

REPUBLIC OF KENYA



REPORT

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Mado Atato

THE AUDITOR-GENERAL

ON

TEACHERS SERVICE COMMISSION

FOR THE YEAR ENDED

30 JUNE, 2025



OFFICE OF THE AUDITOR GENERAL  
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**TEACHERS SERVICE COMMISSION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**JUNE 30, 2025**

Transitional IPSAS Financial Statements Prepared in accordance with the Accrual Basis of Accounting Method Under International Public Sector Accounting Standards (IPSAS)

*Teachers Service Commission  
Annual Report and Financial Statements for the year ended 30<sup>th</sup> June, 2025*

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## **1. Acronyms and Definition of Key Terms**

### **A: Acronyms and Abbreviations**

AC	Audit Committee
AFTRA	Africa Federation of Teaching Regulatory Authorities
AIE	Authority to Incur Expenditure
BETA	Bottom up Economic Transformation Agenda
CFO	Chief Finance Officer
CHRP-K	Certified Human Resource Professional of Kenya
HAU	Head of Accounting Unit
ICP	International Confederation of Principals
ICT	Information Communication Technology
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KPEELP	Kenya Primary Education Equity in Learning Program
LAN	Local Area Network
LL&IR	Legal Labour & Industrial Relations
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
PC	Performance Contract
PFM	Public Finance Management
PPE	Property Plant and Equipment
RLM	Remote Learning Methodology
SBTSS	School Based Teacher Support System
SDG	Sustainable Development Goals
SEQIP	Secondary Education Quality Improvement Project
TIMEC	Teacher Induction Mentorship and Coaching
TOTs	Trainer of Trainers
TPAD	Teacher Performance Appraisal and Development
TPD	Teacher Professional Development
TSC	Teachers Service Commission
VLAN	Virtual Local Area Network
NEMA	National Environment Management Authority

### **B: Definition of Key Terms**

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

**Commission** – Teachers Service Commission

**Board** – The Chairperson and Commissioners

## **2. Key Information and Management**

### **a) Background information**

Teachers Service Commission is established under Article 237 of the Constitution of Kenya and performs its mandate as stipulated in the TSC Act 2012.

#### **Vision**

A motivated, ethical and globally competitive teacher

#### **Mission**

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

#### **Core Values**

- Professionalism
- Customer focus
- Integrity
- Innovativeness
- Team spirit

### **b) Mandate**

The Commission is mandated to perform the following functions:

- a. Register trained teachers
- b. Recruit and employ registered teachers
- c. Assign teachers employed by the Commission for service in any public school or institution
- d. Promote and transfer teachers
- e. Exercise disciplinary control over teachers
- f. Terminate the employment of teachers
- g. Review the standards of education and training of persons entering the teaching service
- h. Review the demand for and supply of teachers
- i. Advise the national government on matters relating to the teaching profession

### **(b) Key Management**

The Commissioners provide strategic direction, leadership and oversight to the secretariat and undertake policy formulation to achieve the mandate of the Commission. In discharging their duties, the Commissioners ensure compliance with constitutional and statutory obligations while they preserve the independence of the Commission as provided for in article 249 of the Constitution.

The Commission Secretary/CEO serves as the official link between the Commission and the Secretariat. The Secretary is responsible for the implementation of decisions of the Commissioners/Board and day-to-day operations of the Commission carried out under the following Directorates:

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**i) Staffing**

The Directorate is responsible for recruitment and employment of registered teachers, assignment of teachers employed by the Commission for service in any public school or institution, promotion and transfer of teachers.

**ii) Administrative Services**

The Directorate offers support services to other service areas of the Commission for effective implementation of the Commission's mandate. The Directorate manages Commission's records; physical infrastructure; employee welfare; occupational safety & health and logistical service.

**iii) Finance and Accounts**

The Directorate is responsible for prudent financial management as required under the Public Finance Management Act, 2012 through application of sound principles, systems and techniques in accounting. It is in charge of budget preparation, implementation and reporting.

**iv) Information Communication and Technology**

The Directorate is responsible for the creation of an appropriate technological environment to support the effective and efficient execution of the Commission's mandate. It develops and implements ICT related policies, guidelines, standards and procedures as well as advise the Commission on new technologies and innovations.

**v) Teacher Professional Management**

The Directorate is responsible for registering qualified trained teachers, enforcing compliance of professional standards in the teaching service and monitoring teacher performance to improve quality of teaching services. It is also responsible for programmes that promote continuous teacher professional development.

**vi) Human Resource Management and Development**

The Directorate has the responsibility to effectively manage the human resources of the Commission through implementation of appropriate policy guidelines. The Directorate implements various HR strategies that include; human resource planning, succession management, payroll management, employee motivation, promotion of best practices in human resource management and employee separation.

**vii) Internal Audit**

The Directorate offers independent, objective assurance and consulting services designed to enhance institutional risk management, controls and governance processes in the Commission. It strengthens good governance practices and supports the achievement of effective internal controls through continuous monitoring.

**viii) Legal, Labour and Industrial Relations**

The Directorate is responsible for offering legal support services on labour and industrial relations in the Commission. This includes representation of the Commission in courts and in tribunals, rendering legal advisory, drafting and/or vetting of legal instruments including contracts, agreements and developing subsidiary legislations. The Directorate is also responsible for developing strategies that enhance industrial harmony in the teaching sector.

**ix) Teacher Discipline Management**

The Directorate is responsible for managing the teacher discipline function of the Commission. It also implements strategies that improve professionalism and compliance with regulations governing the teaching service.

**x) Operations**

The Directorate is responsible for coordinating operational activities to ensure effective strategic planning, decentralized functions, performance contracting, risk management, monitoring and evaluation. The Directorate also ensures responsiveness to customer and stakeholder concerns and promotes strategies for a positive corporate brand.

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No	DESIGNATION	NAME	Date of Appointment
1	Commission Secretary/CEO	Dr. Nancy Njeri Macharia, CBS	01/07/2015 up to 30/06/2025
2	Director Teacher Discipline Management	Evaleen J. Mitei	21/06/2024
3	Director Finance &Accounts	CPA Cheptumo Ayabei, OGW	01/07/2010
4	Director Administrative Services	Ibrahim Mumin, OGW	09/05/2018
5	Director Teacher Professional Management	Dr. Reuben Mugwuku, F. AFTRA	09/07/2018
6	Director Legal, Labour & Industrial Relations	Cavin Anyuor	26/08/2021
7	Director Operations	Gabriel Mathenge	06/03/2023
8	Director Internal Audit	CPA Benjamin Mainga	21/06/2024
9	Director Staffing	Antonina Lentoijoni	19/06/2024
10	Director ICT	Cyrus Kamau	15/08/2024
11	Ag. Director Human Resource Management & Development	Kenneth Marangu	01/08/2024

**(d) Fiduciary Oversight Arrangements**

The board is vested with overall the Fiduciary oversight responsibility in the Commission. This is executed through committees of the board and audit committee.

**a. Board committees**

These are Strategy and innovation Committee, Human Resource Committee, Field Services Committee, Finance Committee.

**b. Audit Committee**

The Committee offers assurance to the Board that all financial and non-financial internal control and risk management functions are operating effectively and reliably. It also offers independent review of the Commission's reporting functions to assure the integrity of its financial reports in compliance with legislative and regulatory requirements.

External oversight includes Parliamentary Public Accounts Committee (PAC) and Education Committee.

**(e) Headquarters**

Teachers Service Commission  
TSC House,  
Kilimanjaro Road,  
Upper Hill,  
Nairobi, Kenya

**(f) Contacts**

Private Bag -00100  
Nairobi.  
Telephone: (254) 020 289 2000  
E-mail: [info@tsc.go.ke](mailto:info@tsc.go.ke)  
Website: [www.tsc.go.ke](http://www.tsc.go.ke)

**(g) Bankers**

**1. Central Bank of Kenya**

Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya

**2. National Bank of Kenya**

National Bank of Kenya Building  
Harambee Avenue  
P. O. Box 41862 – 00200  
Nairobi, Kenya

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**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

The Attorney General  
State Law Office and Department of Justice  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

**3. Profile of Commissioners**



**Dr. Jamleck Muturi, EBS  
Commission Chairman**

Dr. Jamleck Muturi John was appointed TSC Chairman on April 29<sup>th</sup> 2021. Until his appointment, Dr. Muturi served in the Embu County Government as Executive Committee Member (CECM) and was in charge of Education Science, Technology and ICT.

A career educationist, Muturi has had a long illustrious career spanning over 30 years. He has served as CEC in various Ministries which are Lands, Water, Environment and Natural Resources; Health; Trade, Tourism, Investment & Industrialization, lately served in Agriculture, Livestock, Fisheries and Cooperatives in Embu County.

He has lectured at: University of Embu, Kenyatta University, Part time Lecturer University of Nairobi, Meru University College of Science and Technology and Swedish University of Agricultural Sciences (SLU) - Uppsala Sweden. Muturi has also served as a teacher in various schools in Kenya, as an assistant teacher in Kathakwa Secondary in Embu, Huruma Girls Nairobi; and has been in administration as Deputy Principal Nguvu Boys - Embu, Principal St. Joseph M'tetu - Embu, St. Stephen Boys Kavutiri High School and Moi High School - Mbiruri.

He holds a PhD in Agricultural Entomology from Kenyatta University; a Higher Diploma in Human Resource Management from the Institute of Personnel Management, Kenya (IPM (K)), Master of Science in Agricultural Entomology from Kenyatta University (KU), Master of Business Administration – Global Business Management (MBA - GBM) from United States University – Africa – (USIU – Africa) and a B.Ed. Science in Botany and Zoology; Kenyatta University. He has published several scientific peer reviewed journals in areas of Science.



**ACCA. Leila A Ali, MBS  
Commission Vice Chair**

ACCA Leila A. Ali was appointed member Teachers Service Commission on 4<sup>th</sup> May 2020. She has a wealth of experience in the financial sector spanning over 12 years both in Kenya and the United Kingdom. MS Leila has actively been involved in incubating different small sized companies into profitable and successful companies.

She has worked with Baker Tily Merali as the in charge of planning and execution of large and medium sized company's due diligences and audits including those of non-governmental organizations. Leila has also served in various boards including the Wangari Maathai Foundation and the Competition Authority of Kenya.

She holds BA (Hons) in Accounting and Finance from the London South Bank University. Leila is an affiliate of the Association of Chartered Certified Accountants (ACCA).



***Njuguna Mbage, MBS  
Commissioner***

Commissioner Ng'ang'a was appointed member of the Teachers Service Commission on 29th April 2020. Prior to his appointment, he served in various capacities both in the private sector and in public service. Mr Ng'ang'a is an Advocate of the High Court of Kenya and a Certified Public Secretary. He has practiced law for over twenty-five years. He has also served as Chairperson of the Kenya Law Reform Commission for six years and as Chairperson of the Energy Tribunal for six years.

