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REPUBLIC OF KENYA  
THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT – SECOND SESSION

DEPARTMENTAL COMMITTEE ON LABOUR

REPORT ON:-

CONSIDERATION OF THE STATUS OF BUDGET IMPLEMENTATION FOR THE  
FY 2022/23 FOR MINISTRIES, DEPARTMENTS AND AGENCIES UNDER THE  
COMMITTEE'S PURVIEW

THE NATIONAL ASSEMBLY PAPERS L A I D	
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## CHAIRPERSON'S FOREWORD

The Report on the status of Budget Implementation for the Financial Year 2022/23 for the Ministries Departments and Agencies under the Committee's purview is in fulfilment of Standing Order 216(ba) which provides that the Committee shall on "*a quarterly basis, monitor and report on the implementation of the national budget in respect of its mandate.*" However, the FY 2022/23 was a period of several circumstances which has made fulfilment of the said requirement difficult for instance, there was a general election in August 2023, constitution of new committees and induction of the new committees among others. Therefore, the Committee is reporting on the status of budget implementation for the whole financial year 2022/23.

The Committee met with the State Department for Public Service, the State Department for Labour and Skills Development, the Public Service Commission and the Salaries and Remuneration Commission to receive their written and oral submissions.

The Committee observed that there were low absorption challenges mainly caused by erratic exchequer releases and mid-stream reductions through supplementary estimates which made completion of projects difficult. Further, there was delays in project execution and completion which was further exacerbated by introduction of new projects before the previous are complete. This the Committee observed led to delays in project completion, raised project costs and wastage of resources.

The Committee recommends that budget estimates are realistic and that supplementary estimates are not used to reduce budgetary allocations mid-year. Further, no new projects are introduced until the previous projects are completed to ensure the allocation of funds prudently and reduce waste both in time and resources.

The Committee is grateful to the Offices of the Speaker and the Clerk of the National Assembly for the logistical and technical support accorded to it. I wish to express appreciation to the Honorable Members of the Committee and the Committee Secretariat for their resilience and commitment to duty. May I also on behalf of the Committee thank and appreciate members of the public and stakeholders who submitted their comments on the budget implementation.

On behalf of the Committee and pursuant to provisions of Standing Order 137 (1) and 199 (6), it is my pleasant privilege and honour to present to this House the report of the Committee on its consideration of the Public Service Commission(Amendment) Bill (National Assembly Bill No. 6 of 2023)

**HON. ERIC MUCHANGI KAREMBA, M.P.**  
**CHAIRPERSON, DEPARTMENTAL COMMITTEE ON LABOUR**

## PART I

### 1.0 PREFACE

#### 1.1 Mandate of the Committee

1. The Departmental Committee on Labour of the 13<sup>th</sup> Parliament was constituted on 27<sup>th</sup> October, 2022 and is established under provisions of S.O 216. Standing Order No. 216(5) grants the Committee, amongst other functions to:
  - b) *investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned Ministries and departments;*
  - c) *study the programme and policy objectives of Ministries and departments and the effectiveness of the implementation;*
  - (ba) *on a quarterly basis, monitor and report on the implementation of the national budget in respect of its mandate;*
  - d) *study and review all legislation referred to it;*
  - e) *study, assess and analyze the relative success of the Ministries and departments as measured by the results obtained as compared with their stated objectives;*
  - f) *investigate and inquire into all matters relating to the assigned Ministries and departments as they may deem necessary, and as may be referred to them by the House;*
  - g) *vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order 204 (Committee on Appointments);*
  - (fa) *examine treaties, agreements and conventions;*
  - h) *make reports and recommendations to the House as often as possible, including recommendation of propose legislation;*
  - i) *consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and*
  - j) *examine any questions raised by Members on a matter within its mandate.*
1. Further, the Second Schedule to the Standing Orders mandates the Committee to consider matters relating to labour, human capital and remuneration, trade union relations, and public service.

#### 1.2 Oversight

2. In line with the assigned subject matter, and in executing this mandate, the Committee oversees the following Ministries, Departments, and Agencies (MDAs):
  - i. The State Department for Public Service and its Autonomous and Semi-Autonomous Government Agencies which include;
    - a) Kenya School of Government; and
    - b) Institute of Human Resource Management
  - ii. The State Department for Labour and Skills Development and its Autonomous and Semi-Autonomous Government Agencies which include;
    - a) National Industrial Training Authority (NITA);
    - b) National Productivity and Competitiveness Centre (NPCC);

- c) Kenya National Labour Board and the Wages Council;
  - d) National Employment Authority (NEA);
  - e) Migrant Workers Welfare Fund
  - f) Department of Labour Migration Management;
- iii. Public Service Commission;
  - iv. Salaries and Remuneration Commission;

### 1.3 Committee Composition

3. The Committee was constituted by the House on 27<sup>th</sup> October 2022 and comprises the following Members of Parliament:

#### **Chairperson**

Hon. Eric Muchangi Karemba, MP  
Runyenjes Constituency  
**UDA Party**

#### **Vice-Chairperson**

Hon. Fabian Kyule Muli, MP  
Kangundo Constituency  
**GDDP**

#### **Members**

Hon. James Onyango K'Oyoo, MP  
Muhoroni Constituency  
**ODM Party**

Hon. Richard Kiti Chonga, MP  
Kilifi South Constituency  
**ODM Party**

Hon. George Aladwa Omwera, MP  
Makadara Constituency  
**ODM Party**

Hon. Amina Dika Abdullahi, MP  
Tana River Constituency  
**KANU**

Hon. Patrick Simiyu Barasa, MP  
MP  
Cherangany Constituency  
**DAP-K Party**

Hon. Peter Irungu Kihungi, MP  
Kangema Constituency  
**UDA Party**

Hon. Lilian Chebet Siyoi, MP  
Trans Nzoia County  
**UDA Party**

Hon. Ernest Ogesi Kivai Kagesi, MP  
Vihiga Constituency  
**ANC Party**

Hon. Joseph Samal Lomwa, MP  
Isiolo North Constituency  
**Jubilee Party**

Hon. Catherine Wambiliaga, MP  
Bungoma County  
**FORD-K**

Hon. Dorice Aburi Donya, MP  
Kisii County  
**WDM-K**

Hon. Mangale Munga Chiforomodo,  
Lunga Lunga Constituency  
**UDM Party**

Hon. Leah Sopiato Sankaire, MP  
Kajiado County  
**UDA Party**

**1.4 Committee Secretariat**

4. The Committee has the following technical staff, representing the Office of the Clerk:

**Ms. Rose M. Wanjohi  
Senior Clerk Assistant /Head of Secretariat**

**Mr. Samuel Wanjiru  
Clerk Assistant III**

**Mr. Fredrick Muthengi  
Deputy Director, PBO**

**Ms. Fiona Githunguri  
Legal Counsel II**

**Ms. Wambui Nyachae  
Research Officer III**

**Mr. Timothy C. Tsungulah  
Research Officer III**

**Ms. Zainab Wario  
Serjeant-At-Arms II**

**Ms. Rehema Koech  
Audio Officer III**

**Ms. Rinha Sainey  
Media Relations Officer III**

**Mr. Alex Amwata  
Hansard Officer III**

## PART II

### 2.0 INTRODUCTION

1. The annual budget implementation report by the departmental committee is prepared and presented pursuant to Standing Order 216(ba) that sets as a function of each departmental committee on a quarterly basis to monitor and report on the implementation of the national budget in respect of its mandate.
2. The year under review witnessed several things – transition from one regime of administration to another thereby occasioning executive order on the organization of the government, relaxing of the covid-19 restriction measures, increasing cost of living, increasing global fuel costs and removal of subsidies on petroleum products and reforms in education sector among others
3. The report mainly consists of general Budget performance of the ministries and agencies oversighted by the Departmental Committee on Labour. It focuses on the approved annual budget, releases, and expenditures for the period under review i.e. financial year 2022/23.
4. The objectives are to provide analysis of the funds released to the sector and its absorption against the approved budget. It also tries to establish budget trends of the approved budgets and achievement of the set targets. It is also provides a base for observations and recommendations that can improve future budgetary performance.
5. The Departmental Committee on Labour is assigned the following Ministries, Departments and Agencies (MDAs); the State Department for Labour and Skills Development, the State Department for Public Service, the Public Service Commission (PSC) and the Salaries and Remuneration Commission (SRC). The MDAs assigned to the Departmental Committee on Labour falls within two sectors of the larger Medium Term Expenditure Framework (MTEF) Sector that of the Social Protection, Culture and Recreation as well as the Public Administration and International Relations.
6. During the financial year 2022/23 the approved printed estimates stood at Kshs 2,119.26 billion comprising of Kshs 1,403.9 billion for recurrent expenditure and Kshs 715.35 billion for development expenditure. However, these amounts were revised to Kshs 2,092.98 billion comprising of Kshs 1,509.5 billion and 584.36 billion for recurrent and development expenditure respectively.
7. During the approval of the FY 2022/23 budget estimates in the House, the approved budget for the sector the Social Protection, Culture and Recreation was Kshs. 73.21 billion relating to the subsector that comprised of Kshs 41.67 billion for recurrent expenditure and Kshs. 31.54 billion for development expenditure to the various votes under MTEF Sectors are as indicated in table below.

The MTEF Sector Expenditures printed Estimates in Kshs in Millions in FY 2022/23

Sector		Printed Gross Estimates	Revised Gross Estimates	Actual Expenditure	% Actual Expenditure
<b>2022/23</b>					
Agriculture, Rural & Urban Development	<b>Sub- Total</b>	<b>68.96</b>	94.16	77.41	82.21
	Rec.	27.06	27.55	26.45	96.01
	Dev.	41.90	66.61	50.96	76.51
Energy, Infrastructure & ICT	<b>Sub- Total</b>	<b>407.76</b>	344.13	309.57	89.96
	Rec.	131.01	170.35	152.06	89.26
	Dev.	276.75	173.78	157.51	90.64
General Economic & Commercial Affairs	<b>Sub- Total</b>	<b>26.03</b>	29.08	23.62	81.22
	Rec.	19.08	21.36	18.09	84.69
	Dev.	6.96	7.73	5.53	71.54
Health	<b>Sub- Total</b>	<b>122.52</b>	116.39	110.02	94.53
	Rec.	68.50	72.02	69.79	96.90
	Dev.	54.02	44.37	40.23	90.67
Education	<b>Sub- Total</b>	<b>544.52</b>	567.21	499.6	88.08
	Rec.	515.60	534.05	477.8	89.47
	Dev.	28.92	34.02	21.81	64.11
Governance, Justice, Law & Order	<b>Sub- Total</b>	<b>234.41</b>	240.87	236.59	98.22
	Rec.	224.13	234.06	230.65	98.54
	Dev.	10.28	6.82	5.94	87.10
Public Admin. & International Relations	<b>Sub- Total</b>	<b>356.86</b>	345.33	289.86	83.94
	Rec.	177.98	198.67	173.75	87.46
	Dev.	178.88	146.66	116.11	79.17
National Security	<b>Sub- Total</b>	<b>177.81</b>	176.61	174.84	99.00
	Rec.	174.34	173.24	171.49	98.99
	Dev.	3.47	3.37	3.35	99.41
Social Protection, Culture and Recreation	<b>Sub- Total</b>	<b>73.21</b>	83.57	74.3	88.91
	Rec.	41.67	50.57	48.73	96.36
	Dev.	31.54	33	25.58	77.52
Environment Protection, Water & Nat. Resources	<b>Sub- Total</b>	<b>107.18</b>	95.63	78.3	81.88
	Rec.	24.53	27.63	24.02	86.93
	Dev.	82.65	68	51.97	76.43
Total	<b>Rec.</b>	<b>1,403.90</b>	<b>1,509.50</b>	<b>1,392.83</b>	<b>92.27</b>
	<b>Dev.</b>	<b>715.35</b>	<b>584.36</b>	<b>478.99</b>	<b>81.97</b>

Sector		Printed Gross Estimates	Revised Gross Estimates	Actual Expenditure	% Actual Expenditure
		<b>2022/23</b>			
	<b>Total</b>	<b>2,119.26</b>	<b>2,092.98</b>	<b>1,874.11</b>	<b>89.54</b>

Source: National Treasury, CoB Reports

## 2. 1 the Labour Sector Overall FY 2022/23 Budget Implementation Status

8. The State Department for Labour and Skills Development, the State Department for Public Service, the Public Service Commission and the Salaries and Remuneration Commission (SRC) are part of fundamental pillar of the Kenyan economy. It provides overall national leadership, oversight and policy direction and ensures effective and efficient Public Service
9. The labour sector's original printed budget estimates were approved at Kshs 17,609.93 million that comprised of Kshs 16,308.09 million for recurrent expenditure and Kshs 1.3 billion for development expenditure. However, this budget was revised downwards through two supplementary estimates to stand at Kshs 16.34 billion comprising of Kshs. 15.61 billion for recurrent and Kshs 722.9 million for development at the close of the financial year. The overall budget performance in the financial year 2022/23 within the Labour sector shows that out of the final revised (Supplementary II estimates) budget of Kshs 16.34 billion, only Kshs 12.61 billion had been released from the exchequer. The actual expenditure by the close of that financial year was Kshs 16.4 billion higher than the disbursed amounts arising from internally generated collections (appropriations in aid of Kshs 2,654.37 million).

