflects a balance of Kshs.60,167,797 in respect of property, plant and equipment as disclosed in Note 19 to the financial statements. As previously reported, the Commission had nine (9) parcels of land in various locations across the country. However, examination of the fixed asset register provided for audit revealed that only one (1) parcel of land had a title deed, while the remaining eight (8) parcels did not have title deeds.

In the circumstances, rightful ownership to land in absence of title deed could not be confirmed while they are susceptible to encroachment.

### **3. Piling of Transfer Requests and Failure to Transfer Teachers with Genuine Cases**

The Commission operates a system where any teacher requesting for a transfer applies and a committee sits for review. However, the system is not interlinked with the department which handles the transfers, leading to numerous complaints by teachers with genuine transfer requests. Further, Management did not spell out measures taken to fill gaps identified as the Commission uses the same system to fill the gap. In addition, Management did not provide documents to confirm the number of transfer requests pending approval and approvals granted during the year. Similarly, Management acknowledged that if the transfers are not effected after a year, a teacher needs to reapply or request again. However, the system does not reflect rejection nor are teachers able to confirm the status of their transfer requests.

In the circumstances, delays in processing the transfer requests could adversely affect the productivity of the affected staff.

### **4. Unconfirmed Release of Pensioners' Files to The National Treasury**

Review of the teachers exits list for the year under review revealed that nine thousand one hundred seventy-five (9,175) teachers exited between July, 2024 and April, 2025.

However, the list of pension claims submitted to The National Treasury in the course of the year was not provided for audit review, hence the extent of compliance with the service charter could not be assessed. Further, there was no evidence of documented workflows or standard operating procedures outlining key decision points, defined responsibilities, timelines, and corresponding monitoring or escalation mechanisms to address delays or exceptions. In addition, processed and submitted files to The National Treasury desk and to Pensions Department were not provided for audit.

Failure to maintain clear workflows and submit pension claims in a timely and traceable manner may result in delayed pension payments and non-compliance with the service charter. Further, delay in processing of the pensioners' files results in delayed release of pensions to the retired teachers.

#### **5. Understaffing of the Commission**

Review of the Commission's records revealed that the Secretariat had two thousand nine hundred and thirteen (2,991) employees in-post against authorized establishment of three thousand three hundred and thirty-three (3,333), resulting to understaffing by three hundred and forty-two (342).

In the circumstances, the understaffing may hinder effective delivery of services by the Commission.

#### **6. Failure to Maintain Updated Fixed Assets Register**

The statement of financial position reflects a balance of Kshs.60,167,797 in respect to property, plant and equipment as disclosed in Note 19 to the financial statements. However, the Commission did not maintain an updated fixed assets register did not have asset values indicated and lacked key details such as motor vehicle logbook status, depreciation, and accumulated depreciation, cost and purchase dates for ICT equipment, furniture and fittings and plant and machinery. Further, Work-In-Progress (WIP) for ongoing capital projects was not recorded in the register.

In the circumstances, internal controls on Management of fixed assets are weak.

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 Board of 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.

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

09 December, 2025

### 4.3 Statement of Financial Performance for the period ended 30th June, 2025

Description	Notes	2024/2025
		Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from exchequer	5	368,333,994,051
<b>Total</b>		<b>368,333,994,051</b>
<b>Revenue from exchange transactions</b>		
Rental revenue from facilities and equipment	6	8,091,175
Finance income	7	142,456,935
Miscellaneous income	8	794,196,504
<b>Total revenue</b>		<b>369,278,738,665</b>
<b>Expenses</b>		
Employee costs	9	370,946,938,095
Use of goods and services	10	1,820,180,606
Secondary Education Quality Improvement Project	11(a)	506,739,792
Kenya Primary Education Equity in Learning Program	11(b)	129,326,716
Provisions for Doubtful debts	19	214,173,187
Depreciation expense	12	412,745
<b>Total expenses</b>		<b>373,617,771,141</b>
Other gains/(losses)		
Transfer of assets	19	(46,532,732)
Surplus/Deficit for the year		(4,385,565,208)
Taxation		-
<b>Net Surplus/Deficit</b>		<b>(4,385,565,208)</b>

The Financial Statements set out on pages 1 to 7 were signed by:



MS. EVALEEN MITEI  
Ag. COMMISSION SECRETARY/CEO  
DATE: 17-11-2025



CPA. CHEPTUMO AYABEI OGW  
DIRECTOR (FINANCE AND ACCOUNTS)  
CPAK MEMBER NUMBER: 8372  
DATE: 17-11-2025



DR JAMLECK MUTURI JOHN EBS  
COMMISSION CHAIRMAN  
DATE: 17-11-2025

#### 4.4 Statement of Financial Position as at 30th June, 2025

Description	Notes	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	13	4,126,915,330	2,013,749,461
Receivables from exchange transactions	14	942,244	570,347
Receivable Deposits and Prepayments	16	275,389,355	3,500,000
<b>Total Current Assets</b>		<b>4,403,246,929</b>	<b>2,017,819,808</b>
<b>Non-Current Assets</b>			
Receivables from non-exchange transactions	15	497,578,516	1,424,113,514
Property, plant, and equipment	19	60,167,797	-
<b>Total Non-Current Assets</b>		<b>557,746,313</b>	<b>1,424,113,514</b>
<b>Total Assets (A)</b>		<b>4,960,993,242</b>	<b>3,441,933,322</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	17	12,301,009,222	6,387,209,139
<b>Total Current Liabilities</b>		<b>12,301,009,222</b>	<b>6,387,209,139</b>
<b>Total Liabilities (B)</b>		<b>12,301,009,222</b>	<b>6,387,209,139</b>
<b>Net Assets (A-B)</b>		<b>(7,340,015,980)</b>	<b>(2,945,275,817)</b>
<b>Represented By:</b>			
Accumulated surplus		(7,340,015,980)	(2,945,275,817)
<b>Net Assets</b>		<b>(7,340,015,980)</b>	<b>(2,945,275,817)</b>

The financial statements set out on pages 1 to 7 were signed by:



MS. EVALEEN MITEI  
Ag. COMMISSION SECRETARY/CEO  
DATE: 17-11-2025



CPA. CHEPTUMO AYABEI OGW  
DIRECTOR (FINANCE AND ACCOUNTS)  
CPAK MEMBER NUMBER: 8372  
DATE: 17-11-2025



DR JAMLECK MUTURI JOHN EBS  
COMMISSION CHAIRMAN  
DATE: 17-11-2025

## 4.5 Statement of Changes in Net Assets for the period ended 30th June, 2025

### Statement of Changes in Net Assets for the period ended 30<sup>th</sup> June, 2025

Description	Accumulated Surplus	Reserves	Capital Fund	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 <sup>th</sup> June 2024 (cash basis)	3,341,339,820	-	-	3,341,339,820
Adjustments:				
Recognition of Assets and Liabilities	(6,286,615,637)			(6,286,615,637)
As at July 1, 2024	(2,945,275,817)	-	-	(2,945,275,817)
Returns to exchequer	(9,174,955)			(9,174,955)
Surplus/ deficit for the period	(4,385,565,208)	-	-	(4,385,565,208)
As at 30 <sup>th</sup> June, 2025	(7,340,015,980)	-	-	(7,340,015,980)

*\*The deficit resulted from non-provision of sufficient budget to cover expenditure incurred on Teachers personnel emoluments, which included teachers' salaries, allowances, and medical cover in 2024/2025 financial year. The expenses were accrued and reported as expenditure in the statement of financial performance and as payables in the statement of financial position in order comply with accrual accounting concept. This resulted the in negative working capital.*

*To mitigate this, the Commission requested for additional budget from the National Treasury to cover the budget shortfall and the National Treasury advised that the pending payments be treated as a 1<sup>st</sup> charge in the 2025/2026 budget. Considering the Commission relies on funding from the Exchequer, the going concern of the Commission is not at risk.*

*\*Returns to exchequer relates to the amount that was withdrawn by the National Treasury on 07.08.2024 from the CBK Recurrent account as exchequer balance for the FY ending 30.6.2024*

*\* Recognition of Assets and Liabilities – This relates to recognition of accrued expenditure for 2023/2024 not reported under cash basis of accounting in 2023/2024 financial year.*

BREAKDOWN OF RECOGNITION OF ASSETS AND LIABILITIES	KSHS
Pending bills as at 30 <sup>th</sup> June 2024	3,636,778,277
Pending payables as at 30 <sup>th</sup> June 2024	3,118,573,165
Prepaid expenses as at 30 <sup>th</sup> June 2024	(219,381,096)
Transactions in 2024/2025 relating to prior periods - Reversal of undue returned salaries and overpayment recognition	(249,354,710)
<b>Total</b>	<b>6,286,615,636</b>

#### 4.6 Statement of Cash Flows for the period ended 30th June, 2025

Description	Notes	2024/2025
		Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from exchequer		368,333,994,051
Rental revenue from facilities and equipment		8,091,175
Finance income		142,456,935
Miscellaneous Income		794,196,504
<b>Total receipts</b>		<b>369,278,738,665</b>
<b>Payments</b>		
Employee costs		370,946,938,095
Use of goods and services		1,820,180,606
Secondary Education Quality Improvement Project		506,739,792
Kenya Primary Education Equity in Learning Program		129,326,716
<b>Total payments</b>		<b>373,403,185,209</b>
<b>Net cash flows from/(used in) operating activities</b>	20	<b>2,229,454,098</b>
<b>Cash flows from investing activities</b>		
Purchase of PPE		107,113,274
<b>Net cash flows from/(used in) investing activities</b>		<b>(107,113,274)</b>
<b>Cash flows from financing activities</b>		
Returns to exchequer		(9,174,955)
<b>Net cash flows from financing activities</b>		<b>(9,174,955)</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>2,113,165,869</b>
<b>Cash and cash equivalents at the start of the period</b>	13	<b>2,013,749,461</b>
<b>Cash and cash equivalents at the end of the period</b>	13	<b>4,126,915,330</b>

## 4.7 Statement of Comparison of Budget & Actual amounts for period ended 30th June, 2025

### Recurrent and Development Combined

Description	Original budget	Adjustments	Final budget	Actual on a comparable basis	Budget utilization difference	% of utilization
	A	B	C=a+b	D	E=c-d	F=d/c %
<b>Revenue</b>						
Transfers from exchequer	357,540,066,118	10,904,312,938	368,444,379,056	368,333,994,051	110,385,005	100%
Miscellaneous Income				794,196,504		
Rental revenue	658,000,000	444,000,000	1,102,000,000	8,091,175	299,712,321	73%
Finance income	-	-	-	142,456,935	(142,456,935)	
<b>Total revenue</b>	<b>358,198,066,118</b>	<b>11,348,312,938</b>	<b>369,546,379,056</b>	<b>369,278,738,665</b>	<b>267,640,391</b>	
<b>Expenses</b>						
Employees costs	355,374,586,167	11,014,077,360	366,388,663,527	370,946,938,095	(4,558,274,568)	101%
Use of goods and services	1,924,899,415	26,103,678	1,951,003,093	2,034,766,538	(83,763,445)	104%
Secondary Education Quality Improvement Project	200,000,000	403,818,000	603,818,000	506,739,792	97,078,208	84%
Kenya Primary Education Equity in Learning Program	204,329,000	(12,434,564)	191,894,436	129,326,716	62,567,720	67%
<b>Total recurrent expenses</b>	<b>357,703,814,582</b>	<b>11,431,564,474</b>	<b>369,135,379,056</b>	<b>373,617,771,141</b>	<b>(4,482,392,085)</b>	
<b>Capital items</b>					-	
Acquisition of PPE	250,751,536	(73,251,536)	177,500,000	107,113,274	70,386,726	60%
Acquisition of intangible assets	243,500,000	(10,000,000)	233,500,000	-	233,500,000	0%
<b>Total expenses - Development</b>	<b>494,251,536</b>	<b>(83,251,536)</b>	<b>411,000,000</b>	<b>107,113,274</b>	<b>303,886,726</b>	<b>26%</b>
<b>Total expenses</b>	<b>358,198,066,118</b>	<b>11,348,312,938</b>	<b>369,546,379,056</b>	<b>373,724,884,415</b>	<b>(4,178,505,359)</b>	
Surplus/ deficit	-	-	-	(4,446,145,750)	4,446,145,750	-

**Reconciliation table**

	<b>Description of Particulars</b>	<b>Amount in Kshs</b>
	Actual Surplus/Deficit Amounts as per the Statement of Budget	(4,446,145,750)
1	Accrued expenses included in Operating Activities	8,570,595,053
2	Return of Exchequer to the National Treasury not included in Financing Activities	(9,174,955)
3	Accrued expenses on Purchase of PPE included in Investing Activates	11,640,982
	Closing Cash and Cash Equivalent as per the statement of Cash flows	4,126,915,330