Comm. Ng'ang'a is a graduate of the University of Nairobi (Bachelor of Laws (LLB) degree). He also holds a Masters of Law (LLM) degree from the University of London and a Master of Science (MSc) degree in Agricultural Development from the University of London. He has also undertaken further advanced and specialized Executive programs in Financial Law, Economic Development, Public Enterprise Reform and Regulatory Law in leading Universities and other institutions of higher learning which include Harvard University – Kennedy School of Government, Cambridge University – Jesus College, University of Florida – Public Utilities Research Centre, Duke University – Duke Centre for International Development, and the International Law Institute. He is a Member of the Law Society of Kenya and the Institute of Certified Secretaries.

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***Timon Oyucho, MBS  
Commissioner***

Commissioner Oyucho Timon was appointed Member of the Teachers Service Commission on 29th April 2021. Prior to his appointment, Comm. Oyucho served as the Director Legal, Labour and Industrial Relations Directorate at the Teachers Service Commission.

A long serving public servant, Comm. Oyucho joined the Teachers Service Commission in 1987 as a classroom teacher (Mathematics & Physics) where from he moved up the ranks to positions of High School Principal (Ratta Mixed Secondary School: 2000-2005); District Staffing Officer (Kilifi District: 2006); Provincial Staffing Officer (Western Province: 2007-2008); Principal Discipline Officer (TSC Headquarters: 2008-2014); Assistant Deputy Director, Legal Services Division (TSC Headquarters: 2014-2019).

Comm. Oyucho holds a Bachelor of Laws Degree (LL. B) and Master of Laws Degree (LL. M) from University of Nairobi; Post Graduate Diploma in Laws from Kenya School of Law; a Diploma in Science Education from Kenya Science Teachers College (as it was then). Currently, Comm. Oyucho is pursuing a Ph. D of Laws (LL. D) from the University of Nairobi; and a Masters Degree in Employment and Labour Relations at the International Training College (ITC) of the International Labour Organization (ILO) in conjunction with the University of Turin, Italy. Comm. Oyucho is a member of the Law Society of Kenya and the East Africa Law Society.

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**CS Sharon Kisire, MBS  
Commissioner**

Commissioner CS Sharon Kisire has over 20 years' experience in Human Resource and organizational leadership in both public and private sectors. She has served in various Human Resource management roles at the Kenya Pipeline Company, Safaricom, Kenya Wildlife Service, National Oil Corporation, and the Mater Hospital.

She holds a Master of Arts and a Bachelors of Arts in Sociology, both from Kenyatta University. She also has a Diploma in Human Resource Management.

Further, she is a Certified Secretary (KASNEB), a Certified Governance Auditor (ICS), a Certified Executive Leadership Coach (CELC) and a Certified Emotional Intelligence Assessor (CEIA). She has served in several professional boards and is a member of the Kenya Institute of Management (KIM), Institute of Certified Secretaries (ICS) and the Institute of Human Resource Management (IHRM).

She is an author of six (6) academic and motivational books.

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**Annceta Wafukho, MBS  
Commissioner**

Commissioner Annceta Wafukho has over 20 years' experience as an educationist; straddling public policy analysis, parliamentary training, corporate training, and teaching. She began her career as a graduate teacher instructing Computer/ICT and Business Studies at Gatanga Girls High School (Thika).

Prior to her appointment as a Member of the Teachers Service Commission, Ms. Wafukho worked at the Parliament of Kenya within the Centre for Parliamentary Studies and Training (CPST); where she was charged with training Members of Parliament and legislative staff on Public Policy Analysis and Public Participation & Outreach.

Comm. Wafukho has also served as a technical adviser to Members of Parliament on policies, bills, and legislative proposals on education covering University and Tertiary Education, Technical and Vocational Education and Training (TVET), Science and Technology, Basic Education, Early Childhood Development Education (ECDE), and Curriculum Development. During her tenure as a parliamentary staffer she played a critical role in the review of educational sector sessional papers to enlighten decision making and legislative agenda.

Comm. Wafukho holds a Master's Degree in Education (Education Planning), a Master's Degree in Business Administration (Strategic Management), and a Bachelor's Degree in Education (Economics and Business Studies); all from the University of Nairobi (UoN). She is currently a Doctoral (Ph.D.) candidate in Education Planning at the University of Nairobi.

Comm. Wafukho has published several research papers and represented Kenya in many high-level conferences both locally and internationally. She also holds various academic merit awards and certifications on Public Policy Analysis, having been trained both locally and internationally. As part of her community initiatives, she is passionate about mentoring young girls to aim higher and grow into transformational leaders in their local communities and on the national stage.

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**Dr. Nichodemus Anyang, MBS  
Commissioner**

Dr Nicodemus Ojuma Anyang PhD has 31 years' experience of working in the Education Sector, 25 of them in management position. Between 1990 and 2007 he served as a teacher, head of department and principal in several secondary schools.

Between 2007 and 2019, he served as District Education Officer in Kisumu, Keiyo and Meru, and County Director of Education in Turkana, Nandi, Uasin Gishu and Nyamira. Between 2019 and 2021, he served as Deputy Director of Education at MoE Headquarters where he also served at the Competency Based Curriculum Task Force Secretariat. He Served as an independent Member of Kibabii University Council from 2013 and 2017, and as Member alternate to

the Principal Secretary State Department for University Education, University of Eldoret Council between 2018 and 2019.

Dr Anyang has Published more than ten articles in reputable peer review Education Management journals as well as three books on education. He has served as a teaching practice assessor for the Africa Nazarene University, part time lecturer at Mount Kenya University and an external examiner of post graduate theses at Kisii University.

He holds a Doctor of Philosophy degree in Education Administration from Moi University, a Master's in Education (Administration and Planning) from Kenyatta University and a Bachelors of Education Arts (Eng./Lit) from Kenyatta University. He is a member of the Kenya Association of Education Administration and Management (KAEAM) and the Kenya Oral Literature Association (KOLA).

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**Christine Kahindi, MBS  
Commissioner**

Commissioner Christine Kahindi has over 35 years' experience as a teacher and principal. She has taught at Jaribuni, Kilifi Township and Lenana Schools and headed Kilifi Township, Majaoni and Katana Ngala Secondary Schools as Principal.

For her good performance, she was awarded the Principal of the Year Award, Kilifi County (2017), and the Distinguished Service in School Management by the Kenya Secondary Schools Heads Association (2010).

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

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***Salesa Abudo, MBS  
Commissioner***

Commissioner Salesa Abudo is a seasoned Administrator with 36 years' experience in educational policy formulation and implementation at various levels in the educational sector. He is skilled in Human Resource and educational administration. He has vast experience of working in multi-cultural environments and has served in various capacities of educational management. He has been 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 Masters in International Education Management from the University of Leeds and a Bachelor of Education (Arts) from Kenyatta University.

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#### **4. Profiles of Accounting Officer and Key Management.**

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***Dr Nancy Njeri Macharia, CBS  
Commission Secretary/CEO***

Dr 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 of 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.

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***Evaleen J. Mitei  
Director Teacher Discipline  
Management***

Ms. Mitei joined the Commission in 1994 as a teacher and joined the Secretariat in 1999 where she has risen through the ranks to Director Teacher Discipline Management.

She holds a Masters in Science- Human Resource Management from the University of Manchester- UK and a Bachelor in Education Degree from Moi University. Ms. Mitei has served in various capacities including as a Staffing officer, Human Resource Management and Development officer, and a discipline officer.

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***CPA Cheptumo Ayabei OGW  
Director Finance and  
Accounts***

CPA Ayabei Joined Teacher Service Commission in 1999 as a Finance Officer and rose through the ranks to Director Finance in 2009. He worked in the Ministry of Education as an Assistant Secretary and Senior Assistant Secretary Finance in 1990 to 1999.

He has Msc in Finance and Banking from University of Stirling United Kingdom, Bachelor of Education Arts option from Kenyatta University and CPA (K). He also has Certificate in Public Finance and Accounts from University of Connecticut and Stratclyde University Scotland UK. He is a member of Institute of Certified Public Accountants of Kenya. His vision is to make the Finance directorate proactive in identifying issues and offering innovative solutions to enable the Commission accomplish its goal of providing quality services to its clients more effectively.

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**Ibrahim Mumin, OGW  
Director Administration  
Services**

Mr. Mumin was employed by the Teachers Service Commission in 1983 and served as a teacher in various schools before appointment as District Education Officer and later District Inspector of Schools. He joined the secretariat in 1988 and appointed to head of Human Resource Development division. Prior to his current appointment, he was the Senior Deputy Director in charge of Administration.

He holds a Master of Education (M.Ed.) degree in Education Management and Policy Studies from the University of Bristol and a Bachelor of Education from the University of Sterling (UK). He has also attended various management courses both locally and abroad that include; Strategic Planning and Management at the University of Witwatersrand (South Africa), a Programme on Developing Strategic Skills for Organizational Development (London), an Advanced Training Program in Programme (Kenya Institute of Administration) and Pro-Active Business Excellent models (Eastern and Southern Management Institute) among others.



**Dr. Reuben Nthamburi  
Mugwuku, AFTRA  
Director Teacher  
Professional Management**

Dr. Reuben Nthamburi Mugwuku was appointed Director Teacher Professional Management in 2019. He holds a Doctor of Philosophy degree in Educational Communication Technology from Moi University, a Master of Education degree (Curriculum Option) from University of Nairobi and a Bachelor of Education degree in Mathematics and Geography from Egerton University.

Dr Mugwuku is the immediate former Deputy Director Basic Education and Learning at the Kenya National Commission for UNESCO. Previously he served as a Deputy Director Basic Education and Senior Assistant Director E-Learning at the Kenya Institute of Curriculum Development.



**Cavin Anyuor  
Director (Legal, Labour  
and Industrial Relations)**

CS. Cavin Anyuor is an Advocate of the High Court of Kenya of over 10 years post qualification experience with keen interest in Employment and Labour law. He holds a Master of Laws degree in Employment and Labour Law from the University of Turin's International Training Centre of the ILO, a Bachelor of Laws Degree from the University of Nairobi and a Post Graduate Diploma in Law from the Kenya School of Law. He has had an illustrious career with the Teachers Service Commission spanning over 22 years. He has a wealth of experience in corporate governance, education, labour and employment law. He is a Certified Public Secretary, an accredited Governance Auditor and a Certified Professional Mediator (CPM). He has undertaken various leadership trainings including the Senior Leadership and Development Program (SLDP) from the Kenya School of Government (KSG). A member in good standing of the Law Society of Kenya, East Africa Law Society and the Institute of Certified Secretaries.