Table 1: The overall FY 2022/23 Budget Implementation Status in Kshs in millions.

	Printed Estimates	Revised Supp. I	Revised Supp. II	Exchequer Issues	Actual Expenditure	% of Actual Expenditure to Revised Supp. II
<b>Labour &amp; Skills Development</b>	<b>3,483.63</b>	<b>3,359.50</b>	<b>3,356.50</b>	<b>2,171.09</b>	<b>3,954.49</b>	<b>117.82</b>
Recurrent	2,911.13	2,937.00	2,934.00	1,950.22	3,678.14	125.36
Development	572.50	422.50	422.50	220.87	276.35	65.41
<b>State Dep. for Public Service</b>	<b>10,931.66</b>	<b>10,665.46</b>	<b>10,001.38</b>	<b>7,575.01</b>	<b>9,202.54</b>	<b>92.01</b>
Recurrent	10,228.62	10,362.75	9,727.19	7,459.99	9,006.14	92.59
Development	703.04	302.71	274.19	115.02	196.40	71.63
<b>PSC</b>	<b>2,582.14</b>	<b>2,337.26</b>	<b>2,478.76</b>	<b>2,364.93</b>	<b>2,445.18</b>	<b>98.65</b>
Recurrent	2,555.84	2,310.96	2,452.46	2,344.95	2,424.80	98.87
Development	26.30	26.30	26.30	19.98	20.38	77.49
<b>SRC</b>	<b>612.50</b>	<b>504.92</b>	<b>504.92</b>	<b>502.34</b>	<b>498.50</b>	<b>98.73</b>
Recurrent	612.50	504.92	504.92	502.34	498.50	98.73
<b>Labour Sector</b>	<b>17,609.93</b>	<b>16,867.14</b>	<b>16,341.56</b>	<b>12,613.37</b>	<b>16,100.71</b>	<b>98.53</b>
Recurrent	16,308.09	16,115.63	15,618.57	12,257.50	15,607.58	99.93
Development	1,301.84	751.51	722.99	355.87	493.13	68.21

Source: National Treasury, COB Reports

10. The actual expenditures of the agencies within the sector shows that the agencies spending was at lower level compared to the approved budgets and this affects the overall budget performance and achievement of the set targets, outcomes and key outputs. Projects and programmes may lag behind schedules arising from low absorption rates during the budget implementation.

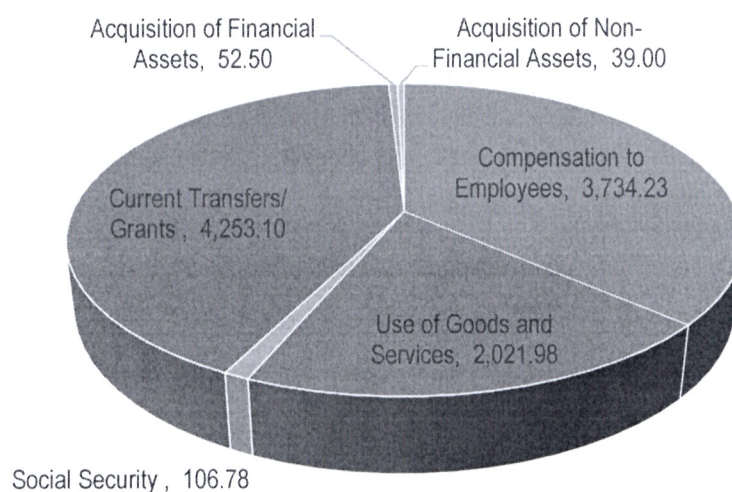
## 2.2 Analysis of the Recurrent Expenditure by Economic Classification

11. A critical review of the budget performance by economic classification indicates that most of the spending is for compensation to employees and current transfer to semi-autonomous government agencies within the sector. The current transfers to SAGAs are more for compensation to employees thus leaving very little room for operations and maintenance and other budgetary works.

Table 2: Analysis of recurrent expenditure

Current Expenditure	SDLSD	SDPS	PSC	SRC	Total
Compensation to Employees	848.35	810.29	1,800.14	275.45	3,734.23
Use of Goods and Services	566.78	671.36	600.66	183.18	2,021.98
Subsidies	-	-	-	-	-
Social Security	21.40	68.66	7.47	9.25	106.78
Current Transfers/ Grants	2,231.64	2,021.46			4,253.10
Acquisition of Financial Assets	-	34.37	2.00	16.13	52.50
Acquisition of Non-Financial Assets	9.95		14.56	14.49	39.00
<b>Total Current Expenditure</b>	<b>3,678.12</b>	<b>3,606.14</b>	<b>2,424.83</b>	<b>498.50</b>	<b>10,207.59</b>

Current Expenditure By Economic Classification



12. The exchequer issues released to the labour sector amounted to Kshs 12.61 billion equivalent to 77.18 per cent of the total approved budget of Kshs 16.34 billion for the sector. Low exchequer releases affects the implementation of the planned activities as it adversely distorts the implementation of annual work plans subsequently affecting the completion rates. It may also imply funding idle employees as they may not be facilitated to carry out scheduled works. For instance, lack of funds for sensitisation of occupational safety and health (OSH) to the Micro

and Small Enterprises (MSE) operators under the promotion of best labour practices programme led to the non-commencement of the activity during the year.

13. The Labour sector has a pending bill of Kshs. 1.86 billion comprising of Kshs. 1.66 billion under recurrent and Kshs. 71.57 million under development in the FY 2022/23. Additionally, the sector has historical pending bills amounting to Kshs. 122.65 million of prior years. The bulk of pending bills are under the State Department for Public Service whose total pending bills stood at Kshs 1.76 billion and Kshs 96.02 million for the State Department for Labour and Skills Development.

***Pending Bills***

	<b>Labour &amp; Skills Development</b>	<b>State Department for Public Service</b>	<b>Total</b>
Recurrent	33.17	1,629.32	1,662.48
Development	51.73	19.84	71.57
Historical	11.12	111.53	122.65
<b>Total</b>	<b>96.02</b>	<b>1,760.68</b>	<b>1,856.71</b>

### **3.0 SUBMISSIONS FROM THE MINISTRIES, DEPARTMENTS AND AGENCIES**

#### **3.1 The State Department for Public Service**

14. The State Department for Public Service approved budget for the financial year 2022/23, was KSh. 10.00 billion which comprised of KSh. 9.73 billion under recurrent and KSh. 0.27 billion under development. The major source of funds under recurrent were the exchequer and local AIA mostly for the Kenya School of Government while development financing was from the exchequer and a grant from JICA.

##### **3.1.1 Actual Revenue Receipts**

15. By the close of the FY 2022/23, the State Department had requested exchequer of KSh. 7.99 billion for both recurrent and development budget. However only KSh. 7.55 billion was received by the end of the financial year. This represented a 95% financing of the approved budget. The unspent budget became part of the pending bills for the State Department.
16. The State Department projected appropriations in aid (A-i-A) was KSh. 1.91 billion from sale of good and services under the recurrent budget mainly through the Kenya School of Government. However, by the close of the financial year, the State Department had collected KSh. 1.61 billion or 84% of the targeted internally generated revenue. Missing the target was attributed to austerity measures during the financial year that reduced the training allocation in all MDAs during the midyear revision of the FY 2022/23.

**Table 3: Budget Implementation Status by Source of Funding in Kshs in Millions**

<b>Source of Funding</b>	<b>Gross Estimates FY 2022/23</b>	<b>Cumulative Expenditure</b>	<b>Remarks/absorption</b>
<b>Current Expenditure</b>			

Exchequer	7,812.02	7,459.99	95%
Appropriations In Aid	1,915.17	1,610.06	84%
<b>Total Current Expenditure</b>	<b>9,727.19</b>	<b>9,006.14</b>	<b>93%</b>
<b>Development Expenditure</b>			
Exchequer	174.08	97.52	56%
Appropriations In Aid-Grant	100.10	98.87	99%
<b>Total Development Expenditure</b>	<b>274.18</b>	<b>196.40</b>	<b>72%</b>
<b>Total Expenditure</b>	<b>10,001.37</b>	<b>9,202.54</b>	<b>92%</b>

### 3.1.2 Actual expenditure by vote and programme

17. The State Department for Public Service has two programmes and nine sub-programmes. The actual expenditure per programme and sub-programme for the financial year 2022/23 is provided in table 4 below.

*Table 4: Actual Expenditures for Programmes and Sub-programmes.*

Programme/ Sub- Programme	Gross Estimates FY	Cumulative Expenditure	Absorption
	FY2022/23	FY2022/23	FY2022/23
<b>Programme 1: Public Service Transformation</b>			
SP1.1: Human Resource Management	5,742.00	5,691.24	99%
SP1.2: Human Resource Development	2,570.37	2,261.46	88%
SP1.3: Management Consultancy Services	117.66	116.90	99%
SP1.4: Huduma Kenya	927.40	599.72	65%
SP1.5: Performance Management	71.20	57.13	80%
SP1.6: Public Service Reforms	88.33	56.13	64%
<b>Sub-Total</b>	<b>9,516.95</b>	<b>8,782.59</b>	<b>92%</b>
<b>Programme 2: General Administration, Planning and Support Services</b>			
SP3.1: Human Resources and Support Services	428.11	364.38	85%
SP3.2: Financial Management Services	51.96	51.32	99%
SP3.3: Information Communications Services	4.35	4.26	98%
<b>Sub-Total</b>	<b>484.43</b>	<b>419.96</b>	<b>87%</b>
<b>GRAND TOTAL</b>	<b>10,001.38</b>	<b>9,202.54</b>	<b>92%</b>

### 3.1.3 Actual Expenditure by Economic Classification

18. The State Department spent 94% of the compensation to employees due to the component of AIA that was not collected as envisaged. Expenditure under use of goods and services was 65% as a result of lack exchequer to finance the various commitment at the end of the financial year. On the other hand, with respect to the Development vote, analysis shows that it is only 72% of its approved expenditure that was absorbed by the close of the financial year. Table 5 below provides more information on recurrent and development expenditures by economic classification.

*Table 5: Expenditure Status by Economic Classification (KSh. In millions)*

Expenditure by Economic Classification	Gross Estimates FY 2022/23	Cumulative Expenditure (KSh.)	Remarks/ absorption
Current Expenditure			

Compensation to Employees	865.39	810.29	94%
Employer Contributions to National Social and Health Insurance Scheme	5,400.00	5,400.00	100%
Use of Goods and Services	1,040.85	671.36	65%
Social Benefits	96.81	68.66	71%
Current Transfers	2,275.23	2,021.46	89%
Acquisition of Non-Financial Assets	48.92	34.37	70%
<b>Total Current Expenditure</b>	<b>9,727.19</b>	<b>9,006.14</b>	<b>93%</b>
<b>Development Expenditure</b>	<b>0.00</b>	<b>0.00</b>	
Use of Goods and Services	101.15	98.88	98%
Capital Transfers to Government Agencies	130.54	80.03	61%
Acquisition of Non-Financial Assets	42.50	17.50	41%
<b>Total Development Expenditure</b>	<b>274.19</b>	<b>196.40</b>	<b>72%</b>
<b>Total Expenditure</b>	<b>10,001.38</b>	<b>9,202.54</b>	<b>92%</b>

19. Currently the State Department for Public Service in the financial year 2022/23 is implementing six (6) projects whose resource requirements for implementation is approximately Kshs 28.65 billion. The projects have been ongoing and the cumulative expenditure stands at Kshs 8.83 million by close of the financial year.