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

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual Cumulative	Utilization Difference	% age of Utilization Difference
	a	b	c=a+b	d	e=c-d	
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Teacher Resource Management</b>	<b>347,685,463,808</b>	<b>11,270,267,595</b>	<b>358,955,731,403</b>	<b>364,322,332,403</b>	<b>(5,366,601,000)</b>	<b>101%</b>
Teacher Management- Primary	201,136,266,225	8,006,254,114	209,142,520,339	214,574,934,819	(5,432,414,480)	103%
Teacher management - Secondary	142,015,327,079	3,264,013,481	145,279,340,560	145,213,527,081	65,813,479	100%
Teacher management - Tertiary	4,533,870,504	-	4,533,870,504	4,533,870,503	1	100%
<b>Governance and Standards</b>	<b>1,309,066,143</b>	<b>(144,634,313)</b>	<b>1,164,431,830</b>	<b>1,197,776,195</b>	<b>(33,344,365)</b>	<b>103%</b>
Teaching Standards	2,661,458	(1,330,730)	1,330,728	1,293,783	36,945	97%
Professionalism and Integrity	6,318,107	(1,342,991)	4,975,116	4,103,820	871,296	82%
Teacher Capacity Development	1,300,086,578	(141,960,592)	1,158,125,986	1,192,378,592	(34,252,606)	103%
<b>General Administration, Planning and Support Services</b>	<b>9,221,536,167</b>	<b>243,679,656</b>	<b>9,465,215,823</b>	<b>8,204,775,817</b>	<b>1,260,440,006</b>	<b>87%</b>
Policy, Planning and Support Service	8,507,139,743	311,401,162	8,818,540,905	7,971,251,740	847,289,165	90%
Field Services	261,338,891	(57,531,536)	203,807,355	179,176,296	24,631,059	88%
Automation of TSC Operations	453,057,533	(10,189,970)	442,867,563	54,347,781	388,519,782	12%
<b>Total</b>	<b>358,216,066,118</b>	<b>11,369,312,938</b>	<b>369,585,379,056</b>	<b>373,724,884,415</b>	<b>(4,139,505,359)</b>	

## CHAPTER 5: NOTES TO THE FINANCIAL STATEMENTS

### 1. Establishment

Teachers Service Commission is established under Article 237 of the Constitution of Kenya and derives its authority and accountability from TSC Act 2012 and PFM Act 2012. TSC is wholly owned by the Government of Kenya and is domiciled in Kenya. The TSC's principal activity is Teacher Management.

### 2. Statement of Compliance and Basis of Reporting

#### Statement of compliance

These financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS).

For the purpose of these financial statements, the Commission has been categorized as a Schedule 1 national government MDA in line with Section 4 of the Public Finance Management Act, 2012 read together with Regulation 211 (2) of the Public Finance Management (National Government) Regulations, 2015. Schedule 1 national government entities include Ministries, Departments, Agencies, constitutional institutions 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 MDAs is primarily governed by Chapter 12 of the Constitution, the relevant Appropriation Act, the Public Finance Management Act, of 2012, and the Public Procurement and Disposal Act, of 2015.

These financial statements were authorized for issue by the Accounting Officer on 15/08/2025.

The commission has taken advantage of the transitional provision under IPASA 33 and therefore this 1<sup>st</sup> year financial statements are transitional financial statements and the following elements of the financial statements have not been recognized;

1. Fixed assets brought forward.
2. Intangible assets brought forward
3. Inventories.

#### Reporting period

The reporting period for these financial statements is for the period ended 30/06/2025.

#### 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.

## Notes to the Financial Statements (Continued)

The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling. The accounting policies adopted have been applied for the 1<sup>st</sup> time during the financial period.

### 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

A 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.

#### Recognition of non-exchange expenses and liabilities

A liability is a present obligation of *MDA* for an outflow of resources that results from a past event. Expenses (and other liabilities) are recognized when there is a present obligation (legal or constructive) as a result of 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. Judgment is required in assessing each of these conditions, and therefore reporting if an expense and a present obligation should be reported.

The Commission pursues a number of policy targets and outcomes. However, the commitment to these targets and outcomes, generally, do not of themselves constitute a present obligation unless the *MDA* 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 the *MDA* policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the *MDA*'s future actions, expenses (and other related liabilities) are recognized for that policy.

#### Physical assets

An asset is a resource presently controlled by the *MDA* as a result of 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. Because of the types of services provided, a significant proportion of assets used by public sector entities including roads, national parks, heritage buildings etc are specialized in nature. There may be a limited market for such assets and so judgement is required on measurement. Judgment is also required whether assets are held for commercial purposes or public benefit purposes.

### 3. Adoption of New and Revised Standards

- i) *New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

## Notes to the Financial Statements (Continued)

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

### ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.*

IPSAS 45- Property Plant and Equipment	<b><i>Applicable 1<sup>st</sup> January 2025</i></b>  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.  TSC has recognised the additional fixed assets instead of expensing them.  The Commission does not have any heritage assets.
IPSAS 47 - Revenue	<b><i>Applicable 1<sup>st</sup> January 2026</i></b>  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 MDA 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.  TSC will adopt and continue recognising revenue as per IPSAS 47

### iii) *Early adoption of standards*

The Commission early adopted new IPSAS 45 standards in the financial year 2024/2025.

## 4. Summary of Significant Accounting Policies

### a) Revenue recognition

#### i) Revenue from non-exchange transactions

#### Fees, taxes and fines

The Commission recognizes 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 recognized instead of revenue.

## **Notes to the Financial Statements (Continued)**

### **Summary of Significant Accounting Policies (Continued)**

Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to Commission 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 recognized on obtaining control of the asset (cash, goods, services and property) 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 the Commission and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development grants are recognized in the statement of financial performance after meeting the revenue recognition criteria. Conditional grants are recognized as revenue upon fulfilment of the set conditions.

### **ii) Revenue from exchange transactions**

#### **Rendering of services**

TSC recognizes 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 recognized 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 2024/25 was approved by the National Assembly on 28<sup>th</sup> 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 the Commission upon receiving the respective approvals in order to conclude the final budget. Accordingly, TSC recorded additional appropriations of 21.697 billion on the 2024/25 budget following the governing body's approval.

## Notes to the Financial Statements (Continued)

### Summary of Significant Accounting Policies (Continued)

The Commission's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on 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 xxx of these financial statements.