**Cyrus Kamau**  
**Director (Information  
Communication and  
Technology)**

Cyrus Kamau, is currently a Director at ICT. He hold MSc. Information System (Distributed and Network Systems) from University of Nairobi, postgraduate certificate (securing innovation in advanced and emerging technologies) From the Middlebury institute of international studies at Monterey and Postgraduate Certificate (internet of things (iot) from International Center for Theoretical Physics (ICTP) – Italy.

He is a Fellow of the Computer Society of Kenya (FCSK), member of the ICT Association of Kenya (ICTAK), Association of Computing Practitioners, Kenya (M-ACPK), Institute of Electrical and Electronics Engineers (MIEEE), Association of Computing Machinery (MACM), Internet Society (ISOC).

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**CPA Benjamin Mainga**  
**Director Internal Audit**

CPA Benjamin Mainga holds 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), a Certified Information System Auditor (CISA), a Certified Internal Auditor (CIA) and a member of the respective professional bodies (ICPAK, ISACA and IIA). He has over 17 years' experience in the assessment of governance, risk and controls gained from both private and public sector organizations.

He has previously worked at the National Land Commission, Diamond Trust Bank, Family Bank in various Internal Audit capacities as well as in External Audit firms. He has served as a volunteer Member of the Audit Committee of ISACA Kenya and Chairperson, Board Audit and Risk Committee of the Institute of Internal Auditors (IIA), Kenya Chapter.

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**Antonina Lentoijoni**  
**Director Staffing**

Antonina Lentoijoni holds a Master of Business Administration (MBA) in Strategic Management from the University of Nairobi and a Bachelor of Education (Mathematics) from Kenyatta University. In addition, she has undertaken a wide range of executive training programs in Kenya and abroad, including in the United Kingdom (London), Japan, Singapore, and Dubai, enhancing her leadership capacity in global education and governance practices.

She is a strategic and results-driven education professional, currently serving as the Director – Staffing at the Teachers Service Commission, Kenya. With deep expertise in teacher management, policy formulation, organizational leadership, and digital transformation, she plays a leading role in driving national teacher staffing strategies and reforms aimed at improving equity and efficiency in service delivery. Throughout her career, she has demonstrated a strong commitment to strengthening governance structures, fostering professional excellence and building cohesive teams within complex education systems.

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***Gabriel Mathenge  
Director Operation***

Gabriel Mathenge holds a Master of Education in Educational Administration from the University of Nairobi and a Bachelor of Education from Moi University. He is an accomplished educational administrator with extensive expertise in teacher management, instructional leadership, and educational administration. He has an extensive background in policy analysis, project coordination, capacity development, and educational research.

He has collaborated with a wide array of government bodies, non-governmental organizations, development partners, and teacher training institutions. He has undertaken numerous assignments on behalf of the CEO and the Teachers Service Commission, championed transformative initiatives, and led capacity-building efforts aimed at empowering educators and enhancing institutional performance.

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***CHRP Kenneth Marangu  
Ag. Director Human  
Resource Management  
and Development***

He is a Certified Human Resource Professional of Kenya (CHRP- K) and he holds a Master of Business Administration (MBA) degree in human resource management and a Bachelors of Education degree from Kenyatta University and a Diploma in Human Resource Management from Alison College UK

He has wide experience, knowledge, skills and expertise in teacher management, administration and general public service spanning over 30 years. He joined the Teachers Service Commission secretariat as a District Staffing Officer to perform teacher management functions, a role he served in various districts and was later promoted to Provincial staffing officer and currently serving as Ag. Director Human Resource Management and Development.

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## **5. Statement by Chair of the Commission**



The Teachers Service Commission is pleased to present the Annual Report and Financial Statements for the Financial year 2024-2025. The preparation and presentation of the report is in line with Section 81 of Public Finance Management Act 2012.

The 2024/25 financial year marks the second year of the implementation of the 2023-2027 strategic plan which sets the Commission's agenda for the next five years. The Plan outlines clear strategies and corresponding resource requirements to promote quality teaching and Curriculum Implementation. Specifically, the plan provides for continuity and delivery of services anchored on three strategic goals namely: Quality Teaching and implementation; Service Delivery Re-engineering and Innovations; and Institutional Capacity and Corporate Governance.

The chief executive Officer Dr. Nancy Njeri Macharia served up to 30<sup>th</sup> June 2025 upon expiry of her contract. Over the years at the helm, she has overseen transformative initiatives aimed at professionalising the teaching service, enhancing teacher welfare, and integrating technology in service delivery. We wish her success in her future engagements. Upon her retirement the Board appointed Evaleen Mitei to act as Commission Secretary/CEO. Evaleen Mitei is the immediate former Director Teacher Discipline Management and brings a wealth of experience to the board having served in various capacities in the Commission.

Key achievements realized during the year were: The review of TSC Act (2012) to incorporate emerging issues in education sector. The Commission also developed a number of policies which include Business Continuity Management Policy which will ensure that the TSC will continue operating, protecting its employees and assets in case of any destruction; The Data Protection Policy to manage institutional data in maintaining privacy, building trust and avoiding legal repercussions and the Policy on Teacher Engagements Outside Kenya which facilitates the export of teachers to address unemployment and meet global demand for educators.

Teachers Service Commission and the Ministry of Education signed an engagement framework which aims to harmonize their respective roles in education for more efficient service delivery. This framework outlines shared visions, objectives, and specific roles, ensuring alignment and avoiding duplication of efforts. It also establishes mechanisms for communication, collaboration, and dispute resolution.

As envisioned in TSC strategic plan 2023/2027 and the Sustainable Development Goal (SDG) 17, the Commission continued to engage its stakeholders with the view of strengthening linkages through partnership. Key among the activities carried out were the international convention of principals held in Mombasa, the employment and labour relationship symposium at University of Nairobi, Association of Africa Public service commission held in Nairobi and County dialogue on education reforms at various counties. As the CBA for teachers 2023-2025 comes to an end, the Commission is currently in engagement with the teacher's unions in a bipartisan approach for favourable terms and conditions of service for teachers.

I wish to express my gratitude to the National Government for the support extended to the Commission. I deeply appreciate the Board, management, secretariat staff and teachers for their invaluable

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contribution towards the achievement of our planned activities during the year. I look forward to further collaboration as we work towards achievement of the Commission's mandate.

.....  
**DR. JAMLECK MUTURI JOHN, EBS**  
**COMMISSION CHAIRMAN**  
17-11-2025



*Top: Commission Chairman, Commissioners, Ag. CEO, and senior management pose for a group photo with former CEO Dr. Nancy Macharia during her handover ceremony held at the Commission Headquarters on 30<sup>th</sup> June, 2025*

*Bottom right: Commission Chairman, Ag. Commission Secretary, and former Commission Secretary pose with a copy of Dr. Macharia's exit report.*

*Bottom left: Commission staff, led by the Commission Chair, bid farewell to the former Commission Secretary during her handover ceremony at the Commission Headquarters.*

## **6. Statement by the Accounting Officer**



I'm delighted to present the annual report and financial statements for Year 2024/2025 which is a testament to our relentless efforts in executing our mandate and dedication to service delivery.

The Commission's approved estimates for the FY 2024/25 was Kshs. 369.585billion of which Kshs. 368. 750billion recurrent expenditures and Kshs. 835million Development expenditure.

The recurrent budget was made up of Kshs. 366.389billion as Compensation to Employees and Kshs. 2.362billion as Operations and Maintenance. The Development budget includes an allocation of Kshs. 604million to the Secondary Education Quality Improvement Project (SEQIP), Kshs. 192million to Kenya Primary Education Equity in Learning Program (KPEELP) and Kshs. 39million toward construction of Kilifi and Machakos County offices.

Key milestone realized during the year include conversion of 46,000 teacher interns into permanent and pensionable terms, promotion of 25,288 teachers through competitive selection and retooling of 60,000 JS teachers on the implementation of the CBE curriculum. Further, the Commission integrated 3 data bases, digitized 90,075 employee records and connected 13 field offices to Local Area Network (LAN).

The commission engaged in several activities with our key stakeholders including KESSHA, KEPSHA, teachers' unions and county dialogue forums where we gained an in-depth understanding on issues affecting our teachers and the implementation of the curriculum. On the international front the commission received delegations from Southern Sudan, Republic of Rwanda and the Kingdom of Lesotho to benchmark on best practices in teacher management.

The report is prepared against a strong rebound in the macroeconomic fundamentals which are projected to strengthen and remain stable. Budget implementation in the FY 2024/25 was impeded by: protests that led to a slowdown of economic activities; the withdrawal of Finance Bill 2024 that was expected to raise an additional revenue and the implementation of the Collective Bargaining Agreements has continued to put pressure on the expenditures. Nationally, Revenue shortfalls and emerging expenditures pressures affected Commission's ability to execute the FY 2024/25 budget in a timely manner leading to cash flow challenges and associated build-up in unpaid bills.

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On behalf of the management and staff of the Commission, I wish to acknowledge and appreciate the invaluable support and guidance of the Board, The National Assembly education committee, The National Treasury, the education sector and the esteemed stakeholders for the great efforts which has contributed towards the realization of our mandate. I also wish to thank the teachers and citizens whom we serve, for their outstanding support.



.....  
E.J. MITEI (MS)

AG. COMMISSION SECRETARY/ CEO

17-11-2025

## **7. Statement of Performance Against Predetermined Objectives for FY 2024/25**

The strategic plan 2023-2027 identifies three strategic focus areas aligned to the Vision, Mission, and Core-mandates of the Commission as highlighted below:

1. Quality teaching service and curriculum implementation,
2. Service delivery re-engineering and Innovations and
3. Institutional capacity and Corporate governance.

### **Key Strategic Objectives**

The following are the Strategic Objectives based on the three thematic focus areas;

- i. Reduce the national teacher shortage by 100% of the baseline;
- ii. To strengthen curriculum implementation in learning institutions;
- iii. To strengthen teacher competencies and promote positive conduct;
- iv. To improve operational excellence;
- v. To strengthen research and innovation;
- vi. To improve the human resource capacity;
- vii. To increase financial resources;
- viii. To enhance employee motivation, welfare, and wellness;
- ix. To promote partnership and collaboration with key stakeholders;
- x. To strengthen corporate governance of the Commission.

The expenditure for the year was geared towards realization of the aforementioned strategic objective. The implemented programmes are tabulated against actual achievements as presented in the table 1 below.