Project Code and Project Title	Estimated project cost	Actual Cumulative Exp. up to 30th June 2023	Approved budget 2022/23	Actual Expenditure 2022/23	Outstanding Project Cost as at 30th June 2023	Project Completion % as at 30th June 2023
Implementation of Huduma Service Delivery Channels	25,030.0	8,329.03	33.1	17.5	16,683.47	33%
Completion of Tuition \complex at KSG Matuga	745.0	101.8	24.4	15	628.2	16%
Completion of hostels 112 bed capacity single rooms at KSG-Embu	1,200.0	144.17	32.5	45	1,010.83	16%
Completion of tuition complex at KSG-Baringo	623.5	128	73.6	20	475.5	24%

Japanese Grants for Human Resource Development Scholarships (JDS)	497.4	100.1	100.1	98.87	298.43	40%
Upgrading of GHRIS	560	30	6.37	-	530	5%
<b>TOTAL</b>	<b>28,655.90</b>	<b>8,833.10</b>	<b>270.07</b>	<b>196.37</b>	<b>19,626.43</b>	<b>32%</b>

20. The State Department overall projects implementation stands at 32 % of the estimated projects costs. A review of the status of the projects budgeted for implementation in the medium term established that projects received cumulatively very low disbursements of Kshs.8.83 billion and generally recorded low completion rates or not started/implemented in the year under review. This has the impact that it may take longer than scheduled project completion timelines and aging projects are likely to be higher than the original project estimated costs. In view of the foregoing, the citizenry may not have obtained value for the money or services for the funds allocated for the projects.

#### 3.1.4 Pending Bills

21. The State Department has pending bills of Kshs. 1.76 billion comprising of Kshs. 1.63 billion under recurrent in the FY 2022/23 and Kshs. 19.84 million under Development in the same period. In addition, the State Department has historical pending bills amounting to Kshs. 111.53 million. Most of the historical pending bills relate to media expenses and travel expenses. Some of the pending bills arise as a result of lack of budgetary provision as well as lack of exchequer release at the close of the financial years in which they are incurred.

#### 3.1.5 Non-Financial Performance

22. The State Department achieved the following key milestones in the FY 2022/2023 under the following divisions:

- a) **Human Resource Management Policy:** The State Department undertook a wide range of Human Resource reform initiatives including development, implementation and review of the following policies:
  - i.) Comprehensive medical and group life insurance schemes for Civil Servants;
  - ii.) Designated hardship areas and payment of hardship allowances;
  - iii.) Established Counselling and Wellness Services Helpline and Counselling and Wellness Services provided in four Huduma Centres
  - iv.) Draft Internship and Volunteer Policy for the Public Service;
- b) **Human Resource Development:** the State Department undertook the following:
  - i.) Support capacity building for (2) County Governments in Skills Audit;
  - ii.) Developed a framework for engagement of development partners;
  - iii.) Review of Human Resource Development Policy in the Public Service;
  - iv.) Developed a Human Resource Development Strategy for the Public Service;

- v.) Developed a draft Human Resource Development Audit Framework for the Public Service.
- c) **Public Sector Reforms and Transformation:** the State Department undertook the following:
  - i.) Re-engineered 150 public Service delivery processes in 45 Ministries, Departments and Agencies;
  - ii.) Organized and coordinated the 2023 Africa Public Service Day in Zimbabwe, through which Public service delivery innovations were identified and showcased.
- d) **Management Consultancy Services:** to ensure the Public Service institutions remain fit for purpose, the State Department has implemented the following:
  - i.) Unified Human Resource (UHR) system for the Public Service: The State Department has upgraded the Government Human Resource Information System (GHRIS);
  - ii.) Unified Payroll Number (UPN) Generating System: The State Department has developed a Unified Payroll Number (UPN) Generating System with an aim to automate allocation and reactivation of Payroll Numbers for employees in MDCAs;
  - iii.) Operationalization of the Executive Order No. 1 of 2023: Following the release of the Executive Order No. 1 of 2023, some functions were shifted from some Ministries/State Departments while others acquired new functions. Additional functional areas were also created. In view of this, the State Department for Public Service reviewed the structures and staff establishment to re-align the functions of all Ministries/State Departments with the provisions of the Executive Order.
- e) **Huduma Kenya Programme:** the State Department aims to increase the accessibility and affordability of public services through the existing Huduma platforms and delivery channels under the one stop shop model and enhance automation and digitization of the services. Towards this end, the secretariat achieved the following:
  - i.) Served 13,515,486 customers were during the FY 2022/23.
  - ii.) Extended working hours in eighteen (18) Huduma Centres
  - iii.) Developed a digitalization plan in order to align with the Government's Bottom-Up Economic Transformation Agenda on digitalization of government services.

### 3.2 The State Department for Labour and Skill Development

23. The State Department for Labour and Skill Development approved budget for the financial year 2022/23, was Kshs. 3.35 billion which comprised of KSh 2.93 billion under recurrent and Kshs. 422.5 million under development. The total actual expenditure is Ksh 2.21 billion of which Kshs 1.98 billion is under the recurrent vote while Ksh 227.46 billion is under development vote. The overall absorption rate is 65.97 percent.

**Table 8: Total Approved Budget Vs Actual Expenditure FY 2022/23**

Class	Approved Estimates	Actual Expenditure	Percentage Absorption
	2022/23	2022/23	2022/23
Recurrent Budget	2,934.00	1,986.84	67.72
Development Budget	422.50	227.46	53.84
<b>Gross Total</b>	<b>3,356.50</b>	<b>2,214.30</b>	<b>65.97</b>

24. The State Department projected appropriations-in aid (A-i-A) was KSh. 913.42 million mainly from collections of Semi-Autonomous Government Agencies (SAGAs) within the State Department. Of note is that, by the close of the financial year, the State Department had collected KSh. 927.44 million or 101.53 % of the targeted internally generated revenue exceeding the target by Kshs 14 million.

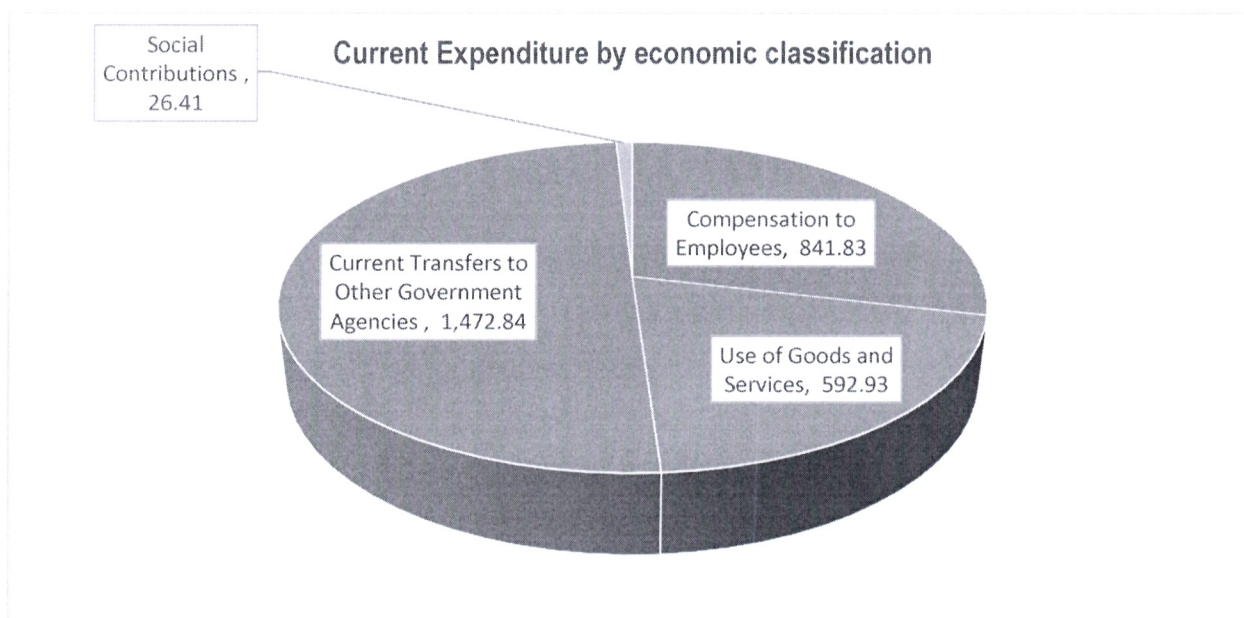
**Table: 9: Recurrent expenditure**

S/No	Item	Approved Budget	Actual Receipts	%age Absorption Rate
1	<b>Recurrent (net)</b>	<b>2,020.59</b>	<b>1,980.22</b>	<b>98.00</b>
	<b>Appropriations in Aid (A-i-A)</b>	<b>913.42</b>	<b>927.44</b>	<b>101.53</b>
	National Industrial Training Authority (NITA)	855.32	740.31	86.55
	National Employment Authority (NEA)	50.00	180.50	361.00
	Director of Occupational Health and Safety Services	5.50	5.13	93.21
	Registrar of Trade Unions (RTU)	1.80	0.90	49.98
	Headquarters Administrative services	0.80	0.60	75.00
	<b>Total</b>	<b>2,934.01</b>	<b>2,907.66</b>	<b>99.10</b>

25. The over collection in A-i-A is attributed to the National Employment Authority (NEA) which by the end of the FY 2022/23, had surpassed its collection by Kshs 130.00 million as they had initially under estimated its A-i-A collections arising from relaxation of the Covid-19 pandemic restrictions experienced previously as a containment measures.

Economic Classification	Approved Estimates	Actual Expenditure	%age Absorption Rate
Compensation to Employees	841.83	832.77	98.92
Use of Goods and Services	592.93	563.84	95.09
Current Transfers to Other Government Agencies	1,472.84	563.84	38.28
Interest Payments	-	-	0.00
Social Contributions	26.41	26.41	100.00
Subsidies	-	-	0.00
<b>Total Recurrent</b>	<b>2,934.01</b>	<b>1,986.85</b>	<b>67.72</b>

26. Out of the total approved recurrent expenditure of Kshs 2,934.01 million for financial year 2022/23, the actual expenditure was only Kshs 1986.85 million equivalent to 67.72 per cent. Current transfers to other government agencies were worst affected as only 38.28 percent of the approved budget was actual expenditure by close of the financial year. The programme that was greatly affected was programme 2: manpower development, employment and productivity management that encompasses human resource planning and development and industrial skills development sub-programmes.



### 3.2.1 Capital Projects

27. Most of the development projects are multi-year and implemented over some time. Currently the State Department of Labour and Skills Development in the financial year 2022/23 is implementing six (6) projects whose implementation has been ongoing for some time. The State Department has aging capital projects most of them with start dates of March 2015 and earlier.

<i>Project Status as at 31<sup>st</sup> June 2023 – KSh.in Millions</i>						
	Project Name	Project Commence Date	Estimated value of the Project		FY 2022/23	
			Foreign	GOK	Total Disbursements	Actual Expenditure
1.	Construction of National Occupational Safety and Health Institute (Phase 1)	March, 2010	-	687.91	51.40	45.99
2.	Kenya Youth Empowerment and Opportunities Project: Establishment of National Labour Market Information System (LMIS)	July, 2017	931.80	264.00	220.78	138.37

3.	Kenya Youth Employment and Opportunities Project: Improving Youth Employability	July, 2017	3,138.00	-	150.32	91.98
4.	Construction of the National Employment Promotion Centre (Kabete)	March, 2015	-	477.58	-	-
5.	Construction of Meru County Labour Offices	May, 2012	-	30.40	-	-
6.	Upgrading of Kisumu Industrial Training Centre (KITC)	July, 2012	-	595.00	-	-
<b>Grand Total</b>		-	<b>4,069.80</b>	<b>2,054.89</b>	<b>422.50</b>	<b>276.35</b>

28. The inordinate delays in project implementation have the implication that no value has been obtained on the expenditure incurred so far on the projects and, the objects for which it was started have not been met thereby denying sustainable service delivery to citizens.