#### c) **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, the Commission recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized 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 recognized 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. Depreciation is calculated on a reducing balance basis at annual rates estimated to write off the assets over their expected useful lives. Depreciation is done quarterly with assets acquired in the course the quarter being depreciated from the subsequent quarter using the following annual rates;

S/No.	Asset Class	Depreciation rate (%)
1.	Land	N/A
2.	Work in Progress	N/A
3.	Buildings and Improvements (Permanent)	2
4.	Motor Vehicles and Other Transport Equipment incl. motorcycles	12.5
5.	Plant and machinery	12.5
6.	Furniture, Fittings & Office Equipment	12.5
7.	Computer and other ICT Equipment	30

## Notes to the Financial Statements (Continued)

### Summary of Significant Accounting Policies (Continued)

#### d) Intangible assets

Intangible assets acquired separately are initially recognized 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. Internally generated intangible assets, excluding capitalized development costs, are not capitalized 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.

#### e) Provisions

Provisions are recognized when the Commission has a present obligation (legal or constructive) as a result of 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 TSC expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized 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.

Specific provisions are made against bad and doubtful debts when in the opinion of the Commission recovery is doubtful.

The Commission makes provision for bad debts based on ageing analysis and past recovery trends and provision rates as analysed on table below

Age	Provision Rate
0-2 years	25%
2-3 years	50%
3-4 years	75%
4-5 years	100%
Over 5 Years	Seek write off

#### f) Contingent liabilities

The Commission does not recognize 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.

#### g) Contingent assets

The TSC does not recognize 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 the Commission in the notes to the financial statements.

## **Notes to the Financial Statements (Continued)**

### **Summary of Significant Accounting Policies (Continued)**

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 recognized in the financial statements of the period in which the change occurs.

### **h) Changes in accounting policies and estimates**

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

### **i) Employee benefits**

#### **Retirement benefit plans**

The Commission provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which TSC pays fixed contributions into a separate 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.

### **j) 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 recognized in surplus or deficit in the period.

### **k) Related parties**

TSC regards a related party as a person with the ability to exert control individually or jointly, or to exercise significant influence over the Commission, or vice versa. Members of key management are regarded as related parties and comprise the Commissioners, the CEO and senior management.

## Notes to the Financial Statements (Continued)

### Summary of Significant Accounting Policies (Continued)

#### l) Cash and cash equivalents

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

#### m) Comparative figures

In preparing these financial statements, the Commission has elected to apply paragraph 79 of IPSAS 33, which allows for the election by TSC to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position and an opening statement of financial position as at the time of first-time adoption of the accrual basis of accounting.

#### n) Subsequent events

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

### 1. Significant Judgments and Sources of Estimation Uncertainty

The preparation of TSC 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. State all judgements, estimates and assumptions made:

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 the Commission.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- 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

## **Notes to the Financial Statements (Continued)**

### **Summary of Significant Accounting Policies (Continued)**

#### **Provisions**

Provisions for bad debts were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40.

Provisions for bad debts 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.

## Notes to the Financial Statements (Continued)

### 5. Transfers from the Exchequer

Nature of transfer	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Total transfers 2024/2025
	Kshs	Kshs	Kshs
Recurrent	367,648,666,620	-	367,648,666,620
Development	685,327,431	-	685,327,431
<b>Total</b>	<b>368,333,994,051</b>	<b>-</b>	<b>368,333,994,051</b>

### Rental Revenue from Facilities and Equipment

Description	2024/2025
	Kshs
Rent	8,091,175
<b>Total</b>	<b>8,091,175</b>

*\*This revenue is derived from the rented facilities in the TSC house to National bank of Kenya, Mwalimu National Sacco and Kilimanjaro food Court*

### 6. Finance Income

Description	2024/2025
	Kshs
Interest from cash investments and fixed deposits	142,456,935
<b>Total</b>	<b>142,456,935</b>

*\*This income is interest from the mortgage a/c and the call deposit a/c held at National Bank of Kenya. It is net of 15% Withholding Tax(WHT) deducted at source.*

### 7. Miscellaneous Incomes

Description	2024/2025
	Kshs
Administrative fees and charges	783,921,893
Income from sale of tender	225,416
Discipline/promotion panel cost	344,705
Disposal of assorted items	238,465
Service charge	1,845,594
Salary in lieu of notice	6,957,017
Others	663,414
<b>Total other income</b>	<b>794,196,504</b>

## Notes to the Financial Statements (Continued)

\* Income from Administrative fees and charges comprise of Teachers registration fees of **Kshs. 51,294,628** and commission charged on Third parties payroll deductions of **Kshs. 732,627,265**

### 8. Employee Costs

<i>Description</i>	2024/2025
	<b>Kshs</b>
Basic salaries of permanent employees	230,785,718,611
Basic wages of temporary employees	7,012,302,085
Personal allowances – part of salary	102,944,238,294
Refund of Medical Expenses - Ex-Gratia	31,736,594
Pension and other social security contributions	546,927,673
Employer contributions to compulsory national social security schemes	2,102,228,071
Employer contributions to compulsory national health insurance schemes	22,171,380,647
Employer contributions to national Industrial Training Fund	249,788,300
Employers Contribution to National Housing Fund	5,102,617,820
<b>Employee costs</b>	<b>370,946,938,095</b>

### 9. Use of Goods and Services

<i>Description</i>	2024/2025
	<b>Kshs</b>
Utilities, supplies and services	30,065,441
Communication, supplies and services	45,004,725
Domestic travel and subsistence	47,726,384
Foreign Travel and Subsistence, and other transportation costs	19,004,564
Printing, advertising, and information supplies & services	10,763,949
Rentals of produced assets	40,640,004
Training expenses	1,253,358,973
Hospitality supplies and services	46,561,244
Specialized materials and services	200,460
Insurance costs	107,379,915
Bank charges	183,662
Office and general supplies and services	27,889,172
Fuel oil and lubricants	84,249,528
Routine maintenance – vehicles and other transport equipment	32,582,721
Routine maintenance – other assets	24,554,136
Other operating expenses	50,015,728
<b>Total</b>	<b>1,820,180,606</b>

## Notes to the Financial Statements (Continued)

### 10. (a) Secondary Education Quality Improvement Project

<i>Description</i>	2024/2025
	Kshs
SEQIP expenses	506,739,792
<b>Total</b>	<b>506,739,792</b>

### (b) Kenya Primary Education Equity in Learning Program

<i>Description</i>	2024/2025
	Kshs
KPEELP expenses	129,326,716
<b>Total</b>	<b>129,326,716</b>