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Table 1: Programme performance

Program	Strategic Objective	Outcome	Output	Output indicator	Achievement for the FY 2024/2025			Cumulative Achievement by end of FY 2024/2025			Remarks
					Target	Actual	Variance	Target	Actual	Variance	
Teacher Resource Management	To improve equity and efficiency in utilization of the teaching resource	Improved Quality of Education	Teaching services	Number of teachers recruited	46,000	46,000	-	46,000	46,000	0	Target Achieved
				Number of teachers trained on Remote Learning Methodologies	50,000	50,000	-	73,000	108,727	35,727	Target Achieved
				Number of Master Trainers and TOTs trained on Teacher Induction Mentorship and Coaching (TIMEC)	1,700	1,775	75.00	1,700	1,775	75	Target Achieved
				Number of newly recruited teachers and interns inducted on TIMEC	23,374	23,374	-	23,374	23,374	0	Target Achieved
				Number of Intern teachers recruited	20,000	20,000	-	20,000	20,000	0	Target Achieved
				Number of tutors trained	67	67	-	134	274	140	Target Achieved
				Number of tutors recruited	100	100	-	100	100	0	Target Achieved

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Program	Strategic Objective	Outcome	Output	Output indicator	Achievement for the FY 2024/2025			Cumulative Achievement by end of FY 2024/2025			Remarks
					Target	Actual	Variance	Target	Actual	Variance	
Governance and Standards	To improve quality of teaching services in public basic learning education institutions.	Quality Learning	Teaching services	Percentage of Teachers appraised on TPAD	100%	96.36%	(3.64%)	100%	94%	(6%)	Newly recruited teachers not on the system
				Percentage of PC implementations by learning institutions	100%	100%	-	100%	100%	0%	Target Achieved
				Number of field officers sensitized on the revised TPAD	100	108	8.00	1,300	1,285	(15)	Target Achieved
				Percentage of schools assessed on TPAD and PC implementation	100%	100%	-	100%	100%	-	Target Achieved
				Number of field officers trained on management of discipline cases	150	188	38	250	525	275	Target Achieved
				Number of heads of institutions & BOMs trained on Management of discipline cases	6,000	46,991	40,991	12,000	67,364	55,364	The target was fully achieved through Smart Cascade model

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Program	Strategic Objective	Outcome	Output	Output indicator	Achievement for the FY 2024/2025			Cumulative Achievement by end of FY 2024/2025			Remarks
					Target	Actual	Variance	Target	Actual	Variance	
				Number of teachers trained in Competency Based Curriculum	70,000	70,000	-	160,000	160,000	-	Target Achieved
General Administration, Planning and Support Services	To improve responsiveness to customer and stakeholder concerns	Better Access to Services by all Stakeholders	Administrative Services								
				Number of secretariat staff trained	300	2100	1,800	750	2550	1,800	Target Achieved
				Number of Policies Reviewed	2	2	-	4	2	(2)	2 policies awaiting board approval
				Percentage completion of Code of Regulation for Teachers (CORT)	100%	25%	(75%)	100%	25%	(75%)	The process started with gaps analysis which has been concluded; The drafting of the CORT will start in the FY 2025/2026.
				Number of computers/ Laptops procured	200	83	(117)	400	146	(254)	

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Program	Strategic Objective	Outcome	Output	Output indicator	Achievement for the FY 2024/2025			Cumulative Achievement by end of FY 2024/2025			Remarks
					Target	Actual	Variance	Target	Actual	Variance	
				Number of databases integrated	1	2	1.00	2	3	1	Target achieved
				Number of employee records digitized	30000	44794	14,794	130,000	90,075	(39,925)	Ongoing digitization
				Number of Field offices on Local Area Network (LAN)	24	0	(24)	37	13	(24)	The tender was not responsive
				No of systems centralized in the data warehouse	1	0	(1)	1	0	(1)	Specification for data warehouse developed.
			Financial Services	Number of quarterly reports	4	4	-	4	4	0	Target achieved

## **8. Governance Statement**

### **8.1 Leadership and Governance Structure**

The Teachers Service Commission (TSC) is established under Article 237(1) of the Constitution of Kenya (2010) as an independent constitutional Commission. The Commission is mandated to; register trained teacher; recruit and employ registered teachers; assign teachers employed by the Commission for service in any public school or institution; promote and transfer teachers; exercise disciplinary control over teachers; and terminate the employment of teachers; review the standards of education and training of persons entering the teaching service; review the demand for and the supply of teachers; and advise the national government on matters relating to the teaching profession.

**Composition and Appointment:** The Commission comprises of the Commission Chairperson and eight other Members of the Commission appointed by the President with the approval of the National Assembly. 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.

**Tenure:** 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.

**Secretariat:** There is a secretariat headed by the Commission Secretary/Chief Executive Officer. The secretariat comprises of 10 Directorates headed by Directors being: Directorate of Operations, Administrative Services, Finance & Accounts, Staffing, Human Resources Management & Development, Teacher Discipline Management, Teacher Professional Management, ICT, Internal Audit, Legal Labour & Industrial Relations.

### **Functions of the Commission**

The key functions of the Commission are spelt under **Article 237 (2) of the Constitution** include: Registering trained teachers; Recruiting and employing registered teachers; Assigning teachers employed by the Commission to public schools and institutions; Promoting and transferring teachers; Exercising disciplinary control over teachers; and terminating the employment of teachers.

Further, and pursuant to **Article 237(3)**, the Commission is mandated to: Review the standards of education and training of persons entering the teaching service; Review the demand for and the supply of teachers; and Advice the national government on matters relating to the teaching profession.

### **Induction and Capacity Building**

Upon appointment, and in order to orient the members to the Commission's strategies, policies, procedures and operations, the members of the Commission undergo formal induction and other capacity building programmes on the Commission's mandate, constitutional requirements, public service values, and governance responsibilities.

### **Conflict of Interest**

The Chairperson, members of the Commission and the CEO are required to declare personal interests in accordance with the Leadership and Integrity Act. The Commission has put in place guidelines and procedures to manage aspects of conflicts of interest as contemplated under the law.

## **8.2 Committees of the Commission**

Each of these Committees comprise of at least three Commissioners. The Commission Secretary is the secretary in the Committees. The Commission's board has established Board committees as follows: Audit Committee, Strategy and Innovation Committee, Human Resource Committee, Field Service Committee and the Finance Committee.

### **a) Audit Committee**

The Commission has a functional Audit Committee established pursuant to the Public Finance Management Act and the Regulations made thereunder. It comprises of; two independent members, appointed from outside the Commission one of whom is the chairperson, one Commissioner and one representative from the National Treasury. The Director Audit is the secretary to the Committee. Its major role includes to: -

- i) Evaluating whether processes are in place to address key roles and responsibilities in relation to risk management.
- ii) Evaluating the adequacy of the control environment to provide reasonable assurance that the systems of internal control are of a high standard and functioning as intended.
- iii) Performing an independent review of the financial statements to ensure the integrity and transparency of the financial reporting process.
- iv) Review the effectiveness of the Commission's performance information and compliance with the performance management framework and performance reporting requirements.
- v) Evaluating the quality of the Internal Audit function, particularly in the areas of planning, monitoring and reporting.
- vi) Engaging with external audit and assessing the adequacy of management responses to issues identified by audit.
- vii) Reviewing the effectiveness of how the Commission monitors compliance with relevant legislative and regulatory requirements and promotes a culture committed to lawful and ethical behavior.

The Public Finance Management Act, 2012 and Public Finance Management Regulation, 2015 requires that the Audit Committee holds at least one meeting per Quarter. This results to at least four (4) meetings per year.

During the year, the Audit Committee held a total of 6 meetings between 1st July 2024 and 30th June 2025.

### **b) Strategy and innovation committee**

- i. Provide advice to the Board on the development and implementation of strategic initiatives, policies and innovative reforms for effective service delivery;
- ii. Review and recommend to the Board proposals on strategic reforms to be incorporated in the performance management framework;
- iii. Recommend to the Board strategies to enhance the visibility and effectiveness of the Commission;
- iv. Monitor the implementation of the TSC Strategic Plan and advise the Board;
- v. Evaluate periodic reports and proposals on service delivery process re-engineering an innovation and make recommendations to the Board;
- vi. Review the progress of cross cutting projects and advise the Board

**c) Human Resource Committee**

- i. Review and recommend to the Board the appropriate organization structure and staff establishment necessary to enable the Commission execute its mandate.
- ii. Consider and recommend to the Board the formulation and/or review of the Human Resource Management policies in the Commission;
- iii. Review and recommend to the Board appropriate terms and conditions of service for employees;
- iv. Consider quarterly reports on the implementation of the HRM function and report to the Board;

**d) Field Service Committee:**

- i. Identify and recommend to the Board stakeholders and partners to be engaged in the implementation of the Commission's mandate;
- ii. Consider quarterly reports on the management of decentralized functions and services and report to the Board;
- iii. Consider bi-annual reports on the status of legal/court cases in the Commission and report to the Board;
- iv. Recommend to the Board the formulation and/or review of policies and to enhance teacher professionalism, conduct and performance and decentralized functions;
- v. Handle any other matter related to field services as directed by the Board.

**e) Finance Committee:**

- i. Recommend to the Board financial management policies, procedures and strategies aimed at maintaining the financial position and integrity of the Commission;
- ii. Recommend to the Board the approval of the Commission's annual budget, procurement plans and medium-term plans of the Vision 2030;
- iii. Review and recommend to the Board appropriate resource mobilization strategies;
- iv. Consider periodic reports on the Commission's performances against strategic objectives and approved budgets and report to the Board;
- v. Recommend to the Board the approval of the annual financial statements of the Commission;
- vi. Undertake project appraisal and make appropriate recommendations to the Board;
- vii. Handle any other matter related to finance as directed by the Commission.

**8.3 Risk Management Policies**

The TSC has adopted a **Risk Management Framework** that identifies, evaluates, and mitigates institutional risks. The key pillars include: -

- i. A Risk Management Policy aligned with ISO 31000 standards;
- ii. Risk registers for directorates and divisions;
- iii. Periodic risk assessments and scenario analysis;
- iv. Integration of risk management in planning and performance management;
- v. Assignment of risk ownership to heads of directorates and units.

The Commission has also implemented compliance checks to mitigate operational, reputational, and strategic risks.

### **8.4 Training and Development on Governance**

During the reporting period, TSC facilitated various capacity-building activities aimed at enhancing governance: - Commissioners and Senior management attend trainings on corporate governance, ethical leadership, and strategic management; Internal workshops were held on Data protection, Risk management, Public Financial Management, and Public Procurement Laws.



*Top: Delegates pose for a photo during the ELRASE II symposium held at UoN between 16th to 17th September 2024*

*Bottom left: Corporate Affairs Officer Ms. Pauline Kamau serving a client at the TSC booth during the ELRASE II symposium.*

*Bottom right: Her Ladyship Martha K. Koome giving her remarks during the ELRASE II symposium*

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**8.5 Public Participation Activities**

In adherence to Article 10 of the Constitution, the Commission conducted multiple public engagement exercises, including: Public hearings and feedback sessions during the development of the 2023–2027 Strategic Plan; Stakeholder forums on collection of views during the development of the Teacher Service Commission (Amendment) Bill.