### 3.2.2 Pending Bills

29. The State Department has a pending bill of Kshs. 96.02 million comprising of Kshs. 33.16 million under recurrent in the FY 2022/23 and Kshs. 51.73 million under development. Additionally, the State Department has historical pending bills amounting to Kshs. 11.12 million for prior years bulk of which relate to air tickets of Kshs. 5.22 million and Kshs. 3.2 million for assorted stationaries and rent respectively. The projects are also at risk of incurring additional costs in case of legal disputes due to non-payment for services rendered in cases of delay arising from pending bills.

### 3.2.3 Non-Financial Performance

30. The State Department for Labour and Skills Development runs the following five programmes; promotion of best labour practices, manpower development, employment and productivity management, workplace readiness services, management of post training information and policy, planning and general administrative services. Each of these have sub-programmes with distinct key performance indicators and set annual targets. During the financial year 2022/23, the State Department planned to implement a number of targets. At the close of the year, the State Department missed a quite a number of planned targets, and

others were at different levels. Some of the reasons for non-achievement cited included lack of funds that hindered the implementation the programme, However, others were affected by the merger of State Department of post-training and skills development with labour hinder the implementation of the programme since most of the technical officers implementing the programme remained in Ministry of Education. Details of the performance are as per the table below.

Programme	Key Performance Indicator	Target (s)	Actual	Variance	
<b>Promotion of Best Labour Practices</b>	Proportion (%) of received disputes Resolved	80	65.81	-14.19	
	Proportion (%) of strikes and lock-outs apprehended	100	50%	-50%	
	No. of workplace inspections on wages, and terms & conditions of employment carried out	10,200	12,659	2,459	
	No. of County Child Labour Committees established and operationalized	15	1	-14	
	No. of Wages councils established/Operationalized	6	0	-6	
	No. of compliance reports prepared	8	6	-2	
	Proportion (%) of received disputes resolved	80%	97.12%	17.12%	
	Proportion (%) of migrant workers in distress repatriated	100%	100%	Nil	
	No. of foreign contracts attested for renewal or extension	80,000	42,254	-37,746	
	No. of trade unions books of accounts inspected	450	367	-83	
	Number of trade union membership records updated	40	38	-2	
	Number of workers in hazardous occupations medically examined	120,000	148,699	28,699	
	Number of Hazardous industrial equipment examined	19,000	22,101	3,101	
	Number of members of the Health and Safety Committees and other workers trained	25,000	9,433	-15,567	
	Number of work places audited for compliance with OSH regulations	8,000	6,560	-706	
	<b>Manpower Development, Employment and Productivity Management</b>	No. of Micro and Small Enterprises (MSE) Operators sensitized on OSH	1,000	0	-1,000
		No. of health care providers sensitized on OSH in Health care facilities	80	99	19
Proportion (%) of work injury claims processed		46.50%	46.50%	-	
No. of log-ins into the KLMIS		450,000	304,490	-145,510	
Number of National Surveys undertaken		11	-	-1	
No. of personnel trained on LMI production		10	12	2	
No. of Job Opportunities Analysis (JOA) reports prepared		4	4	Nil	
No. of trainees placed on industrial attachment	35,000	40,270	5,270		
No. workers trained in relevant industrial skills including Textiles and Apparels within the EPZ	146,000	56,903	-89,097		
No. of persons assessed in government trade testing including housing and construction workers	161,000	75,664	-85,336		

	No. of training institutions accredited and registered for industrial training (both new and those renewing registration)	936	788	-148
	Number of Youths trained and certified in industrial skills	10,000	4,468	-5,532
	No. of Persons assessed and certified under Recognition of Prior Learning	400	402	
	No. of Assessment Guidelines for Master Craftsman developed	10	0	-10
	Employment services	105,000	109,053	4,053
	No. of Job Centres established	1	0	-1
	No. of graduates placed in Internship positions		0	0
	Foreign Employment regulated	500	679	179
	Number of Bilateral Labour Agreements negotiated and signed	2	0	-2
	No. of Kenyan Migrant workers provided with pre-departure training	133,750	91,789	-41,961
	No. of Safe Houses established	1	-	-1
	No. of productivity promotion and awareness campaigns	9	10	1
	On-line productivity enterprise solutions systems	1	-	-1
	No. of National and Sectoral productivity indices developed	20	20	-
	No. of officers in the public sector trained on productivity measurement	250	262	62
	No. of public officers trained on productivity improvement (Business process re-engineering (BPR) and continuous Improvement)	200	262	62
	No. of companies implementing productivity improvement (Textile, Grain Milling, SMEs, Dairy and Tea)	10	5	-5
	No. of Institutions trained on how to fill competitiveness index report questionnaires	150	0	-15
<b>Workplace Readiness Services</b>	No. of quality assurance standards developed	4	1	-3
	No. of quality assurance assessments on PTSD programmes carried;	15	1	-14
	No. of Research tools developed	4	3	-1
	No. of research reports on the impact of PTSD programmes	4	1	-3
	No. of Volunteer Graduate Assistants (VGAs) and apprenticeship trainees placed	94	0	-94
	No. of youth enrolled in entrepreneurship and business mentorship programs	1,000	187	-813
	No. of youth participating in the apprenticeship programme.	1,000	230	-770
	No. of youth provided and facilitated to access affordable business trading spaces and business incubation/innovation services	1,000	187	-813
	No. of youth trained in the online employment skills development programme	470	726	256

<b>Management of Post Training Information</b>	% level of establishment of National Skills Management Information System (NSMIS)	50	50	-
	% level of establishment Database of National Skills cadres, Industries, Master Craftsmen, Career counselors, Quality Standards	10	10	-
	% level of establishment Database of registered Apprenticeship programme centres, incubation and innovation hubs and career counseling centres	10	10	-
<b>Policy, Planning and General Administrative Services</b>	No. of labour and employment policies reviewed	1	1	-
	No. of labour and employment policies developed	1	1	Nil
	No. of Bills prepared	1	1	Nil
	No. of Staff trained on Labour Administration	230	280	50
	No. of youth placed on attachment	160	141	-19
	No. of electronic systems developed in Online productivity, Asset management, electronic case management, Trade union and CBA registries	1	-	-1
	% Of CBA analyzed and registered	100%	100%	Nil
% Economic disputes referred to the Ministry by the Employment and Labour Relations Court	100%	100%	Nil	

### 3.3 The Public Service Commission

31. The Public Service Commission approved budget for the financial year 2022/23, was KSh. 2.36 billion which comprised of Kshs. 2.34 billion under recurrent and KSh. 19.97 million under development. In addition, during the financial year 2022/23, the Commission raised Kshs. 14.69 million largely from the competency assessment exams forming internally generated income as Appropriation-i-Aid (A-i-A). The Commission also received Kshs. 18 million to fund World Bank-supported Program to strengthen Governance for Enabling Service Delivery and Public Investment in Kenya (GESDeK 1) during the period under review.

*Table 10: Recurrent and Development votes absorption rates*

Budget Item	Approved Estimates	Actual Expenditure	Absorption Rate
<b>1. Gross Recurrent</b>	<b>2,452.46</b>	<b>2,379.61</b>	<b>96%</b>
Appropriation-i-Aid (A-i-A)	18.00	14.69	82%
<b>Net Recurrent</b>	<b>2,434.46</b>	<b>2,364.92</b>	<b>97%</b>
<b>2. Gross Development</b>	<b>26.30</b>	<b>19.9</b>	<b>76%</b>
<b>Total Recurrent and Development</b>	<b>2,478.76</b>	<b>2,399.59</b>	<b>97%</b>

32. Other development partners' ongoing support initiatives include the following;
- Mozilla Corporation support to the Commission to develop new website to be completed and commissioned during the first quarter of 2023/24 financial year.
  - The Konza Technopolis Development Authority donated two (2) Idea Hubs for Video Conferencing Solutions and fifty (50) desktop computers for the Commission's ICT training centre.
  - The Commission benefitted from the Commonwealth Fund for Technical Cooperation (CFTC for Leadership Development Training Programme for the Commission Board.

33. Further, with support from the World Bank, the Commission will be one of the state agencies that will play a key role in the following programs supported by the Bank.

a) Kenya Urban Support Program II

The State Department of Urban and Housing will be coordinating the program. The program aims at supporting the municipalities in some selected Counties.

b) Kenya County Governance and Performance Program (CGPP)

This is being coordinated by the State Department of Devolution, and it is to be implemented by the county governments and some capacity building by select national level agencies, including the PSC.

c) The Governance for Enabling Service Delivery and Public Investment in Kenya II (GESDeK II)

This is coordinated by the PFMR Secretariat and supports national level PFM and public sector management reforms at the national level.

34. In implementation of the above programmes, the Commission will play a key role in supporting devolution in Kenya, specifically in areas of governance, supporting establishment of municipalities, and other HR-related matters.

### 3.3.1 Actual expenditure by Vote and Program

35. The Commission's efficiency in utilization of allocated funds has been high over the years and stands at 97 per cent during the period under review. The Commission utilized Kshs. 2.40 billion from an allocation of Kshs.2.48 billion with an unspent balance of Ksh.76.57 million as summarized in Table 11 here below: -

36.

**Table 11: FY 2022/23 Expenditure Analysis (Ksh. Millions)**

Budget Item	Approved Estimates	Actual Expenditure	Absorption Rate
<b>1. Gross Recurrent</b>	<b>2,452.46</b>	<b>2,379.61</b>	<b>96%</b>
A-I-A	-18.00	-14.69	82%
<b>Net Recurrent</b>	<b>2,434.46</b>	<b>2,364.92</b>	<b>97%</b>
<b>Compensation to Employees (PE):</b>	<b>1,816.79</b>	<b>1,807.14</b>	<b>99%</b>
<b>Non-Discretionary Expenditure</b>	<b>179.39</b>	<b>172.99</b>	<b>96%</b>
<b>Other Recurrent (Core Mandate Programmes)</b>	<b>456.29</b>	<b>401.68</b>	<b>88%</b>
<b>2. Gross Development</b>	<b>26.30</b>	<b>19.9</b>	<b>76%</b>
<b>Total Recurrent and Development</b>	<b>2,478.76</b>	<b>2,399.59</b>	<b>97%</b>

37. The actual expenditure of **Kshs. 1,807.14 million** on Personnel Emoluments accounts for **76 per cent** of the Commission's recurrent expenditure while **Kshs. 401.68 million** was utilized on the core mandate programmes. The Commission's planned activities for FY 2022/23 were carried out through the following four (4) budget programs:

- 1) General Administration, Planning, and Support Services,
- 2) Human Resource Management and Development,
- 3) Governance and National Values, and
- 4) Performance and Productivity Management.