### 11. Depreciation and Amortization Expense

<i>Description</i>	2024/2025
	Kshs
Property, plant and equipment	412,745
<b>Total</b>	<b>412,745</b>

### 12. Cash and Cash Equivalents

<i>Description</i>	2024/2025	Opening statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Recurrent accounts	2,142,520,299	213,971,638
Development accounts	226,729,124	212,683,495
On - Call Deposits	1,129,701,691	1,000,000,000
Mortgage Account	627,964,216	587,094,327
Cash on Hand	-	2
<b>Total</b>	<b>4,126,915,330</b>	<b>2,013,749,462</b>

## Notes to the Financial Statements (Continued)

### (a) Detailed Analysis of the Cash and Cash Equivalents

<i>Description</i>	<i>Account number</i>	<i>2024/2025</i>	<i>Opening statement 1<sup>st</sup> July 2024</i>
<b>Financial Institution</b>		<b>Kshs</b>	<b>Kshs</b>
Recurrent Accounts			
Central Bank of Kenya-REC TSC	1000181117	9,874,561	163,551
National Bank of Kenya- Teachers Service Commission	7700008175	2,132,645,738	198,029,402
National Bank of Kenya- TSC Secretariat	7700008590	-	15,778,686
<b>Sub-Total</b>		<b>2,142,520,299</b>	<b>213,971,638</b>
Development Accounts			
Central Bank of Kenya-TSC SEQIP	1000370882	145,327,736	194,746,506
Central Bank of Kenya DEV TSC	1000348868	-	-
Central Bank of Kenya-TSC DLI	1000635487	46,925,289	512,408
Central Bank of Kenya -TSC IPF	1000635495	20,890,295	17,424,581
Central Bank of Kenya -KPEEL	1000741163	13,585,804	
<b>Sub-Total</b>		<b>226,729,124</b>	<b>212,683,495</b>
On - Call Deposits			
National Bank Of Kenya-Teachers Service Commission	77166119926	1,129,701,691	1,000,000,000
<b>Sub-Total</b>		<b>1,129,701,691</b>	<b>1,000,000,000</b>
Mortgage Account			
National Bank Of Kenya-TSC Car & Mortgage	01098083109301	627,964,216	587,094,327
<b>Sub-Total</b>		<b>627,964,216</b>	<b>587,094,327</b>
Cash on Hand		-	2
<b>Sub- Total</b>		<b>-</b>	<b>2</b>
<b>Grand Total</b>		<b>4,126,915,330</b>	<b>2,013,749,461</b>

## Notes to the Financial Statements (Continued)

### 13. Receivables from Exchange Transactions

Description	2024/2025	Opening statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>Total Receivables</b>		
a) Current receivables		
Government Imprests	942,244	570,347
b) Non-current receivables		
<b>Total receivables (a+b)</b>	<b>942,244</b>	<b>570,347</b>

## Notes to the Financial Statements (Continued)

### 14. Receivables from Non-Exchange Transactions

	Kshs	Kshs
<b>Total Receivables</b>		
<b>a) Current receivables</b>		
Unutilized County Disbursements	7,074,569	108,675,322
Third party receivables	12,574,297	616,361,782
	<b>19,648,866</b>	<b>725,037,104</b>
<b>b) Non-current receivables</b>		
Mortgage Loan advances	234,154,754	262,269,399
Salary Overpayment	450,361,296	433,927,653
Provisions for Doubtful debts	(214,173,187)	-
Salary and Medical Advances	7,586,787	2,879,358
	477,929,650	<b>699,076,410</b>
<b>Total receivables (a+b)</b>	<b>497,578,516</b>	<b>1,424,113,514</b>

Included in the balance of Receivables is a balance of Kshs.4,200 and Kshs.1,723,696 under KPEELP - IPF and KPEELP - DLI respectively.

### 15. Receivable Deposits and Prepayment

Description	2024/2025	Opening statement 1 <sup>st</sup> July 2024
Fuel guarantee	3,500,000	3,500,000
Other prepayments	271,889,355	
<b>Total deposits</b>	<b>275,389,355</b>	<b>3,500,000</b>

## Notes to the Financial Statements (Continued)

### 16. Trade and Other Payables

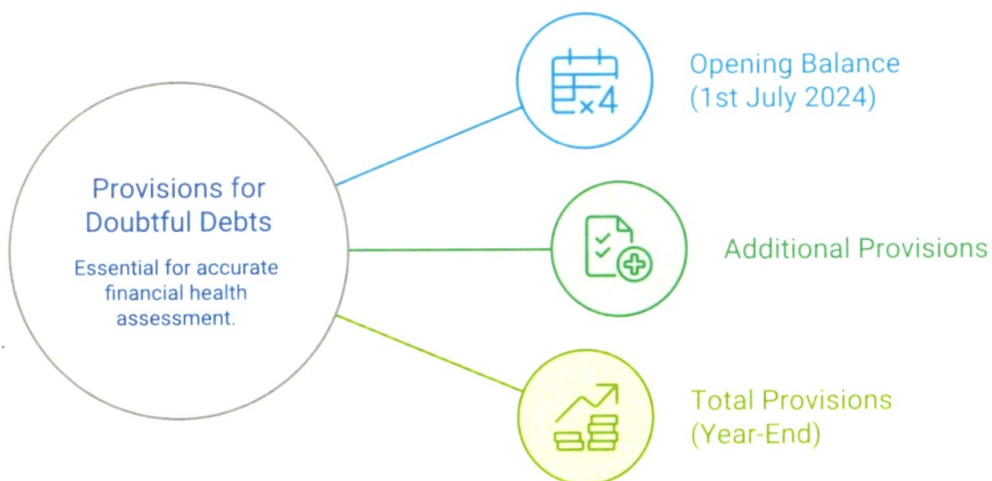
Description	2024/2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Third-party payments	12,301,009,222	100,593,503
Pending Third party Payables- June 2024	-	6,286,615,636
<b>Total trade and other payables</b>	<b>12,301,009,222</b>	<b>6,387,209,139</b>

Included in the balance of Kshs.12,301,009,222 is an amount of Kshs.5,447,850 relating to Trade and other Payables under KPEELP - IPF

### 17. Provisions for Doubtful debts

Description	Total
	Kshs
Opening balance 1 <sup>st</sup> July 2024	-
Additional provisions	214,173,187
<b>Total provisions year end</b>	<b>214,173,187</b>