*Commission Staff led by TSC Chair Dr. Jamleck Muturi, John participate in the 21<sup>st</sup> annual KEPSHA conference held in Mombasa between 4th to 8th November 2024*

**8.6 Compliance with Laws and Regulations**

The Commission complies with constitutional, statutory, and regulatory requirements including: The Constitution of Kenya, 2010; Teachers Service Commission Act, 2012; Public Finance Management Act, 2012; Public Procurement and Asset Disposal Act, 2015; Leadership and Integrity Act, 2012; and Data Protection Act, 2019.

Internal and external audits are conducted regularly, and the Commission has implemented mechanisms for monitoring compliance, including: Internal audit reviews; Performance contracting; Quarterly compliance reports; and Engagements with oversight institutions like the Auditor General, and Parliament.

**9. Management Discussion and Analysis**

This section gives an overview of Commission operational and financial performance for the period between 1<sup>st</sup> July 2020 to 30<sup>th</sup> June, 2025. It covers key Programs/projects or investment decisions implemented or ongoing; compliance with statutory requirements; Major risks facing the Commission; Material arrears in statutory and other financial obligations; a review of the economy and sector; and Future developments earmarked in the 2023-2027 strategic plan.

**9.1 TSC Programmes & Projects Implemented or On-going.**

The 2024/2025 report is prepared when the Commission is in the second year of the implementation of the 2023-2027 TSC Strategic Plan which is a roadmap for implementation of Commission’s mandate and a basis for resource allocation. The commission Programme objectives and priority targets are aligned to the three Strategic Focus Areas namely: Quality Teaching Service & Curriculum Implementation, Service Delivery Re-engineering & Innovation and Institutional Capacity & Corporate Governance. At the same time, strategic objectives and targets are redefined to address national education goals and emerging national priorities that include the shift towards a Competency Based Education and realization of 100 percent transition from primary to secondary school.

During the period, the commission also implemented SEQIP project with an allocation of kshs.2.3billion which commenced in December 2017 and completed in December 2024. Key achievement for the project include: institutionalization of the School Based Teacher Support System (SBTSS) and livestreaming of lessons in more than 200 schools. The KPEEL program was allocated kshs.1.1billion to undertake remote learning methodologies and implementation of TIMEC programme. In addition, the commission initiated and completed construction of 2 County offices at Machakos and Kilifi which will Enhance decentralization of services

During the last five years the Commission utilized Kshs.1.454 trillion to implement the following focus areas as shown in the table below:

**Trend in Total Expenditure by Programme from FY 2020/21 to 2024/25**

STRATEGIC GOALS	2020/21 Kshs (millions)	2021/22 Kshs (millions)	2022/23 Kshs (millions)	2023/24 Kshs (millions)	2024/25 Kshs (millions)	Total Kshs (millions)
Quality Teaching Service and Curriculum Implementation	267,852	283,072	290,464	331,392	363,330	1,416,410
Institutional Capacity and Corporate Governance	6,707	7,155	6,284	7,550	7,858	34,124
Service Delivery Re-Engineering and Innovation	259	284	218	159	57	
<b>Total Expenditure for Vote 2091 Teachers Service Commission</b>	<b>274,818</b>	<b>290,511</b>	<b>296,966</b>	<b>339,101</b>	<b>371,244</b>	<b>1,450,534</b>

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*Teachers Service Commission – Machakos County Office*



*Teachers Service Commission – Kilifi County Office*

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**a) Teacher Resource Management**

A total of 76,000 additional teachers were recruited on permanent and pensionable terms and 84,000 intern teachers have been recruited between FY 2021/22 and FY2024/25 bringing the total to over 430,000 teachers in service. Further, an Internship policy framework was established and rolled out to guide on internship programs for teachers.

Under this Pillar, Kshs 1.41trillion of the budget was utilized over the last five years for compensation of employees, promotion of teachers, recruitment of teachers on permanent and pensionable term and teacher interns. The summary of teachers recruited is presented in table 1 and 2 below.

<b>Table 1: TEACHERS RECRUITED FROM 2020/21-2024/25</b>			
<b>YEAR</b>	<b>INSTITUTIONS</b>		
	<b>PRIMARY</b>	<b>POST-PRIMARY</b>	<b>TOTAL</b>
2020/21	-	-	-
2021/22	-	5,000	5,000
2022/23	2,000	13,000	15,000
2023/24	-	-	-
2024/25	6,000	50,000	56,000
<b>Total</b>	<b>8,000</b>	<b>68,000</b>	<b>76,000</b>

<b>Table 2: TEACHER INTERNS RECRUITED FROM 2020/21-2024/25</b>			
<b>FY</b>	<b>INSTITUTIONS</b>		
	<b>PRIMARY</b>	<b>POST-PRIMARY</b>	<b>TOTAL</b>
2020/21	4,000	8,000	12,000
2021/22	2,000	4,000	6,000
2022/23	4,000	22,000	26,000
2023/24	2,000	18,000	20,000
2024/25		20,000	20,000
<b>Total</b>	<b>12,000</b>	<b>72,000</b>	<b>84,000</b>

Under the same pillar, the Commission sought to reduce the teacher shortage at the basic education learning institutions and to improve equity and efficiency in the utilization of the teaching resource. Activities undertaken included, teacher performance management, dispensation of discipline cases, teacher induction, mentoring and coaching (TIMEC) and capacity building of teachers. Other activities included SEQIP and KPEELP.

During the FY 2024/25, a policy on teacher staffing norm to address the staffing needs under the new CBE curriculum and a policy on teacher export was developed. Currently, a portal to help interested teachers to apply for international opportunities is in place.

**b) Maintenance of Teaching Standards and Performance Management**

Under this area, the aim was to enhance teacher professional knowledge and effective curriculum implementation. Milestones achieved during the period were: all the schools implemented the performance Contract, 100% teachers appraised on TPAD, 1,285 field officers were sensitized on TPAD, 10,224 teachers were trained on revised PC and TPAD, 108,727 teachers were trained on remote learning methodologies and another 60,000 newly recruited teachers were retooled on CBC.

**c) Teacher Induction, Mentorship, and Coaching (TIMEC)**

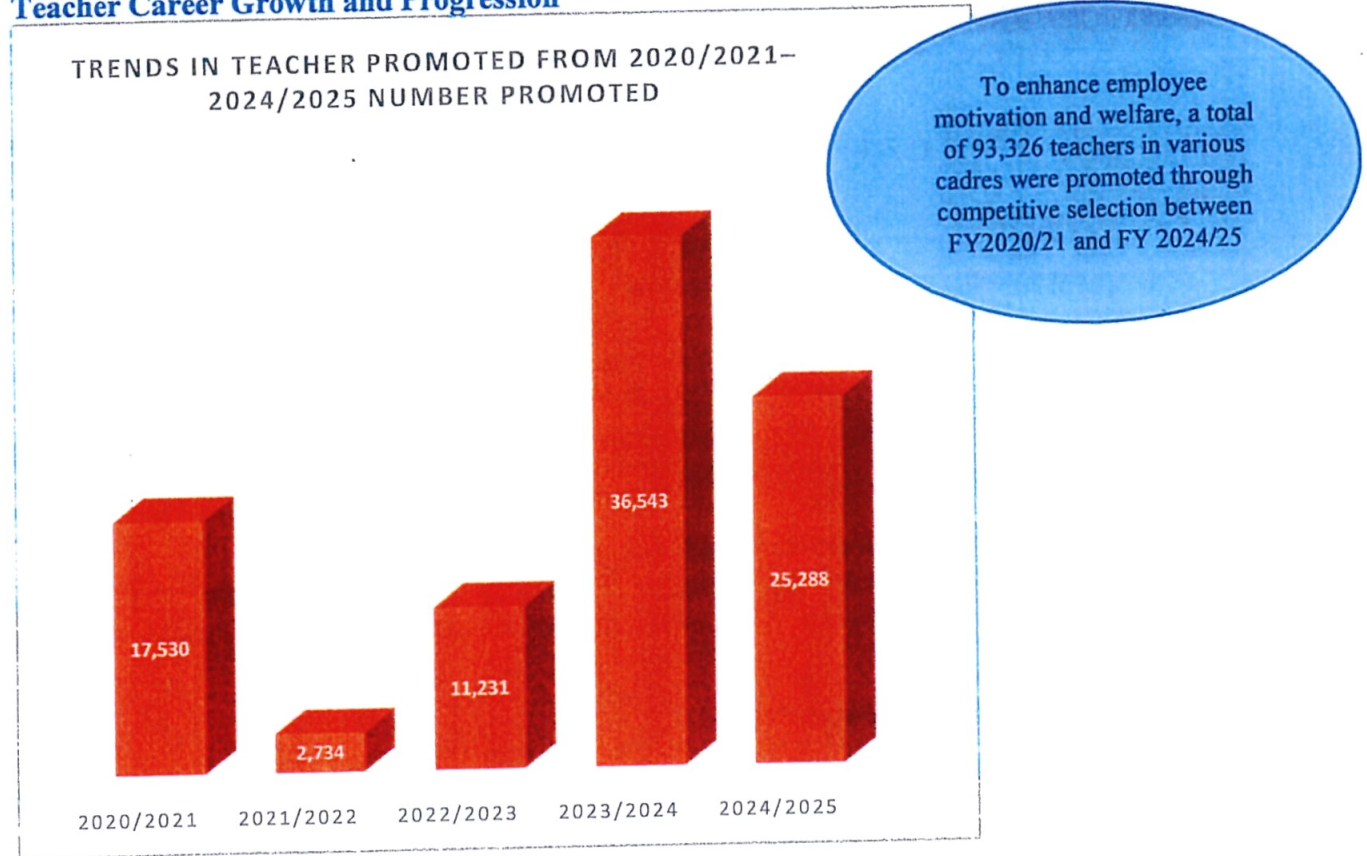
The Commission continued with implementation of TIMEC programmes geared towards institutionalization of coaching and mentorship for both teachers and secretariat staff. This is done by linking newly recruited and newly deployed employees to gain skills, knowledge, attitudes and competencies from experienced employees. This is aimed at creating a platform for transfer of skills, attitudes and competencies for enhancing human resource capacity and productivity.

During the FY 2024/25, a total of 1,775 Field officers and teachers were trained as TOTs on TIMEC. During the Monitoring of the TIMEC implementation, a total of 23,374 newly recruited teachers/ Interns, newly appointed Heads of Institutions and teachers who have undergone disciplinary process were Inducted. This was in addition to 46,991 heads of institutions and board of management (BOMs) trained in management of teacher discipline sensitized.

**d) Competency Based Curriculum**

Following the Competency based Curriculum (CBC) roll-out, the Commission has continuously and progressively trained teachers to equip them with the requisite pedagogical knowledge, skills, attitude and values for successful implementation of the new curriculum. Consequently, 226,326 teachers in primary schools handling CBC classes were trained in FY 2020/2021. In FY 2021/2022 an additional 148,819 teachers drawn from Secondary schools, TTCs and Heads of Institutions were trained. Further, in FY 2022/2023 a total of 75,290 teachers were trained for actualization of Junior School (JS). During the 2023/2024 period, a total of 56,000 teachers were retooled on CBC. In FY 2024/25, 60,000 JS teachers were retooled.