38. The Commission's actual expenditure by Programmes and Sub-Programmes is shown in Table 12 here below: -

**Table 12: Actual Expenditure by Programmes and Sub-Programmes (Kshs Millions)**

Name of the Programme & Sub-Programme	Approved Budget 2022/23	Actual Expenditure 2022/23	Absorption Rate
SP 1.1: Administration	860.09	829.23	96%
SP 1.2: Board Management Services	45.72	44.86	98%
<b>Total Expenditure of Programme 1</b>	<b>905.82</b>	<b>874.09</b>	<b>96%</b>
SP 2.1: Establishment and Management Consultancy Services	53.35	52.84	99%
SP 2.2: Human Resource Management	194.58	176.61	91%
SP 2.3: Human Resource Development	1,108.60	1,090.86	98%
<b>Total Expenditure of Programme 2</b>	<b>1,356.53</b>	<b>1,320.32</b>	<b>97%</b>
SP 3.1: Compliance and Quality Assurance	96.11	94.41	98%
SP 3.2: Ethics, Governance and National Values	43.70	41.13	94%
<b>Total Expenditure of Programme 3</b>	<b>139.82</b>	<b>135.54</b>	<b>97%</b>
SP 4.1: Performance & Productivity Management	50.30	49.66	99%
<b>Total Expenditure of Programme 4</b>	<b>50.30</b>	<b>49.66</b>	<b>99%</b>
<b>Total Recurrent Vote</b>	<b>2,452.46</b>	<b>2,379.61</b>	<b>97%</b>
<b>Development Vote</b>	<b>26.30</b>	<b>19.98</b>	<b>76%</b>
<b>Total Expenditure Vote</b>	<b>2,478.76</b>	<b>2,399.59</b>	<b>97%</b>
<b>AIA</b>	<b>-18.00</b>	<b>-14.69</b>	<b>82%</b>

### 3.3.2 Non-Financial Performance

39. The Commission planned to implement two hundred and thirty –five (235) planned targets for implementation during the financial year 2022/23. At the close of the year, a total of one hundred and seventy- nine (179) planned targets were implemented at different levels. However, fifty- six (56) targets were not implemented due to various reasons. Out of the two hundred and thirty – five (235) targets planned for implementation, 123 (52.4%) were attained as per the set target (fully implemented), 56 (23.8%) were on-going while 56 (23.8%) targets were not achieved as projected.

**Table 13: Targets vs Achievements**

Budget Programme	Total Planned Targets	Fully Achieved	Ongoing	Not Implemented
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P1: General Administration, Planning and Support Services	160	83	39	38
P2: Human Resource Management and Development	47	27	8	12
P3: Governance and National Values	21	10	6	5
P4: Performance and Productivity Management	7	3	3	1
<b>Total</b>	<b>235</b>	<b>123</b>	<b>56</b>	<b>56</b>
<b>Percentage</b>	<b>100</b>	<b>52.3</b>	<b>23.8</b>	<b>23.8</b>

40. The underperformance on some of the planned targets for the period was largely attributed to
- i.) Delay in exchequer releases and
  - ii.) Implementation of austerity measures as directed by the National Treasury that resulted to non-implementation and postponement of the majority of targets.
41. In addition, the Commission was involved in many key assignments as requested by the new government, of which had not been factored in the Annual Work Plan. It is important to mention that the Commission played a key role in the transition and organization of the new government

### 3.4 The Salaries and Remuneration Commission (SRC)

42. The Salaries and Remuneration Commission (SRC) printed estimates for the financial year 2022/23, was Kshs. 612.5 million mainly for recurrent expenditure. However, the budget was revised downwards by Kshs 116.57 million from Kshs 612.5 million to Kshs 504.92 million at the supplementary budget revised estimates. The SRC does not collect any internally generated revenue (Appropriations in Aid A-i-A) nor development vote expenditure. The agency has only one programme the Remuneration and Benefits management.

#### 3.4.1 Actual Revenue Receipts

43. By the close of the FY 2022/23, out of the revised budget of Kshs 504.92 million, the Commission received Kshs. 502.33 million for its operations. Revision of the budget from Kshs. 612 million to Kshs. 504 Million affected the Commission's key activities of carrying out monitoring and evaluation audit activities of public institutions to ensure adherence to the issued guidelines in addition to stakeholder engagements.

**Table 14: Budgetary allocation for SRC**

Description	Printed Estimates	Revised Estimates	Actual Receipt
Exchequer Issues	612.50	504.92	502.34
Other Receipts	-	-	-
Appropriations ~in Aid	-	-	-
Grants from Development Partners	-	-	-
<b>Total</b>	<b>612.50</b>	<b>504.92</b>	<b>502.34</b>

### 3.4.2 Actual Expenditure by Vote (R 2081) and Program (Salaries and Remuneration Management)

44. Out of approved budget of Kshs 504.92 million, the SRC spent Kshs 498.5 million equivalent to 98.7 percent by the close of the financial year. This one agency that has recorded good budget performance despite its low budgetary allocation. It is a service agency and as such no development vote.

**Table 15: Actual expenditure by vote**

Description	Revised Net Estimates	Cumulative Expenditure	Absorption Rate
Compensation to Employees	275.75	275.45	99.89%
Use of goods and services	196.46	192.43	97.95%
Capital expenditure	32.71	30.63	93.63%
<b>Total</b>	<b>504.92</b>	<b>498.50</b>	<b>98.73%</b>

### 3.4.3 Non-Financial Performance

45. The Commission planned to implement several targets for implementation during the financial year 2022/23. At the close of the year, The SRC was able to meet all its planned targets as shown by the key performance indicators with some instances where the SRC was able exceed its set targets. However, despite the budgetary cuts, the Commission implemented the set targets. For instance, under the Compliance Audits, the Commission rolled out the Automated Wage Bill Monitoring and Evaluation System in one hundred and twenty-six (126) Public institutions that included: fourteen (14) CCIOs, seventy- four (74) State Corporations and thirty-eight (38) Public universities. Ninety-three (93) institutions have uploaded their data for Monitoring and Evaluation in the Wage Bill Monitoring and Evaluation System. It is important to note that the target and focus changed from counties to State Corporation after PFMR reduced SRC budget allocation for the activity.

**Table 16: KPIs vs Actual achievements**

Key Output (KO)	Key Performance Indicators (KPIs)	Targets	Actual	Variance
Remuneration and benefits advice	% of advice issued on requests for MCDAs	100	100	-
	% of advice on CBA requests for MCDAs	100	100	-
	To review and set remuneration benefits to advice officers	100	100	-
Harmonized grading and salary structure	% of jobs evaluated and salary structures advised for MCDAs	100	100	-
Compliance audits	No. of compliance audit reports for MDAs	60	60	-
	No. of public officers trained on compliance audit reports	300	329	29
	Roll out the Automated Wage Bill Monitoring and Evaluation System in the 47 counties	47	126	79
Wage bill forecast	No. of reports on quarterly wage bill forecasts	4	4	-

Remuneration and benefits policy	Remuneration and Benefits and Regulations Policy	1	1	-
Guideline for the implementation of allowances payable in the public service	Report on Allowances payable in the public service	1	1	-
Framework and policy for recognition of performance and productivity	Performance and productivity recognition framework and policy	1	1	-
Productivity indices	Report on sector productivity indices	1	1	-
Harmonized public sector retirement and benefits structure	Report on reviewed and harmonized retirement benefit laws	1	1	-
Policy on guideline on attraction and retention of critical and rare skills in the public service	Approved policy guideline on attraction and retention	1	0.5	0.5

#### 4.0 OBSERVATIONS AND RECOMMENDATIONS

46. From the foregoing, it is important to note that budgets at the national or institutional level are financial plans that allocates resources to various activities, projects and programmes to attain specific objectives. Thus at the national level, budget implementation are essential drivers of economic growth, employment opportunities, improved service delivery to citizens as well as empowering production firms and acts as source of income for those engaged its supply chain thus contributing towards general economic wellbeing. Most Projects are behind schedule and may delay delivery of services to the intended beneficiaries.

##### **i. Observation:**

47. Most Ministries, Departments and Agencies (MDAs) have low absorption capacities of their approved budgets. In this sector, the initial MDAs budgets were greatly reduced at the supplementary budgets stage.

48. There is a lower rate of funds utilization that is the actual expenditure at the close of year is less that the approved budgets.

##### **Recommendation:**

49. In this regard, the MDAs should undertake effective financial control processes to ensure that funds are utilized optimally and for the intended purposes. This in turn would lead to improved financial performance.

##### **ii. Observation:**

50. The component of compensation to employees is the only component with higher absorptive rates across all the MDAs in the sector.

##### **Recommendation:**

51. Government institutions should undertake regular financial audits in order to identify discrepancies in the expenditures. This may help in identifying the relevant controls that may be put in place to boost financial performance

##### **iii. Observation:**

52. Consistent mid-year revisions of the estimates and introduction of austerity measures by the National Treasury results to non-implementation and postponement of the major of targets and revision of performance targets. This ultimately in turn results to late release of funds, delay of ongoing projects and other planned activities which mostly require continuous and cash flow that is predictable.

##### **Recommendation**

53. To improve on budgetary absorption, the accounting officers with the responsibility of financial administration must put in place measures to enhance efficiency and ensure effective budgetary absorption

54. Arising from the observation that there were consistent lower absorption of funds across the MDAs, then therefore there is need going forward for stricter adherence to the budget figures as MDAs consistently received significantly lower sums that the budgeted amounts.

##### **iv. Observation:**

55. A substantial amount of the development budget still remains unutilized and thus government projects are not efficiently implemented. Due to the low spending of budgeted funds the

government has experienced increase in the cost of acquiring debts. In addition, the government pays high commitment charges for committed but undisbursed loans.

56. Generally, at times the government may require use of the private sector to execute some of its programmes and projects. This may be due to inadequate resources both financial and human resource that is required resources and capacities to implement its budgets. The private sector capacity has a significant influence on absorption of budgeted funds in the public sector.
57. There are inordinate delays in disbursement of funds from the National Treasury to the MDAs which significantly affect the implementation of development projects as well as projects depending on recurrent expenditure. Further, the funds disbursed to MDAs are inadequate to meet the all funding to programmes/ projects to completion. Thus there are delays in release of funds when requested resulting to low absorption which also affects the level of absorption
58. In addition, the process of disbursement of funds from the exchequer to the MDAs is not smooth as seen from the delays in disbursement, inadequate project funds and bureaucracies involved.
59. There are regular delays in release of Funds to the MDAs. This has negative effect and impede timely project execution of planned activities and interferes with the procurement plans which are likely to lead to pending bills and costs escalation.

**Recommendation:**

60. The National Treasury should release funds to MDAs in a timely manner based on their work plans and cash flow projections to ensure effective implementation of planned activities

**v. Observation**

61. Delay in projects execution is likely to lead to wastage of resources, lack of value for money in implementation of projects and loss of public funds, thereby impacting negatively on development projects. This in turn threatens economic growth and sustainability of service delivery to citizens. The Projects are also at risk of incurring additional costs in case of legal disputes due to non-payment for services rendered in cases of delay arising from pending bills.

**Recommendation**

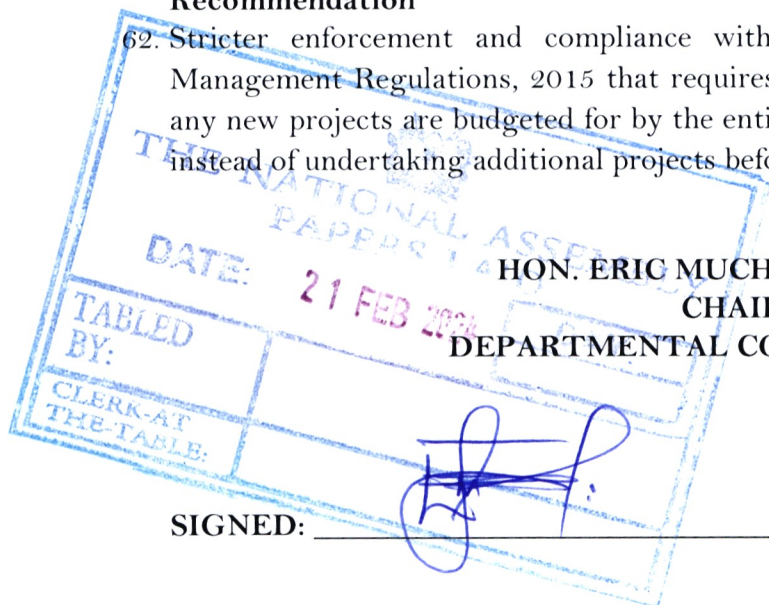
62. Stricter enforcement and compliance with Regulation 56(2) (b) of the Public Finance Management Regulations, 2015 that requires continuing projects be budgeted for first before any new projects are budgeted for by the entity and preference for payments of earlier projects instead of undertaking additional projects before completing previous projects.