### Unveiling the Dimensions of Doubtful Debts



## Notes to the Financial Statements (Continued)

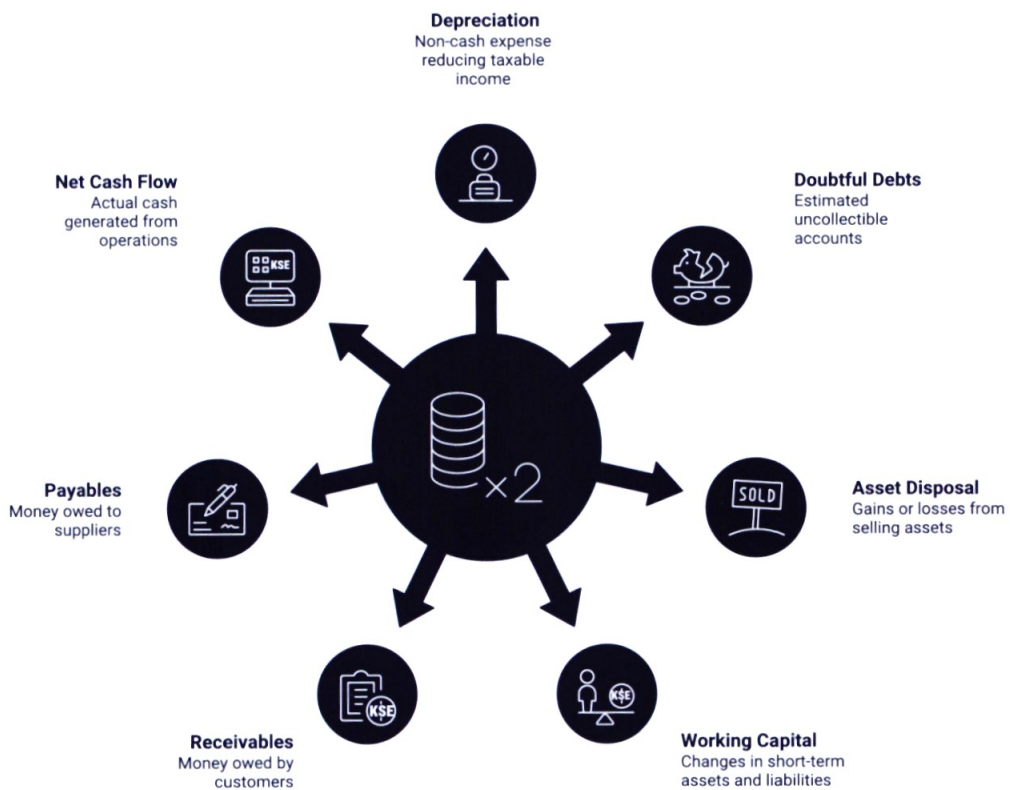
### 18. Property, Plant, and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
		2%	13%	13%	30%			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1 July 2024	-	-	-	-	-	-	-	-
Additions	-	36,537,928	-	5,314,922	65,260,424	-	-	107,113,274
Disposals	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	(46,532,732)	-	-	(46,532,732)
As at 30 <sup>th</sup> June 2025	-	36,537,928	-	5,314,922	18,727,692	-	-	60,580,542
<b>Depreciation And Impairment</b>								
At 1 July 2024	-	-	-	-	-	-	-	-
Depreciation	-	-	-	159,035	253,710	-	-	412,745
Impairment	-	-	-	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-	-	-	-
As at 30 <sup>th</sup> June 2025	-	-	-	159,035	253,710	-	-	412,745
<b>Net Book Values</b>								
As at 30 <sup>th</sup> June 2025	-	36,537,928	-	5,155,887	18,473,982	-	-	60,167,797

- 1) The statement does not contain comparatives, as the Commission has taken advantage of IPSAS 33 provisions on presentation for the first year of transition.
- 2) The opening balances of the assets have not been included as the Commission has taken advantage of IPSAS 33 provisions of the transition period requirement to include all assets by June 2027.
- 3) The additions represent assets that have been acquired in the first year of transition
- 4) Transfers/Adjustments relate to Assets procured through SEQIP and KPEELP and transferred to schools.

## 19. Cash Generated from Operations

	2024/2025
	Kshs
<b>Surplus for the year before tax</b>	<b>(4,385,565,208)</b>
<b>Adjusted for:</b>	
Depreciation	412,745
Transfer of Assets	46,532,732
<b>Working capital adjustments</b>	
Decrease in receivables	654,273,746
Increase in payables	5,913,800,083
<b>Net cash flow from operating activities</b>	<b>2,229,454,098</b>



## 20. Program for Results (PforR) Disclosure

Name of PforR: Kenya Primary Education Equity in Learning Program					Name of Financing Partners: International Development Association and Government of Kenya							
Expenditure Details	Opening Cumulative for Previous Fys				2024/2025				Total Cumulative			
	GOK (Kshs)		IDA (€)		GOK (Kshs)		IDA (€)		GOK (Kshs)		IDA (€)	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>Sub-programs</b>												
Teaching Standards and Integrity	2,472,093,915	2,018,438,424	295,000,000	118,909,055	846,351,830	1,059,901,503	171,894,436	<b>114,569,105</b>	3,318,445,745	3,078,339,927	466,894,436	233,478,160
Teacher Capacity Development												
<b>Total</b>												

## 21. Events after the Reporting Period

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

## 22. Ultimate and Holding MDA

The MDA ultimate parent is the Government of Kenya.

## 23. Currency

The financial statements are presented in Kenya Shillings (Kshs) and is rounded off to the nearest shilling.

## CHAPTER 6: 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)
	<p><b>Emphasis of Matter</b></p> <p><b>Budgetary Control and Performance</b></p> <p>The statement of comparison of budget and actual amounts; Development reflects final receipts budget and actual on comparable basis of Kshs.1,202,000,000 and Kshs.748,607,958 respectively, resulting to an underfunding of Kshs.453,392,042 or 38% of the budget. Further, the Commission spent Kshs.676,546,545 against actual receipts of Kshs.748,607,958, resulting to an underutilization of Kshs.72,061,413 or 10% of the receipts.</p> <p>The underfunding and underutilization affected the planned activities and may have impacted negatively on service delivery to the public.</p>	<p>The Commission was not provided with adequate funding by the National Treasury for 2023/2024 development budget which resulted in under absorption.</p>		
1.	<p><b>Long Outstanding Accounts Payables</b></p> <p>The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.100,593,503 in respect of as disclosed in Note 11 to the financial statements. Review of the payables aging analysis revealed that an amount of Kshs.9,452,365 or 9% had been outstanding for over a year.</p> <p>In the circumstances, the Commission is at risk of incurring penalties for failure to settle its obligations as and when they fall due.</p>	<p>The amount relates to payroll recoveries on behalf of schools where the teachers have liabilities. Once the deductions are made from the respective teachers, the amount is remitted to the beneficiary schools. The outstanding amount relates remittances due to schools where the schools have not provided payment details to enable release of the funds. The funds are progressively released once the affected Schools provide bank payment details.</p>		By June 2026