### Teacher Career Growth and Progression



### 9.2 Commission’s Compliance with Statutory Requirements

The Commission complies with constitutional, statutory, and regulatory requirements including: The Constitution of Kenya, 2010; Teachers Service Commission Act, 2012; Public Finance Management Act, 2012; and Public Procurement and Asset Disposal Act, 2015.

During the year under review, the employee Statutory deduction (PAYE, NSSF, SHIF, NITA and Housing levy) were remitted to relevant institutions on time. Monthly and annual returns were Filed and the financial statements prepared and submitted as required by law.

### 9.3 Major Risks Facing the Commission

The Commission has established robust governance structures, internal controls, and risk management processes to support the achievement of its mandate. Oversight is provided by the Board through the Audit Committee, ensuring independent assurance on the effectiveness of governance and risk practices. The Commission adopted a proactive approach to risk, focusing on minimizing uncertainties and safeguarding assets, employees, and stakeholders. The Board has established the right tone at the top regarding risk culture by communicating and fostering risk-based strategic planning, performance management, and decision-making. Risk management has been incorporated into management processes as part of the overall framework to promote continuous improvement. The existing Risk Management Policy provides a framework for identifying, assessing, and mitigating risks to achieve both strategic and operational goals.

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**Major Risk Matrix Table**

	<b>Risk</b>	<b>Mitigation</b>
1.	<b>Teacher shortage</b>	i) Additional funds to facilitate the recruitment of additional teachers. ii) Retooling of teachers. iii) Prompt replacement of teachers who have exited. iv) Adoption of an alternative mode of curriculum delivery.
2.	<b>Business Continuity</b>	i) Automation of key processes. ii) Digitization of physical files. iii) Decentralization of services.
3.	<b>Budget constraints</b>	Rationalization and reallocation of the budget based on priority targets of the Commission.
4.	<b>Data Governance</b>	Implementation of the Data Management, Classification and Protection policy.

**9.4 Material arrears in statutory and other financial obligations**

The Commission has timely remitted all statutory deductions to the respective entities by the 29<sup>th</sup> day of every month. There were therefore no material arrears in statutory and other financial obligations as at 30<sup>th</sup> June, 2025.

**9.5 Review of the economy and sector**

This section echoes the assumptions made in The National Treasury Circular No. 8/2023 on Guidelines for the preparation of 2024/25 and Medium-Term Budget and borrows heavily from 2025 Budget Policy Statement.

The Kenyan economy has remained resilient despite the challenging domestic and external environment. The focused interventions and structural reforms of the Government under BETA have stabilized the economy and supported economic recovery to 5.6 percent in 2023 from 4.9 percent in 2022 following a strong rebound in agriculture after two years of severe drought. Additionally, macroeconomic fundamentals have strongly rebounded and are projected to continue to strengthen and remain stable. Economic growth is estimated to have slowed down to 4.6 percent in 2024 from a growth of 5.6 percent in 2023 reflecting deceleration of economic activities in the first three quarters of 2024 and the slowdown in private sector credit growth to key sectors of the economy.

Budget implementation in the first quarter of the FY 2024/25 was impeded by: protests that led to a slowdown of economic activities; the withdrawal of Finance Bill 2024 that was expected to raise an additional revenue amounting to Ksh 344.3 billion; and the implementation of the Collective Bargaining Agreements has continued to put pressure on the expenditures. Revenue shortfalls and emerging expenditures pressures is affecting our ability to execute the FY 2024/25 budget in a timely manner leading to cash flow challenges and associated build-up in unpaid bills.

The Commission priorities were aligned to Education Sector policies, programs and projects outlined in the National Education Sector Strategic Plan 2023-2027; the Kenya Vision 2030; MTP IV; Bottom-up Economic Transformation Agenda (BETA); and other government development priorities. The Competency Based Curriculum and Competency Based Education and Training will continue being rolled out from the current Grade eight up to TVET and University levels as the country transitions from 8-4-4 to the 2-6-3-3-3 systems of education. This requires substantial investment in infrastructure, Human resource, capacity development and equipment to ensure access to quality education.

**9.6 Future Developments**

Moving forward in the next three years, the Commission propose to undertake a number of programmes and project. These include: recruitment of 60,000 teacher interns and 67,122 teachers on P&P; retooling of 180,000 teachers on CBE; competitively promote 60,000 teachers; 100% dispensation and review of the registered discipline cases; decentralization of key processes to the field offices; construction of 3 additional county offices and continue with the digitization of records.

## **10. Environmental and Sustainability Reporting**

In the fulfilment of the commission Mandate, key strategies have been aligned to Education for Sustainable Development Policy for the Education Sector (2017) and Sustainable Development Goals (SDGs) of 2015. This include The SDG 3: Good health and well-being SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 8: (Decent work and Economic growth), SDG 16: (Peace, Justice, and Strong Institutions) and SDG 17: (Partnership for the goals). The strategies have been mainstreamed in commission's strategic awareness creation and capacity building programmes.

### **10.1 Sustainability strategy and profile**

The Sustainability strategy provides for the development and implementation of business continuity management systems to safeguard against adverse effects of any unforeseen disruptions. Key strategies undertaken include, automation of key processes, Digitization of physical files and Decentralization of services. The Commission has also developed a Business Continuity and Disaster Recovery Plan. To this end, the commission Policies have been reviewed to incorporate key themes of sustainable development such as human rights, innovation, health and environmental protection and climate change.

### **10.2 Environmental Performance/Climate Change/Mitigation of Natural Disasters**

In FY 2023/2024, the Commission implemented a tree planting initiative dubbed 'JazaMiti', which is a Presidential directive aimed at planting 15 billion trees. To aid in this initiative and document the tree planting activities, it was reported that the MoE, CC & ICT have come up with a "JazaMiti" App available on Google Play Store and Appstore. During the FY 2024/25, the Commission partnered with National Bank in an Environmental Sustainability activity of tree-planting at Bidii Primary School, Nairobi, on 4<sup>th</sup> October 2024. The collaboration contributed to national efforts on environmental conservation under the Greening Kenya Initiative.

Additionally, 25<sup>th</sup> May 2025, the Commission conducted its annual clean-up exercise which was undertaken by TSC staff in collaboration with staff from the Nairobi County Government. The clean-up, is part of the Commission's Corporate Social Responsibility (CSR) efforts, reaffirming the Commission's commitment to environmental stewardship and community service.



*TSC Staff led by Deputy Director Administrative Services Boniface Okumu join hands with staff from National Bank of Kenya to plant trees at Bidii Primary school*

### **10.3 Employee welfare**

Teachers service Commission is bound by the national values and principles of governance as stipulated in Article 10 of the Constitution which include Human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalised.

The Commission is therefore committed to establishing and strengthening an organizational culture where all employees feel valued and recognized for their work. To achieve this, effective Human Resource Management policies incorporating all relevant provisions and guidelines that are applicable in the management of Human Resource issues have been developed. These policies include: - Policy on Teacher Recruitment and Selection (2022), policy on mentorship and coaching in the teaching service (2020), Performance Recognition Rewards Sanctions Policy for Teachers (2018), Policy on Appointment and Deployment of Institutional Administrators (2017); Policy on Customer Service Information Management (2018), Human Resource Policies and Procedures Manual for the Secretariat staff (2018), Policy on Employee Wellbeing (2018), Integrity Policy (2019) and Policy on Safety and Compliance with Occupational Safety and Health Act of 2007, (OSHA)

TSC undertakes skill and training need assessment to identify areas of improvement, developing new skills, and strategically planning for training programmes. Further, the The Commission operates

under the broader framework of the National Occupational Safety and Health (OSH) Policy and the Occupational Safety and Health Act, 2007, which applies to all workplaces.

#### **10.4 Operational practices**

The Commission has put in place the following business practices to ensure good supplier relationship management;

- (i) Establishment of efficient communication channels to facilitate collaboration and enhance feedback to stakeholders.
- (ii) Timely processing of payments within the terms and conditions of the contract.
- (iii) Effective contract management through monitoring and evaluation to ensure value for money.
- (iv) Proper disposal of waste through use of E-waste mechanisms as provided by NEMA.
- (v) Become a "Customer of Choice": Treat suppliers as partners. Create an environment where suppliers prefer working with the Commission due to fair practices and mutual benefits
- (vi) Sensitizing the Preference and Reservation groups (Youth, Women and Persons with Disability) on the access to government opportunities.
- (vii) Undertaking Procurement processes that are transparent, fair, competitive, cost effective while ensuring equity.

#### **10.5 Community / Stakeholder Engagements**

The Commission is committed to engaging with its various stakeholders in handling of matters in the teaching profession. This has borne fruits of industrial harmony and increased understanding of policies and processes.

The following are activities that were undertaken by Corporate Affairs during the 2024/2025 FY;