**HON. ERIC MUCHANGI KAREMBA, MP**  
**CHAIRPERSON**  
**DEPARTMENTAL COMMITTEE ON LABOUR**

SIGNED: \_\_\_\_\_

DATE: \_\_\_\_\_

15/02/2024



## Annex 1: Summary of Key Projects in the Sector

Project Description	Remarks/ Comments
<b>State Department of Labour and Skills Development</b>	
<p><i>Construction of National Occupational Safety and Health Institute (Phase 1)</i></p>	<ul style="list-style-type: none"> <li>▪ The start date is <b>March 2010</b> and the expected completion date is</li> <li>▪ The project estimated cost is <b>Kshs. 687.91 million.</b></li> <li>▪ The project was allocated <b>Kshs 106.36 Million in FY 2022/23.</b> However, this was revised downwards to Kshs 51.4 million in supplementary estimates. Out of the approved allocation of Kshs 51.4 million in FY 2022/23 the actual expenditure was Kshs 45.99 million at the close of the financial year.</li> <li>▪ The project is ongoing and currently at 75% completion rate. Cumulative funds released to the project Kshs .....had been committed to the project since inception to achieve 75.8% status level of completion.</li> <li>▪ Pending works include; structural cabling, installation of procured item, power connection, high flow rate pumps,</li> </ul> <p><b>Issues of concern/ observations:</b></p> <ul style="list-style-type: none"> <li>i.) Frequent budget cuts has delayed the completion of the project making it difficult to realize its intended purpose.</li> <li>ii.) The initial project cost varied from Kshs 505.5 million to Kshs 631 million to include works not included in the original tendered Bills of Quantities</li> <li>iii.) Likelihood of further project cost escalation and further delays in completion of the project.</li> </ul>
<p><i>Kenya Youth Empowerment and Opportunities Project:</i></p> <p><i>Establishment of National Labour Market Information System (LMIS)</i></p>	<ul style="list-style-type: none"> <li>▪ The start date is <b>July 2017</b> and the expected completion date is December 2023.</li> <li>▪ The project estimated cost is <b>Kshs. 931.8 million foreign funding and Kshs 264 million GoK Funding.</b></li> <li>▪ The Project Cost under the World Bank was revised from Kshs. 1,350 million to Kshs. 931 million in 2021/22 FY and the project duration extended to 31st December, 2023</li> <li>▪ The project was allocated <b>Kshs 220.78 Million in FY 2022/23 under the World Bank with no GoK Funding during the FY 2022/23.</b></li> <li>▪ A sum of Kshs 138.37 million was the actual expenditure in FY 2022/23 at the close of the financial year.</li> <li>▪ The project is ongoing and currently at 91.4 % completion rate.</li> </ul>

Project Description	Remarks/ Comments
<b>State Department of Labour and Skills Development</b>	
	<ul style="list-style-type: none"> <li>▪ Cumulative funds released to the project Kshs ..... had been committed to the project since inception to achieve 75.8% status level of completion.</li> <li>▪ Pending works include; structural cabling, installation of procured item, power connection, high flow rate pumps,</li> </ul> <p><b>Issues of concern/ observations:</b></p> <ul style="list-style-type: none"> <li>▪ Lack of GoK counterpart funding affects the project execution and leads to delayed implementation. It may also lead to</li> <li>▪ Frequent budget cuts has delayed the completion of the project making it difficult to realize its intended purpose.</li> <li>▪ The funding Project Cost by the World Bank was revised from Kshs. 1,350 million to Kshs. 931 million in FY 2021/22 and the project duration extended to <b>December, 2023</b>.</li> <li>▪ Likelihood of further project cost escalation and further delays in completion of the project. This has the impact that it may take longer than scheduled project completion timelines and aging projects are likely to be higher than in the case of original project estimated costs.</li> </ul>
<p><b><i>Kenya Youth Employment and Opportunities Project: Improving Youth Employability</i></b></p>	<ul style="list-style-type: none"> <li>▪ The start date is July 2017 and the expected completion date <b>December 2024</b>.</li> <li>▪ The Estimated Project Cost was revised by World Bank from Ksh.5,800 million to Ksh.3,138 million in 2021/22 FY.</li> <li>▪ The project was allocated Kshs.150.32 million in FY 2022/23.</li> <li>▪ A sum of Kshs 91.98 million was the actual expenditure at the close of the financial year 2022/23.</li> <li>▪ The Project is on-going at 91.9%.</li> <li>▪ <b><i>Some activities such as Survey of Training in Local Institutions (STLI), commenced but activity halted due to the proposed budget cut under Supplementary Budget</i></b></li> <li>▪ To ensure effective and efficient project implementation process the role of coordination of Job Specific Skills Training (JSST) including the payment of stipends to the trainees were transferred to the Ministry of ICT, Innovation and Youth Affairs while NITA was tasked with ensuring quality processes are enhanced in KYEOP training.</li> <li>▪ Since inception a total of 74,155 youths trained on the job specific skills training (JSST) and assessed.</li> </ul>

Project Description	Remarks/ Comments
<b>State Department of Labour and Skills Development</b>	
	<ul style="list-style-type: none"><li>▪ A total of 42,798 youth registered for the summative assessment, and 29,605 of the total number is certified.</li><li>▪ A total of 36,431 youth transited from MPYG to NITA</li><li>▪ 50 Occupational Competency Standards (OCS) were reviewed/developed.</li></ul>

**Annex 2: Capital projects State Department for Labour and Skills Development.**

	Name of project	Estimated cost of the project	Est. cost of the project		timeline		Cum. Expend. as at 30th June 2022
			GOK	Foreign	Start Date	Expected End Date	
1	Construction of Occupational Safety and Health (OSH) Institute - Phase I Construction	688	688	0	Mar-10	Jun-24	476
2	Establishment of Occupational Safety and Health (OSH) Institute - Phase II - Equipping	1,245	1,245	0	Jul-23	Jun-26	1,245
3	Construction of National Employment Promotion Centre Kabete	648	648		May-15	Jun-25	347
4	Construction of Meru County Labour office	30	30		May-12	Jun-23	
5	Reconstruction of county Labour Offices (Molo, Kakamega, Embu, Homa Bay, Voi, Kiambu and Kitale)	64	64		Jul-12	Jun-22	49
6	Rehabilitation of Safety House in Nairobi	59	59		Apr-12	Jun-22	47
7	Establishment of National Labour Market Information System (LMIS)	1,195.8	264	932	Apr-14	Dec-24	955
8	Kenya Youth Employment and Opportunities Project Component 1: Improving Youth Employability	3,138	0	3,138	Jul-17	Dec-24	2,792
9	Upgrading of Kisumu Industrial Training Centre	595	595		Jul-12	Dec-24	275
10	Upgrading of Mombasa Industrial Training Centre (MITC)	371	371		Jul-12	Jun-25	210
11	Upgrading of Kenya Textile Training Institute (KTTI)- Nairobi	455	455		Jul-12	Jun-26	135
12	Upgrading of National Industrial and Vocational Training Centre (NIVTC)- Nairobi	493	493		Sep-12	Jun-26	142
13	Upgrading of Technology Development Centre (TDC)-Athi River	301	301		Mar-12	Jun-25	200
14	Construction of Machakos Labour Office	35	35		Jul-20	Jun-24	-
15	ICT Networking, connectivity and office partitioning at Productivity Centre of Kenya	27	27		Jul-14	Jun-24	7
16	Construction of perimeter walls at Nakuru Labour offices	19	19		Jul-20	Jun-24	
17	Surveillance equipment for work environment and workers' health	300	300		Jul-12	Jun-26	139
18	Establishment of Murang'a model employment Centre	26	26		Jul-12	Jun-25	
19	National Volunteers Program (G -United)	5,000	500	4,500	Jul-22	Jun-27	
20	Construction of Kenya Post Training Institute	1,514	1,514		Jul-23	Jun-24	
	<b>Total</b>	<b>15,008</b>	<b>7,634</b>	<b>8,570</b>			<b>7,016</b>

# **Annexure 1**

## **Report Adoption list**



REPUBLIC OF KENYA  
THE NATIONAL ASSEMBLY  
THIRTEENTH PARLIAMENT-SECOND SESSION -2023  
DEPARTMENTAL COMMITTEE ON LABOUR

REPORT ADOPTION LIST

We, the members of the Departmental Committee on Labour, have pursuant to Standing Orders 199 and 216(5) (ba), adopted this report on the Status of Budget Implementation for the FY 2023 and affix our signatures to affirm our approval and confirm its accuracy, validity and authenticity. Date:

	NAMES	SIGNATURE
1.	Hon. Karemba Eric Muchangi Njiru, MP-Chair person	
2.	Hon. Muli Fabian Kyule, MP- Vice Chairperson	
3.	Hon. K'Oyoo James Onyango, M.P.	
4.	Hon. Kagesi Kivai Ernest Ogesi, M.P.	
5.	Hon. Kiti Richard Ken Chonga, M.P.	
6.	Hon. Lomwa Joseph Samal, M.P.	
7.	Hon. Omwera George Aladwa, M. P.	
8.	Hon. Wambilianga Catherine Nanjala, MP	
9.	Hon. Abdullahi Amina Dika, M.P.	
10.	Hon. Aburi Donya Dorice, M.P.	
11.	Hon. Barasa Patrick Simiyu , M.P.	
12.	Hon. Chiforomodo Mangale Munga, M.P.	
13.	Hon. Kihungi Peter Irungu, M. P.	
14.	Hon. Sankaire Leah Sopiato, M.P.	
15.	Hon. Siyoi Lillian Chebet, M.P.	

# **Annexure 2**

## **Minutes**

MINUTES OF THE 77<sup>TH</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON LABOUR HELD ON WEDNESDAY 6<sup>TH</sup> DECEMBER 2023 IN THE COMMITTEE ROOM, 5<sup>TH</sup> FLOOR, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS AT 12:00 PM.

PRESENT

1. The Hon. Karemba Eric Muchangi Njiru, M.P. - Chairperson
2. The Hon. Muli Fabian Kyule, M.P. - Vice Chairperson
3. The Hon. Abdullahi Amina Dika, M.P.
4. The Hon. Wambilianga Catherine Nanjala, M.P.
5. The Hon. Chiforomodo Mangale Munga, M.P.
6. The Hon. Sankaire Leah Sopiato, M.P.

APOLOGIES

1. The Hon. Kiti Richard Ken Chonga, M.P.
2. The Hon. Kagesi Kivai Ernest Ogesi, M.P.
3. The Hon. K'Oyoo James Onyango, M.P.
4. The Hon. Lomwa Joseph Samal, M.P.
5. The Hon. Omwera George Aladwa, M.P.
6. The Hon. Aburi Donya Dorice, M.P.
7. The Hon. Kihungi Peter Irungu, M.P.
8. The Hon. Siyoi Lillian Chebet, M.P.
9. The Hon. Barasa Patrick Simiyu, M.P.

COMMITTEE SECRETARIAT

1. Ms. Rose M. Wanjohi - Senior Clerk Assistant
2. Mr. Samuel Wanjiru - Clerk Assistant III
3. Mr. Fredrick Muthengi - Deputy Director, PBO
4. Ms. Fiona Githunguri - Legal Counsel II
5. Mr. Timothy Chiko - Research Officer III
6. Ms. Rehema Koech - Audio Officer III
7. Ms. Rinha Sainey - Media Relations Officer III
8. Mr. Alan Gatuku - Serjeant at Arms

AGENDA

1. Prayers
2. Preliminaries.
3. Confirmation of Minutes.
4. Matters Arising;
5. Pending Business (*enclosed*);
6. **Briefing and consideration of submissions on:**
  - i. **Consideration and Adoption of the Report on Status of Implementation of the Budget FY 2022/23**
  - ii. **Adoption of the Report on the Study Visit to the Parliament of Tanzania**
7. Any Other Business.
8. Adjournment.

MIN. NO.580 NA/LABOUR/2023: PRELIMINARIES.

The Chairperson called the meeting to order at half past twelve o'clock. This was followed by a prayer by The Hon. Catherine Wambilianga, M.P. Thereafter, self-introductions were made.

MIN.NO.581 NA/LABOUR/2023: CONFIRMATION OF MINUTES OF THE PREVIOUS SITTING.

This Agenda was deferred.

MIN.NO.582 NA/LABOUR/2023: MATTERS ARISING.