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)
		These payables will now be handled as per policy of long outstanding payables.		
2.	<p><b>Unresolved Prior Year Matters</b></p> <p>In the audit report of the previous year, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved all the issues or given any explanation for failure to implement the recommendations as at 30 June, 2024.</p>	Prior year issues are being addressed by the Commission as per the audit recommendations and are progressively being cleared.		
1. 1.1 1.2	<p><b>Report on Lawfulness and Effectiveness in the use of Public Resources</b></p> <p><b>Operations of Car Loan and Mortgage Fund</b></p> <p>The statement of financial assets and financial liabilities reflects bank balances of Kshs.2,013,749,461 as disclosed in Notes 9A to the financial statements. The balance includes the Commission's car and mortgage fund bank balance of Kshs.587,094,327. The following unsatisfactory matters were however noted: -</p> <p><b>Lack of Fund Governing Regulations</b></p> <p>As reported in the previous year, the Fund commenced operations in 2012 as a cash backed Fund and converted to a revolving Fund in 2021/2022. However, the Fund operates through a memorandum of understanding between National Bank of Kenya and the Commission dated 17 February, 2022 as the regulations to govern the management of the Fund have not been developed, contrary to the requirements of Circular No. SRC/ADM/CIR/1/13 Vol III (128) dated 17 December, 2014.</p> <p><b>Failure to Prepare and Submit Separate Fund Financial Statements</b></p> <p>As reported previously, the Management did not prepare and submit for audit separate car and mortgage fund financial statements. This was contrary to Section 81(4)(a) of the Public Finance Management Act, 2012</p>	<p>Pursuant to provision of section 24(4) of the PFM Act (2012), the Commission has developed the PFM (Teachers Service Commission Staff Car Loan and Mortgage fund) Regulation 2024 (attached) as per PFM Act. The Commission has submitted the said Regulations to the Clerk of the National Assembly and Cabinet Secretary National Treasury for further processing and approval.</p> <p>The Commission is awaiting the approval of the Car and mortgage regulations by the National Assembly to prepare separate fund financial statements.</p>		

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)
2.	<p>which requires that, not later than three months after the end of each financial year, the accounting officer for the entity shall, submit the entity's financial statements to the Auditor General and a copy of the statement to the Controller of Budget, The National Treasury and the Commission on Revenue Allocation.</p> <p>In the circumstances, Management was in breach of the law.</p> <p><b>Delays in Completion of Machakos and Kilifi County Offices</b></p> <p>As previously reported, the Commission signed agreements for the construction of two County Offices in Machakos and Kilifi Counties on 13 July, 2022 and 28 June, 2022 at the cost of Kshs.57,663,447 and Kshs.64,900,000 respectively. Both contracts were for a period of sixty (60) weeks with initial estimated completion dates of 5 September, 2023 and 21 August, 2023 for the Machakos and Kilifi County offices respectively. The projects status report of the contracts implementation team dated 26 June, 2024, indicates the completion rates were at 80% and 86% for the Machakos and Kilifi County offices respectively. Further, the contract extensions granted were for up to 8 May, 2024 and 1 May, 2024 respectively.</p> <p>However, there is no evidence of further extension of the contracts to cover for the incomplete works while the validity of the performance bonds could not be confirmed as contract file was not provided for audit review.</p> <p>Delays in project completion could lead to escalation in costs while value for money has not been realized from the investment in the construction of the two County offices.</p>	<p>The delay is due to lack of budgetary provision for 2023/2024 leading to non-payment of already certified works. The two TSC County offices were however completed during the year 2024/2025.</p>		By June 2025

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)
3.	<p><b>Failure to Surrender Unspent Funds for Re-Voting</b></p> <p>The statement of financial assets and liabilities reflects accounts receivables balance of Kshs.1,428,183,860 as disclosed in Note 10 to the financial statements. The balance includes an amount of Kshs.108,675,322 in respect of County Disbursements. The funds were not returned to the Commission's account for re-voting as per Regulation 117(2) of the Public Finance Management (National Government) Regulations, 2015. As at the time of concluding the audit in October, 2024, an amount of Kshs.64,597,779 had been returned to headquarter bank account, leaving a balance of Kshs.44,077,543.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>The un surrendered AIE amount was in respect to balances of Recurrent operations, SEQIP and KPEELP.</p> <p>i) The Unutilised AIEs for SEQIP and KPEELP were not returned to head-quarters accounts of the respective projects as at 30<sup>th</sup> June, 2024 due to project activities at the counties going on late into June 2024. The AIEs were however returned to the headquarter in 2024/2025</p> <p>The AIEs balances for SEQIP and KPEELP have been rolled over to finance budgeted project activities for 2024/2025 and for the AIEs balances for recurrent operations, the Commission requests for re-voting during the immediate supplementary estimates as AIA.</p>		
1.	<p><b>Report on the Effectiveness of Internal Controls, Risk Management and Governance</b></p> <p><b>Salary Overpayments</b></p> <p>The statement of financial assets and liabilities reflects accounts receivables balance of Kshs.1,428,183,860 as disclosed in Note 10 to the financial statements. The balance includes an amount of Kshs.433,927,651 in respect of salary overpayments. Review of the aging analysis on the salary overpayment provided for audit revealed that overpayments amounting to Kshs.296,409,143 or 68% had been outstanding for periods exceeding one (1) year. Management indicated that the overpayments had grown over the years due to the previous manual reporting systems that were inefficient.</p>	<p>Salary overpayment occurs as a result from delay in stoppage of salary on death, desertion of duty, resignation, transfer of service, transfers, sick leave and absenteeism. The overpayment has grown over the years due to reporting systems that were inefficient due to their manual nature. Once overpayment is recorded, recovery is progressive through the payroll for teachers who are on payroll 1/3 of the basic salary as per Section</p>		