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

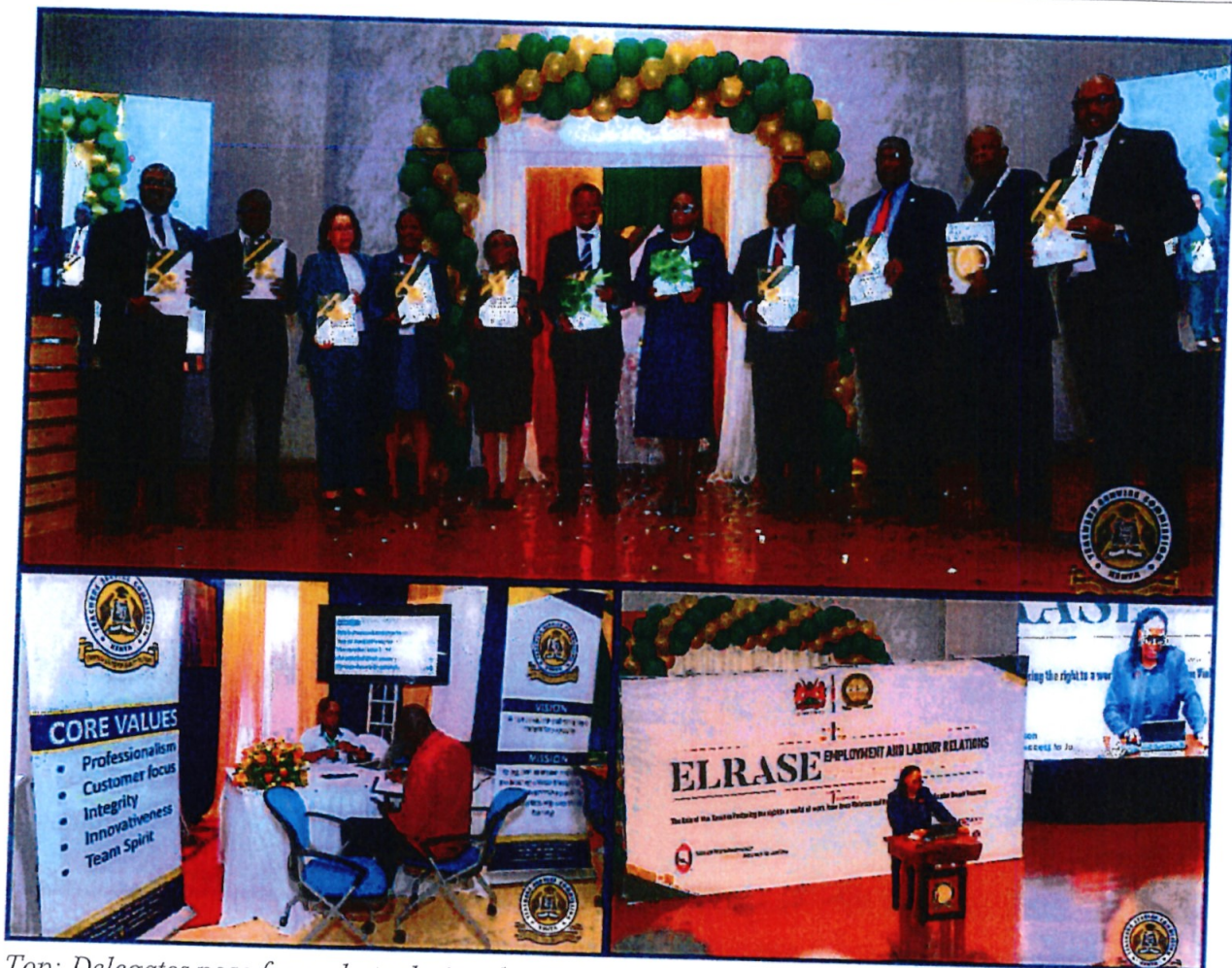
Kenya hosted the International Confederation of Principals Convention from 19th to 22nd August 2024 at PrideInn Paradise Beach Resort, Mombasa. The event, organised by KESSHA, brought together global education leaders under the theme "Future Pathways for Learners and Learning."



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

**b) Employment and Labour Relations Annual Symposium and Exhibition (ELRASE)**

TSC participated in the Employment & Labour Relations Annual Symposium and Exhibition organized by the Kenya Judiciary at the University of Nairobi's Chandaria Auditorium on 16th to 17th September 2024. The event, themed "The Role of the Employment and Labour Relations Court in Fostering the Right to a World of Work Free from Violence and Harassment," was officially opened by Chief Justice Martha K. Koome. During her visit, the Chief Justice toured the TSC stand, where she interacted with Commission staff and members of the public.



Top: Delegates pose for a photo during the ELRASE II symposium held at UoN between 16th to 17th September 2024

Bottom left: Corporate Affairs Officer Ms. Pauline Kamau serving a client at the TSC booth during the ELRASE II symposium.

Bottom right: Her Ladyship Martha K. Koome giving her remarks during the ELRASE II symposium

**c) Stakeholder engagement with teacher unions on Collective Bargaining Agreement (CBA)**

The Commission held a strategic consultative meeting on 21st August 2024 at the Kenya School of Government, Lower Kabete. The forum brought together teacher unions including the Kenya National Union of Teachers (KNUT), the Kenya Union of Post Primary Education Teachers (KUPPET), and the Kenya Union of Special Needs Education Teachers (KUSNET) to discuss the final phase of the 2021–2025 Collective Bargaining Agreement (CBA), review key institutional priorities, and strengthen industrial harmony. The forum provided an opportunity for open dialogue on policy direction, union concerns, and collaborative solutions in the education sector.



*TSC Commissioners and senior management hold talks with teacher unions to discuss final phase of 2021-2025 CBA*

**d) 21st KEPSHA annual conference**

The Commission participated in the 21st Kenya Primary School Heads Association (KEPSHA) Annual Conference held from 4th to 8th November 2024 at the Sheikh Ali Zayed Children's Home in Mombasa. The Commission Secretary, Dr. Nancy Macharia, addressed school heads on emerging policies and teacher management reforms. The five-day event, themed "Transformative Leadership in the Digital Transition for Inclusive and Sustainable Quality Basic Education in Kenya", brought together key education stakeholders. The forum celebrated over 20 years of leadership in primary education and provided a platform to reflect on the sector's digital transformation and inclusive practices.

**e) 48th KESSHA annual conference**

The Commission participated in the 48<sup>th</sup> Kenya Secondary School Heads Association (KESSHA) Annual National Conference held from 23rd to 27th June 2025 at Sheikh Khalifa Bin Zayed Secondary School in Mombasa. The theme of the conference was "Embracing Pathways in Senior School Education under the Competency-Based Education (CBE)". The forum offered the Commission an opportunity to share key information on its policies, regulations, and mandates, while also empowering school heads.



Commission Staff led by TSC Chair Dr. Jamleck Muturi, John and other delegates participate in the 48th KESSHA annual conference held in Mombasa between 23rd to 27th June 2025

**f) Association of African Public Service Commissions (AAPSCOMS) assembly**

The Commission participated in the 6th Elective General Assembly and Conference of the Association of African Public Service Commissions (AAPSCOMS) held from 6th to 8th November 2024 at Safari Park Hotel, Nairobi. Themed “Driving Public Service Delivery Transformation through Innovation and Technology,” the event brought together Constitutional Commissions and Independent Offices from across Africa.



*Commission Staff led by TSC Chair Dr. Jamleck Muturi, John and other delegates participate in the 6th Elective General Assembly and Conference of the Association of African Public Service Commissions (AAPSCOMS) held from 6th to 8th November 2024 at Safari Park Hotel, Nairobi*

**g) County dialogue on education reforms**

The Commission took part in the launch and conclusion of the County-Based Dialogue Forums on Education Reforms and Learning Outcomes held on 9th March at Machakos County and concluded on 15th March 2025 at St. George's Primary School, Nairobi. The forums brought together key stakeholders to assess the progress, achievements and opportunities in Competency-Based Education (CBE). Discussions also focused on challenges, policy recommendations, and collaborative approaches to improve learning outcomes across the country.



*Teacher Professional Management Director, Dr. Reuben N. Mugwuku represented the Commission during the County-Based Dialogue Forums on Education Reforms and Learning Outcomes held on 9th March at Machakos County and Nairobi County*

**h) Teacher Professional Development (TPD) stakeholder forum**

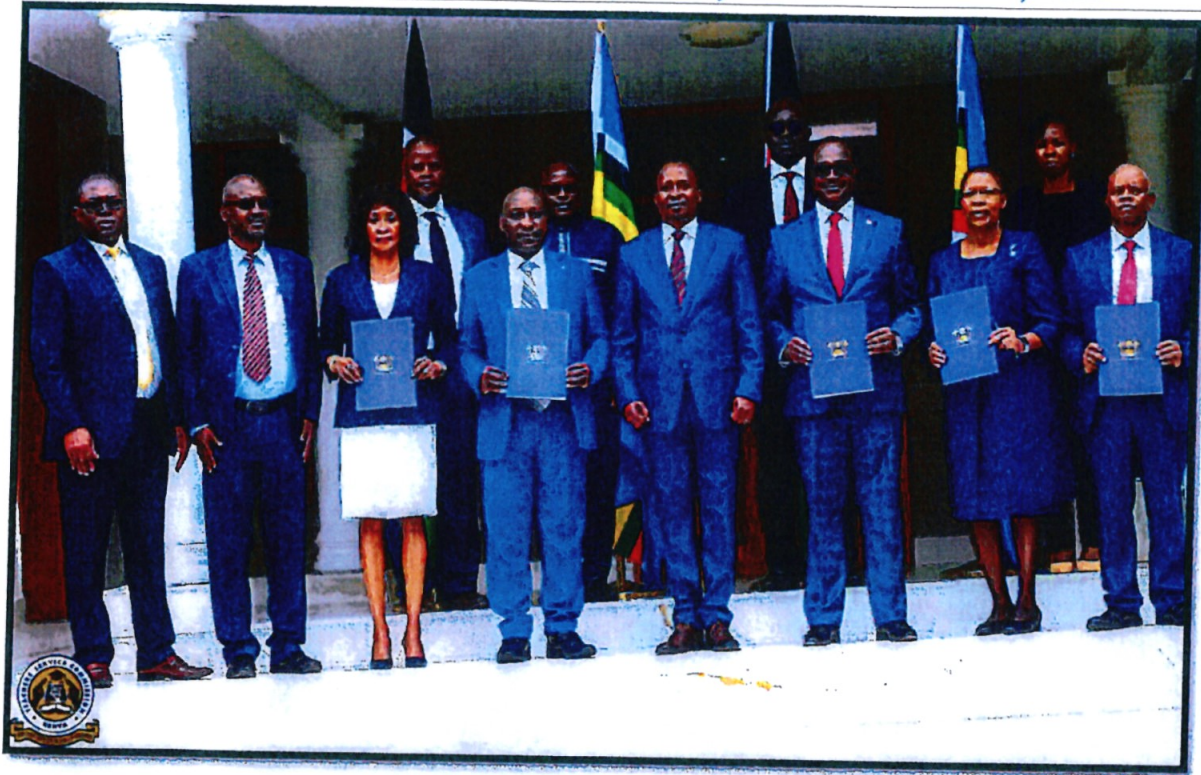
The Commission convened a national stakeholder engagement forum on Teacher Professional Development (TPD) on 8th May 2025 at the Kenya Institute of Special Education (KISE). The event brought together over 200 participants from the education sector to share ideas on enhancing the quality, accessibility and impact of TPD for teachers.



*TSC Commissioners and senior management staff led by TSC Chair Dr. Jamleck Muturi, John and other delegates participate in a stakeholder engagement forum on Teacher Professional Development (TPD) on 8th May 2025 at the Kenya Institute of Special Education (KISE)*

**i) TSC and Ministry of Education sign collaborative framework to strengthen sector coordination**

The Commission participated in a stakeholder engagement hosted by Deputy President Prof. Kithure Kindiki at his official residence in Karen on 15th May 2025. The meeting culminated in the signing of a collaborative framework agreement between the Ministry of Education (MoE) and the Teachers Service Commission (TSC), aimed at harmonizing their constitutional roles for more efficient service delivery. The event brought together Education Cabinet Secretary Julius Ogamba, Attorney General Dorcas Oduor, TSC Chair Dr. Jamleck Muturi John, TSC CEO Dr. Nancy Macharia, and other senior government officials. The agreement outlines key areas of collaboration, communication, and shared responsibility to support the smooth running of the education sector.