No matter arose.

MIN.NO.583 NA/LABOUR/2023: PENDING BUSINESS BEFORE THE COMMITTEE.

The following business has been committed to the committee;

1. The Employment (Amendment) Bill (Senate Bill No. 11 of 2022). The Bill, sponsored by Sen. Samson Cherarkey, seeks to provide for the right to disconnect in the digital age. This Bill seeks to address increased employee burnout. Digital connectivity has also been noted to be slowly eroding leisure time for employees hence affecting their work life balance. This Bill therefore seeks to strike a balance between work and private life to allow digital technology to have a positive effect on workers' quality of life supported by employers.

**Status:**

The Report to be tabled on Thursday 7<sup>th</sup> December, 2023

2. The Statute Law (Miscellaneous Amendments) (No. 2) (National Assembly Bill No. 68 of 2023). The Bill, sponsored by the Leader of Majority, seeks to make various amendments to various statutes including-
  - i. The Industrial Training Act (Cap. 237). The Bill seeks to amend the Industrial Training Act to provide that the date for remitting the training levy shall be the ninth day of the month in order to harmonize it with the period within which PAYE is remitted to the Kenya Revenue Authority
  - ii. The Employment Act, 2007 (No. 11 of 2007). The Bill seeks to amend the Employment Act, 2007, to exempt the National Intelligence Service from the application of the Act in the same manner as other security organs are exempted.

**Status**

The Report has been tabled to the Justice and Legal Affairs Committee on 6<sup>th</sup> December 2023

3. The Statute Law (Miscellaneous Amendments) (National Assembly Bill No. 67 of 2023). The Bill, sponsored by the Leader of Majority, seeks to make various amendments to various statutes including the National Employment Authority Act (No. 3 of 2016). The Bill seeks to amend the National Employment Authority Act, 2016, to cure inconsistencies in the Act and align it with the National Authority Human Resources Policy and Procedures Manual.

**Status**

The Report has been tabled to the Justice and Legal Affairs Committee on 6<sup>th</sup> December 2023

4. The Employment (Amendment) Bill, (National Assembly Bill No. 62 of 2023 by Hon. Didmus Wekesa Barasa, MP. The Bill seeks to amend the provisions of the Employment Act, 2007, to regulate the transfer of employees by employers from one place of work to another.

**Status**

The Bill was read a first time on 22<sup>nd</sup> November 2023. The committee placed the advert in the dailies on 27<sup>th</sup> November 2023 and has written to stakeholders for submission of memoranda.

5. The National Employment Authority (Amendment) Bill, 2023 (Senate Bills No 48 of 2023). The Bill, sponsored by Sen. Crystal Asige, seeks to introduce provisions that seek to protect the rights, welfare and well-being of Kenyans working overseas.

**Status**

The Bill was referred to the Joint Committee on Labour and Diaspora Affairs and Migrant Workers for processing on 27<sup>th</sup> November 2023 by the Hon. Speaker. Committee to place an advert in the dailies and write to stakeholders for submission of memoranda.

6. The Proposed Salaries and Remuneration Commission (Amendment), 2023 by Hon Didmus Barasa Wekesa, MP seeks to amend the Salaries and Remuneration Commission Act to provide that the chairperson and members other than those appointed under Article 230 (2) (d) of the Constitution, shall serve on a part time basis for a non-renewable term of six years. The bill also caps the meetings of the Commission at fifteen.

**Status**

The Committee transmitted on 6<sup>th</sup> December 2023 the Legislative Proposal to the Hon. Speaker for consideration.

7. The Proposed Industrial Training (Amendment) Bill, 2023 sponsored by Hon. Joshua Odongo Oron, M.P. was referred to the Committee on 29<sup>th</sup> November 2023. The legislative proposal seeks to amend the provisions of the Industrial Training Act, (Cap.237), in order to recognize prior learning as a framework that acknowledges the skills, knowledge, performance outcomes and learning achieved, through informal and non-formal learning pathways.

**Status**

The Committee has written to the Kenya Law Reform Commission and the Attorney General for comments and recommendations.

8. Sessional Paper No. 5 on the National Policy on Labour Migration. The main objective of the National Policy on Labour Migration is to promote inclusive and sustainable development of the country through safe, orderly and productive labour migration. The paper was laid on the table of the House on 14<sup>th</sup> September 2023.

**Status:**

The Joint Committee on Labour and Diaspora Affairs and Migrant Workers met the Cabinet Secretary, Ministry of Labour and Social Protection on Thursday 9<sup>th</sup> November 2023 to deliberate on the Policy. The Sitting proposed a retreat from 23<sup>rd</sup> to 26<sup>th</sup> November 2023 to further deliberate on the policy but it was postponed and new dates and place will be communicated in due time.

9. Request for a statement regarding unfair treatment of employees of Ashton Apparel (EPZ) Ltd and Mombasa Apparel (EPZ) Ltd by Hon. Shimbwa Omar Mwinyi, M.P.

**Status:**

The Committee met on Tuesday 21<sup>st</sup> November 2023 with the Cabinet Secretary, Labour and Social Protection. The Cabinet requested more time to investigate the matter and submitted a detailed response on Monday, 27<sup>th</sup> November 2023. However, the Honourable Member was not satisfied with the response. The Committee proposed a fact-finding visit to the two mentioned companies in Mombasa from 7<sup>th</sup> to 10<sup>th</sup> December 2023, which is awaiting approval.

10. Report on the status of Budget implementation FY 2022/23 for MDAs under the purview of the Committee.

**Status:**

The Committee adopted the Report on 6<sup>th</sup> December 2023

**MIN. NO.584 NA/LABOUR/2023: CONSIDERATION OF ADDITIONAL SUBMISSIONS ON THE STATUTE LAW (MISCELLANEOUS AMENDMENTS) BILL, (NATIONAL ASSEMBLY BILL NO 67. OF 2023) AND THE STATUTE LAW (MISCELLANEOUS AMENDMENTS) BILL (NO. 2) (NATIONAL ASSEMBLY BILL NO. 68 OF 2023)**

Ms. Fiona Wanjiru, Legal Counsel, briefed additional submissions on the Statute Law (Miscellaneous Amendments) Bill, (National Assembly Bill No. 67 of 2023) and Statute Law (Miscellaneous Amendments) Bill (No. 2) (National Assembly Bill No. 68 of 2023) as follows;

The Katiba Institute presented the following written views

**a) On the proposed amendment to the National Employment Authority Act (Cap 237)**

The Katiba Institute raised concern on the proposed amendment is to cure inconsistencies in the Act and align it with the National Employment Authority Human Resource Policy and Procedures Manual. The copy of the manual was not provided for confirmation that it's indeed the case and why. Substantively though, policies and procedures should be amended to comply with the law not the other way round. The same reasons should have been included in the memorandum of objects and reasons.

The Institute noted that the National Employment Authority Act as it is now, focuses significantly on the youth. The proposed amendments to sections 2, 30(1), 30(3), 33(3) and 42 to delete the word youth, if passed changes the original purpose of the Act which is to promote youth employment. Further, it's unclear why the Act as it is now no longer gives effect to Article 56(c) that the state shall put in place affirmative action programmes designed to ensure that minorities and marginalized (c) ... are provided special opportunities for access to employment".

In regard to the proposed amendment to section 4 of the National Employment Authority Act limiting the Act's application to employers with ten or more employees, the institute opined that although there may be a sound reason, but compliance with a policy and procedures manual is not one of them.

On the proposed amendment to the same section 4 to include the County Governments without incorporating Counties into other sections of the Act may not be sufficient to ensure that the Act binds County Governments. For instance section 28 of the Act requires the Authority be notified when a vacancy occurs at a "public or state office at the national government level". Therefore including each county in 4(aa) would not obligate the County Governments to comply with section 28.

The Institute proposes that sections 17(2) (c) and (d) on qualifications be retained as they are.

The Katiba Institute proposes that the section 28(2) be retained. There is no other system of considering persons registered with the Authority for vacancies in the regulations which was shared to the stakeholders.

The Katiba Institute proposes that sections 30(1), 30(2), 30(3), 33(3) and 42 be retained as they are now. It is necessary for the Act to provide an interpretation of the word "jobseeker" and harmonize the meaning of the word "jobseeker" in the context of the Act.

On the proposed deletion of section 37(2), the Institute proposes that regulations should be provided beforehand that set out the incentive schemes to reward the private institutions. The regulations

should be subjected to public participation and their application should espouse the national values and principles under Article 10.

**b) On the proposed amendment to section 3(2) of the Employment Act, No. 11 of 2007**

The Institute noted that the proposed amendment to section 3(2) of the Employment Act, 2007 to exempt the National Intelligence Service is, according to the Memorandum of Objects and Reasons to exempt NIS 'in the same manner as other national security organs'. However, their concern is that this does not comply with the provisions of Article 24 (5) especially on the matter of labour relations among the fundamental rights and freedoms guaranteed under the Bill of Rights. Further, although Article 24(5) states that legislation may limit the right to Labour Relations to persons serving in the Kenya Defence Forces or the National Police Service, it does not extend the exception to other security organs such as the National Intelligence service.

In addition, if Parliament intends to limit labour rights by exempting the NIS from the employment Act, it must comply with Article 24 (1)-(2). Article 24(3) requires the National Assembly to "specifically express the intention to limit the right to fair labour and the nature and extent of the limitation". Article 24(2) provides that the National Assembly must explain why the limitation is reasonable and justifiable, the importance and purpose of the limitation and why a blanket exemption is necessary.

The institute presented that the proposed amendment does not meet the requirements of Article (1) - (2) and would be subject to challenge in a court of law.

**c) On the proposed amendment to Section 5B(3) the Industrial Training Act (Cap 237)**

Katiba Institute considered it a minor amendment and therefore did not have any substantive comment.

**West Minister Consulting**

The West Minister Consulting in their written submissions support the amendment to the Industrial Training Act to harmonize the remittance dates for the training levy with the period within which PAYE is required to be remitted to the Kenya Revenue Authority. The amendment will simplify the process of statutory deductions for employers and consolidate the submission timelines, reducing the overall compliance costs. Furthermore, it streamlines enforcement procedures for government entities involved in the submission and payment processes.

However, they propose that the Bill makes provision for amendment of legislation to include Affordable Housing Levy as a tax deductible. The justification is that the levy is an employee benefit, therefore clarity to tax computation, it be recognized as an allowable expense for improved clarity and compliance in the tax treatment of the contribution.

**Committee Observation**

The Committee observed that the proposal to provide for legislation to include Affordable Housing Levy as a tax deductible is not a subject of amendment under the Statute Law (Miscellaneous Amendments) Bill, 2023 (National Assembly Bills No. 68 of 2023).

The Committee agreed that the recommendations as last adopted still stand.

**MIN. NO. 585 NA/LABOUR/2023: CONSIDERATION AND ADOPTION OF THE REPORT ON THE STATUS OF THE BUDGET IMPLEMENTATION FOR FY 2022/23**

Mr. Fredrick Muthengi, the Deputy Director, Parliamentary Budget Office presented that Report of the Committee on the Status of the Budget Implementation for FY 2022/23.

The labour sector's original printed budget estimates was approved at Kshs 17,609.93 million that comprised of Kshs 16,308.09 million for recurrent expenditure and Kshs 1.3 billion for development expenditure. However, this budget was revised downwards through two supplementary estimates to stand at Kshs 16.34 billion comprising of 15.61 billion for recurrent and Kshs 722.9 million for development at the close of the financial year. The overall budget performance in the financial year 2022/23 within the Labour sector shows that out of the final revised( Supplementary II estimates) budget of Kshs 16.34 billion, only Kshs 12.61 billion had been released from the exchequer to the spending agencies. The actual expenditure by the close of that financial year was Kshs 16.4 billion higher than the disbursed amounts arising from internally generated collections (appropriations in aid of Kshs 2,654.37 million).

The actual expenditures of the agencies within the sector shows that the agencies spending was at lower level compared to the approved budgets. Low actual expenditures affects the overall budget performance and achievement of the set targets, outcomes and programmes/projects. Projects and programmes may lag behind schedules arising from low absorption rates during the budget implementation.