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)
	<p>Further, Management through various mechanisms adopted recovery of salary overpayments, amounting to Kshs.222,305,447 for the year under review from payroll and other avenues. Although progress has been made in the recovery of the salary overpayments, further effort is required in recovering the outstanding amounts.</p> <p>In the circumstances, the controls over recovery of salary overpayments are weak.</p>	<p>19 (3) of the Employment Act, 2007 and for teachers who have left employment of the Commission, overpayment once recorded is recovered progressively through mechanisms set out in the Salary Overpayment policy which include:-  Issuing demand letters and follow up with the concerned individuals, Liaising with Co-operative Societies to utilize any Sacco savings, Liaising with other employers where the teachers are in other employment and Liaising with the Ministry of Foreign Affairs and Kenyan Embassies where the teachers are in foreign Countries.</p> <p>In order to manage salary overpayment, the Commission has developed and is implementing an overpayment policy and an online system (Entry/Exit system) to improve efficiency in reporting mechanism between the Commission Headquarters, field offices and Schools in respect to cases of death, desertion of duty, resignation, transfer of service, retirement, sick leave and absenteeism.</p>		



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)
2.	<p><b>Unconfirmed Release of Pensioners Files to The National Treasury</b></p> <p>Review of human resource records revealed that fourteen thousand eight hundred twenty-three (14,823) pension cases were handled during the year under review. Out of the total cases handled, eight thousand nine hundred eighty-one (8,981) cases were processed and submitted to The National Treasury while the balance of five thousand eight hundred forty-two (5,842) were pending as at 30 June, 2024. A sample of three hundred and five (305) files of retirees in the current financial year indicated that two hundred and eighty-five (285) files or 93% had been finalized and released to The National Treasury. Twenty files (20) files were pending for which eight (8) files were as a result of missing documents while twelve (12) files were at different levels of processing within the Commission.</p> <p>In the circumstances, delays in processing of the pensioners files impacts negatively on the timely release of the pensions to the pensioners.</p>	<p>Processing of pension/ Exits is a continuous process managed as a priority assignment in HRMD. The timely receipt of requisite documents is key to finalization of the process and submission to National Treasury.</p> <p>Management is reconciling pending Exit cases to fast track the processing of the pension cases and identify the gaps for the delayed cases.</p>		
3.	<p><b>Pending Teacher Transfer Requests</b></p> <p>The transfer system in the Commission is whereby transfer request are self-initiated by the teacher and reviewed by a Committee. However, the transfer system is not interlinked with the department which handles the transfers, occasioning delays in handling teacher requests. Further, it was not clear if measures had been put in place to address the gaps identified with the transfer system. In addition, Management did not provide information on the number of transfer requests, requests pending approval and approved requests during the year for audit review.</p> <p>In the circumstances, the delays in processing the transfer requests could adversely affect the productivity of the affected staff.</p>	<p>Transfer of teachers employed by the commission is guided by regulations 64, 65, 66 and 67 of the CORT (2015), that stipulate the following: -</p> <ul style="list-style-type: none"> <li>(i) Transfer is based on need for equitable distribution and optimal utilization of teachers.</li> <li>(ii) Availability of vacancies in the proposed station</li> <li>(iii) Need for replacement</li> <li>(iv) Existing staffing norms</li> <li>(v) Any other reason that the commission may deem necessary.</li> </ul>		

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)
		<p>The online platform for teacher transfer is automated and allows the teacher to view the progress of the application such as acknowledged, approved and not approved. An applicant is also allowed to withdraw their application. The Portal allows teachers to upload documents to support their cases.</p> <p>To enhance efficiency, the commission is in the process of upgrading the teacher transfer application portal. This will help to improve the turnaround time as well as support teachers in getting suitable replacements.</p>		
4.	<p><b>Land Parcels with Allotment Letters</b></p> <p>The Summary of Fixed Assets Register at Annex 3 to the financial statements reflects historical costs of assets balance of Kshs.5,304,974,451 which includes land balance of Kshs.1,000,000,000. The Commission had nine (9) parcels of land in various Counties as at 30 June, 2024. However, examination of the register revealed that eight (8) parcels of land donated by County Governments Bomet, Kiambu, Kitui, Nanyuki, Kwale, Kilifi, Tana River, and Machakos had only allotment letters as the proof of ownership. Management has indicated having taken measures to acquire the respective title deeds to the land parcels.</p> <p>Rightful ownership to land without title deeds could not be confirmed while they are susceptible to encroachment.</p>	<p>The Commission initiated the process of acquiring land in Muranga, Embu, Siaya, Mandera and Migori, upto now the Commission proprietorship interest on these properties has yet to crystalize. Find attached letter to Principal Secretary, National Treasury Ref: dated 4<sup>th</sup> December, 2024 requesting removal of the same from the TSC register</p> <p>The Commission through letter Ref: CS/TSC/47A/VOL.VII dated 18<sup>th</sup> March, 2025 requested Director of Survey, Ministry of Lands Public Works, Housing and Urban Planning to assist the Commission in the titling of the allocated parcel of Lands – attached for ease of reference</p>		

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)
		<ol style="list-style-type: none"> <li>1. The Director of Survey through the letter Ref: CFC/INV/VOL.1/47 dated 15<sup>th</sup> April, 2025 constituted a team to carry out the land surveys and topographic works and requested a budget facilitation of Kshs. 2,108,800</li> <li>2. This awaits budget allocation in the FY 2025/26 to facilitate Director of Survey. There was no budget allocated in the FY 2024/2025</li> </ol>		



**MS. EVALEEN MITEI**

**Ag. COMMISSION SECRETARY/CEO**

**DATE: 17-11-2025**

## Appendix II: Projects implemented by

Project title	Project Number	Donor	Period/duration	Donor commitment (kshs. Million)	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
Kenya Primary Education Equity in Learning Program	P176867 P179670	World bank	4 yrs	1,100	Yes	Yes
Kenya Secondary Education Quality Improvement	P160083	World bank	7 yrs	2,300	Yes	Yes
Construction of Kilifi County Office		GoK	2 yrs	67.10	No	Yes
Construction of Machakos County Office		GoK	2 yrs	66	No	Yes

## Status of Projects completion

Project	Total project Cost (kshs.Million)	Total expended to date (kshs. Million)	Completion % to date	Budget (kshs.Million)	Actual (kshs.Million)	Sources of funds
Kenya Primary Education Equity in Learning Program	1100	145.7	13%	191	111.8	Foreign
Kenya Secondary Education Quality Improvement	2300	2214.1	100%	603	575	Foreign
Construction of Kilifi County Office	67.1	40.9	100%	20	24.9	GoK
Construction of Machakos County Office	66	45.2	100%	18		GoK