*TSC Chair Dr. Jamleck Muturi, CEO Dr. Nancy Macharia and senior staff meet Deputy President Prof. Kithure Kindiki, Education CS Julius Ogamba and other stakeholders on 15th May 2025 in Karen to discuss education reforms.*

#### **j) Benchmarking Visits**

The Commission received four delegations visiting to benchmark on teacher and human resource management best practices and procedures. These included: -

- (i) **South Sudan delegation – a delegation from the Ministry of Education, Republic of South Sudan**, visited the Commission on 12th February 2025. The visit aimed to gain insights into Kenya’s teacher professional development programmes and broader education systems. The engagement provided an opportunity to exchange knowledge and strengthen regional cooperation in education.

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*TSC Commissioners led by TSC Chairman Dr. Jamleck Muturi John and Vice Chair Leila Ali in a group photo with a visiting delegation from the Ministry of General Education and Instruction Republic of South Sudan during a benchmarking study tour to the Commission.*

- (ii) **Republic of Rwanda** – officials from the Ministry of Education, Republic of Rwanda, visited the Commission on 26th March 2025 for a study tour focused on teacher management systems and policy frameworks. The visit enabled sharing of best practices and explored potential areas for collaboration in strengthening education delivery.

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*TSC Commissioners led by TSC Chairman Dr. Jamleck Muturi John and Vice Chair Leila Ali in a group photo with a delegation from the Ministry of Education Rwanda who had sojourned for a benchmarking study tour to the Commission.*

(ii) **Kingdom of Lesotho** - a delegation from the Ministry of Education and Training, Kingdom of Lesotho, visited the Commission on 27<sup>th</sup> March 2025. The purpose of the visit was to learn about the Commission's processes, systems, and best practices in teacher management, and to explore potential areas of collaboration. The engagement fostered mutual learning and strengthened ties between the two institutions.



*TSC Commissioners led by TSC Chairman Dr. Jamleck Muturi John and Vice Chair Leila Ali pose for a group photo with a visiting delegation from the Ministry of Education and Training Kingdom of Lesotho.*

*Teachers Service Commission*

*Annual Report and Financial Statements for the year ended 30<sup>th</sup> June, 2025*

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(iv) **Kenya National Bureau of Statistics (KNBS) visit-** KNBS visited the Commission on Wednesday, 9th October 2024, for a benchmarking exercise on the Commission's Electronic Document Management System (EDMS). The visit focused on key areas including access control, user rights and record security, system compatibility and integration with other platforms, backup procedures, management of records and mails within EDMS, real-time sharing and multi-user access to records, and overall user satisfaction. The engagement deepened understanding of digitization and data handling practices in the education sector.

## **11. 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.

*Teachers Service Commission  
Annual Report and Financial Statements for the year ended 30<sup>th</sup> June, 2025*

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**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.



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**E.J. MITEI (MS)**  
**AG. COMMISSION SECRETARY/CEO**  
**DATE: 17-11-2025**



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**CPA. CHEPTUMO AYABEI, OGW**  
**DIRECTOR (FINANCE & ACCOUNTS)**  
**ICPAK MEMBER NUMBER: 8372**  
**DATE: 17-11-2025**



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

# 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

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.

## 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 nationwide 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.

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

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

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

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


### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

09 December, 2025


Teachers Service Commission  
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13. Statement of Financial Performance for the period ended 30<sup>th</sup> 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:

  
E.J. MITEI (MS)  
AG. COMMISSION SECRETARY  
DATE: 17-11-2025

  
CPA. CHEPTUMO AYABEL, OGW  
DIRECTOR (FINANCE AND ACCOUNTS)  
ICPAK MEMBER NUMBER: 8372  
DATE: 17-11-2025

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


Teachers Service Commission  
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14. Statement of Financial Position as at 30<sup>th</sup> June, 2025

Description	Notes	2024/2025	Opening Statement 1st 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:

  
E.J. MITEI (MS)  
AG. COMMISSION SECRETARY  
DATE: 17-11-2025

  
CPA. CHEPTUMO AYABEL, OGW  
DIRECTOR (FINANCE AND ACCOUNTS)  
ICPAK MEMBER NUMBER: 8372  
DATE: 17-11-2025

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

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

**Statement of Changes in Net Assets for the period ended 30th 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)
<b>As at July 1, 2024</b>	<b>(2,945,275,817)</b>	-	-	<b>(2,945,275,817)</b>
Returns to exchequer	(9,174,955)			(9,174,955)
Surplus/ deficit for the period	(4,385,565,208)	-	-	(4,385,565,208)
<b>As at 30th June, 2025</b>	<b>(7,340,015,980)</b>	-	-	<b>(7,340,015,980)</b>

*\*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.*

<b>BREAKDOWN OF RECOGNITION OF ASSETS AND LIABILITIES</b>	<b>KSHS</b>
Pending bills as at 30th June 2024	3,636,778,277
Pending payables as at 30th June 2024	3,118,573,165
Prepaid expenses as at 30th 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>

**16. Statement of Cash Flows for the period ended 30<sup>th</sup> 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>

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**17. 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	-

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Reconciliation table

	Description of Particulars	Amount in Kshs
	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

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

<b>Programme/Sub-programme</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual Cumulative</b>	<b>Utilization Difference</b>	<b>% age of Utilization Difference</b>
	<b>a</b>	<b>b</b>	<b>c=a+b</b>	<b>d</b>	<b>e=c-d</b>	
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
<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>	

## **18. 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. 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. Judgement 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 *MDAs* 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.

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**3. Adoption of New and Revised Standards**

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

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.*

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

*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. 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 21.697billion on the 2024/25

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budget following the governing body's approval. 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

#### **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.

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

**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

<b>Age</b>	<b>Provision Rate</b>
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. 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.

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

**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.

**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.

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

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

**5. 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

**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.

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Notes to the Financial Statements (Continued)

5. Transfers from the Exchequer

<i>Nature of transfer</i>	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>

6. Rental Revenue from Facilities and Equipment

<i>Description</i>	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*

7. Finance Income

<i>Description</i>	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.*

8. Miscellaneous Incomes

<i>Description</i>	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>

*\* 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*

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Notes to the Financial Statements (Continued)

9. Employee Costs

<i>Description</i>	2024/2025
	Kshs
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>

10. Use of Goods and Services

<i>Description</i>	2024/2025
	Kshs
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>

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Notes to the Financial Statements (Continued)

11. (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>

12. Depreciation and Amortization Expense

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

13. Cash and Cash Equivalents

<i>Description</i>	2024/2025	Opening statement 1st 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>

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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 1st 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>

14. Receivables from Exchange Transactions

<i>Description</i>	<i>2024/2025</i>	<i>Opening statement 1st July 2024</i>
	<b>Kshs</b>	<b>Kshs</b>
<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>

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Notes to the Financial Statements (Continued)

15. 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.*

16. Receivable Deposits and Prepayment

Description	2024/2025	Opening statement 1st 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>

17. Trade and Other Payables

Description	2024/2025	Opening Statement 1st 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*

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Notes to the Financial Statements (Continued)

18. 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>

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19. Property, Plant, and Equipment

	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 30th 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 30th June 2025	-	-	-	159,035	253,710	-	-	412,745
<b>Net Book Values</b>								
As at 30th 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.*

**20. Cash Generated from Operations**

	<b>2024/2025</b>
	<b>Kshs</b>
<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>

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**21. Program for Results (PforR) Disclosure**

Name of PforR: <i>Kenya Primary Education Equity in Learning Program</i>					Name of Financing Partners: <i>International Development Association and Government of Kenya</i>							
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
Sub-programs												
Teaching Standards												
Professionalism 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	114,569,105	3,318,445,745	3,078,339,927	466,894,436	233,478,160
Teacher Capacity Development												
<b>Total</b>	<b>2,472,093,915</b>	<b>2,018,438,424</b>	<b>295,000,000</b>	<b>118,909,055</b>	<b>846,351,830</b>	<b>1,059,901,503</b>	<b>171,894,436</b>	<b>114,569,105</b>	<b>3,318,445,745</b>	<b>3,078,339,927</b>	<b>466,894,436</b>	<b>233,478,160</b>

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**22. Events after the Reporting Period**

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

**23. Ultimate and Holding MDA**

The MDA ultimate parent is the Government of Kenya.

**24. Currency**

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

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**19. 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> <b>Budgetary Control and Performance</b> 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>	The Commission was not provided with adequate funding by the National Treasury for 2023/2024 development budget which resulted in under absorption.		
1.	<p><b>Long Outstanding Accounts Payables</b> The statement of financial assets and financial liabilities reflects accounts payables balance of Kshs.100,593,503 in respect of as disclosed in Note</p>	The amount relates to payroll recoveries on behalf of schools where the teachers		By June 2026

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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>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>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> <p>These payables will now be handled as per policy of long outstanding payables.</p>		
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>	<p>Prior year issues are being addressed by the Commission as per the audit recommendations and are progressively being cleared.</p>		
1.	<p><b>Report on Lawfulness and Effectiveness in the use of Public Resources</b></p>			

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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)
1.1	<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>			
1.2	<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>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 (<b>attached</b>) 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>		

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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>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 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>The Commission is awaiting the approval of the Car and mortgage regulations by the National Assembly to prepare separate fund financial statements.</p>		
2.	<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</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

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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>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>			
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</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 headquarters 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</p>		

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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>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>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</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.</p> <p>Once overpayment is recorded, recovery is progressive through the</p>		

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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>one (1) year. Management indicated that the overpayments had grown over the years due to the previous manual reporting systems that were inefficient. 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>payroll for teachers who are on payroll at 1/3 of the basic salary as per Section 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</p>		

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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)
		of service, retirement, sick leave and absenteeism.		
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.	<b>Pending Teacher Transfer Requests</b>			

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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 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> <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</p>		

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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)
		will help to improve the turnaround time as well as support teachers in getting suitable replacements.		
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 4th December, 2024 requesting removal of the same from the TSC register</p> <p>The Commission through letter Ref: CS/TSC/47A/VOL.VII dated 18th 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> <p>1. The Director of Survey through the letter Ref: CFC/INV/VOL.1/47 dated</p>		

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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)
		15th April, 2025 constituted a team to carry out the land surveys and topographic works and requested a budget facilitation of Kshs. 2,108,800 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		

*E. J. Mitei*

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**E. J. MITEI (MS)**  
**AG. COMMISSION SECRETARY/ CEO**  
 17-11-2025

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**Appendix II: Projects implemented by**

<b>Project title</b>	<b>Project Number</b>	<b>Donor</b>	<b>Period/ duration</b>	<b>Donor commitment (kshs. Million)</b>	<b>Separate donor reporting required as per the donor agreement (Yes/No)</b>	<b>Consolidated in these financial statements (Yes/No)</b>
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**

<b>Project</b>	<b>Total project Cost (kshs. Million)</b>	<b>Total expended to date (kshs. Million)</b>	<b>Completion % to date</b>	<b>Budget (kshs. Million)</b>	<b>Actual (kshs. Million)</b>	<b>Sources of funds</b>
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