The Labour sector has a pending bill of Kshs. 1.86 billion comprising of Kshs. 1.66 billion under recurrent and Kshs. 71.57 million under Development in the FY 2022/23. Additionally, the sector has historical pending bills amounting to Kshs. 122.65 million for prior years. The bulk of pending bills are under the State Department for Public Service whose total pending bills stood at Kshs 1.1 billion and Kshs 96.02 million for the State Department for Labour and Skills Development.

### **Committee Observations and Recommendations**

From the foregoing, it is important to note that budgets at the national or institutional level are financial plans that allocates resources to various activities, projects and programmes to attain specific objectives. Thus at the national level, budget implementation are essential drivers of economic growth, employment opportunities, improved service delivery to citizens as well as empowering production firms and acts as source of income for those engaged its supply chain thus contributing towards general economic wellbeing. Most Projects are behind schedule and may delay delivery of services to the intended beneficiaries.

#### **Observation:**

1. Most Ministries, Departments and Agencies (MDAs) have low absorption capacities of their approved budgets. In this sector, the initial MDAs budgets were greatly reduced at the supplementary budgets stage.
2. There is a lower rate of funds utilization that is the actual expenditure at the close of year is less than the approved budgets.

#### **Recommendation:**

3. In this regard, the MDAs should undertake effective financial control processes to ensure that funds are utilized optimally and for the intended purposes. This in turn would lead to improved financial performance.

#### **Observation:**

4. The component of compensation to employees is the only component with higher absorptive rates across all the MDAs in the sector.

#### **Recommendation:**

5. Government Institutions should undertake regular financial audits in order to identify discrepancies in the expenditures. This may help in identifying the relevant controls that may be put in place to boost financial performance

**Observation:**

6. Consistent Mid-year revisions of the estimates and introduction of austerity measures by the National Treasury results to non-implementation and postponement of the major of targets and revision of performance targets. This ultimately in turn results to late Release of funds, delay of ongoing projects and other planned activities which mostly require continuous and cash flow that is predictable.

**Recommendation**

7. To improve on budgetary absorption, the accounting officers with the responsibility of financial administration must put in place measures to enhance efficiency and ensure effective budgetary absorption
8. Arising from the observation that there were consistent lower absorption of funds across the MDAs, then therefore there is need going forward for stricter adherence to the budget figures as MDAs consistently received significantly lower sums that the budgeted amounts.

**Observation:**

9. A substantial amount of the development budget still remains unutilized and thus government projects are not efficiently implemented. Due to the low spending of budgeted funds the government has experienced increase in the cost of acquiring debts. In addition, the government pays high commitment charges for committed but undisbursed loans.
10. Generally, at times the government may require use of the private sector to execute some of its programmes and projects. This may be due to inadequate resources both financial and human resource that is required resources and capacities to implement its budgets. The private sector capacity has a significant influence on absorption of budgeted funds in the public sector.
11. There are inordinate delays in disbursement of funds from the National Treasury to the MDAs which significantly affect the implementation of development projects as well as projects depending on recurrent expenditure. Further, the funds disbursed to MDAs are inadequate to meet the all funding to programmes/ projects to completion. Thus there are delays in release of funds when requested resulting to low absorption which also affects the level of absorption
12. In addition, the process of disbursement of funds from the exchequer to the MDAs is not smooth as seen from the delays in disbursement, inadequate project funds and bureaucracies involved.
13. There are regular delays in release of Funds to the MDAs. This has negative effect and impede timely project execution of planned activities and interferes with the procurement plans which are likely to lead to pending bills and costs escalation.

**Recommendation:**

14. The National Treasury should release funds to MDAs in a timely manner based on their work plans and cash flow projections to ensure effective implementation of planned activities

**Observation**

15. Delay in projects execution is likely to lead to wastage of resources, lack of value for money in implementation of projects and loss of public funds, thereby impacting negatively on development projects. This in turn threatens economic growth and sustainability of service delivery to citizens. The Projects are also at risk of incurring additional costs in case of legal disputes due to non-payment for services rendered in cases of delay arising from pending bills.

**Recommendation**

16. Stricter enforcement and compliance with Regulation 56(2)(b) of the Public Finance Management Regulations, 2015 that requires continuing projects be budgeted for first before

any new projects are budgeted for by the entity and preference for payments of earlier projects instead of undertaking additional projects before completing previous projects

The Departmental Committee on Labour Report on the Status of Budget Implementation FY 2022/23 was unanimously adopted as proposed by Hon. Chiforomodo Mangale, MP and seconded by Hon. Catherine Wambiliaga, MP

**MIN. NO. 586 NA/LABOUR/2023: CONSIDERATION AND ADOPTION OF THE REPORT ON THE STUDY VISIT BY THE COMMITTEE ON LABOUR TO THE PARLIAMENT OF THE UNITED REPUBLIC OF TANZANIA**

Ms. Rose M. Wanjohi, Senior Clerk Assistant briefed the Committee on the Study Visit as follows:-

The study visit aimed to provide an opportunity to learn applicable best practices in the following areas:

- i. *Human Capital and Remuneration and Public Service*: Enforcement of legislation, public bodies and facilities dealing with wages and resources, rationale for two social security funds (one for public officers and one for private employees), and maternity and unemployment benefits schemes;
- ii. *Occupational Health and Safety in Tanzania*: Best practices to monitor, oversight and implement health and safety in workplace. The use of technology in surveillance and enforcement, public awareness campaigns and best practices for enforcement.

The Committee engaged in exchanges with the Committee on Social Welfare and Community Development at the National Assembly of Tanzania; Prime Minister's Office – Labour, Youth, Employment and Persons with Disabilities; Employment Services Agency (TaESA); Occupational Safety and Health Authority (OSHA); and Vocational Education Training Authority (VETA).

The visit ultimately sought to provide understanding into the role of legislatures in monitoring enforcement of labour and public service laws and policies and highlight areas for policy review and law reforms to be taken up by the Kenyan National Assembly Committee on Labour.

### **Committee's Observations**

The Committee made the following observations:

- i. **Skills Development**: While Tanzania has a harmonized Skills Development Fund (SDF), a challenge in Kenya is the lack of a dedicated skills development fund. Funding is fragmented and inadequately coordinated across the Industrial Training Levy Fund, Youth Enterprise Development Fund, Women Enterprise Fund, UWEZO Fund and various County Government funds.
- ii. **Occupational Safety and Health (OSH)**: Tanzania's occupational safety and health framework prioritizes preventative measures such as scrutinization of workplace drawings for public buildings, which is enshrined in Tanzania's Occupational Safety and Health Act, as well as pre-employment and continuous medical examinations of employees.
- iii. **East African Community (EAC) Work Permits**: Tanzania's counterpart committee raised concern that, despite agreeing to the East African Community Common Market Protocol (2010), which allows workers from any Partner State to accept employment within any other EAC country, Tanzanian citizens face complicated bureaucratic processes and lengthy procedures in pursuing work permits to work in Kenya.
- iv. **Social Security Schemes**: Tanzania's Public Service Social Security Fund (PSSSF) benefits from government support, which can offer a degree of financial stability and security. It also provides benefits and services custom-made to meet public servants needs for improved coverage.
- v. **Vocational Education and Training (VET)**: Tanzania has VET branches countrywide and places strong emphasis on community-based training that surpasses

the conventional strategy of purely technical training and takes into account socially-related demands of the community, the social and economic activities of the target groups, and creates a relevant link between VET and the socioeconomic context of Tanzania.

### Committee's Recommendations

1. The Committee made the following recommendations:
  - i. **Skills Development:** Kenya could learn from Tanzania's single and dedicated Skills Development Fund (SDF) to establish a one-stop national skills development fund and strengthen inter-fund linkages for transparency, accountability and improved service delivery.
  - ii. **Occupational Safety and Health (OSH):** In Kenya, despite legislative and implementation measures to ensure occupational safety and health, a gap exists in preventative measures such as evaluating workplace risks and dangers, addressing them at their source, and fostering a preventative culture for safety and health. Kenya could borrow from Tanzania's proactive OSH activities to avoid preventable health and safety risks and incidences.
  - iii. **East African Community (EAC) Work Permits:** There is need to make legislative provisions in Kenyan labour laws regarding work permits specifically for EAC citizens for realization of the right to free movement of labour under the East African Community Common Market Protocol.
  - iv. **Social Security Schemes:** The Committee should assess the viability and applicability of a Public Service Social Security Fund (PSSSF) within the Kenyan context, with consideration of political and budgetary decisions that may affect its operations and stability.
  - v. **Vocational Education and Training (VET):** Challenges with community-based and outreach training programmes in Kenya have included insufficient information on community groups, which is required to design trainings, as well as difficulties in accessing new technologies and limited capacity to certify such trainings. The Committee should therefore review the planning and implementation of these modes of training to improve the relevance of trainings at the grassroots and reach a wider range of citizens.

The Report on the study visit by the Departmental Committee on Labour to the Parliament of the United Republic of Tanzania was unanimously adopted by Hon. Fabian Muli, MP, Vice Chairperson and Hon. Chiforomodo Mangale, MP

The Departmental Committee on Labour on the Report on the 111<sup>th</sup> session of the International Labour Organization was deferred.

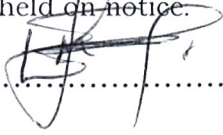
### MIN. NO. 587 NA/LABOUR/2023: ANY OTHER BUSINESS

No other business arose.

### MIN. NO. 588 NA/LABOUR/2023: ADJOURNMENT/ DATE OF NEXT MEETING

There being no other business, the meeting was adjourned at quarter past two o'clock. The next meeting will be held on notice.

SIGNED.....



DATE .....

15/02/2024

(CHAIRPERSON)

MINUTES OF THE 54<sup>TH</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON LABOUR HELD ON THURSDAY 10<sup>TH</sup> AUGUST 2023 IN KONGAMANO 'A' CONFERENCE ROOM, TAMARIND TREE HOTEL, NAIROBI COUNTY AT 9.00 AM

**PRESENT**

1. The Hon. Karemba Eric Muchangi Njiru, M.P. - Chairperson
2. The Hon. Muli Fabian Kyule, M.P. - Vice Chairperson
3. The Hon. K'Oyoo James Onyango, M.P.
4. The Hon. Wambilianga Catherine Nanjala, M.P.
5. The Hon. Abdullahi Amina Dika, M.P.
6. The Hon. Chiforomodo Mangale Munga, M.P.
7. The Hon. Kihungi Peter Irungu, M.P.
8. The Hon. Siyoi Lillian Chebet, M.P.

**APOLOGIES**

1. The Hon. Kagesi Kivai Ernest Ogesi, M.P.
2. The Hon. Kiti Richard Ken Chonga, M.P.
3. The Hon. Lomwa Joseph Samal, M.P.
4. The Hon. Omwera George Aladwa, M.P.
5. The Hon. Aburi Donya Dorice, M.P.
6. The Hon. Barasa Patrick Simiyu, M.P.
7. The Hon. Sankaire Leah Sopiato, M.P.

**IN ATTENDANCE**

1. Hon. Florence Bore – Cabinet Secretary, Ministry of Labour and Social Protection
2. Dr. William Kiprono - Secretary Administration, State Department for Labour and Skills Development (representing the Principal Secretary)
3. Mr. Stephen O. Ogenga - Director General, National Industrial Training Authority
4. Mrs. Edith Okoki - Ag. Director, National Employment Authority
5. Ms. Beatrice Mathenge - Ag. Registrar of Trade Unions
6. Mr. Ndungu Kiarie - Chief Finance Officer, State Department for Labour and Skills Development

**COMMITTEE SECRETARIAT**

1. Ms. Rose M. Wanjohi - Senior Clerk Assistant
2. Mr. Samuel Wanjiru - Clerk Assistant III
3. Mr. Fredrick Muthengi - Deputy Director PBO
4. Ms. Fiona Wanjiru - Legal Counsel III
5. Ms. Wambui Nyachae - Research Officer III
6. Ms. Rehema Koech - Audio Officer III
7. Ms. Zainabu Wario - Serjeant at Arms

**AGENDA**

1. Prayers
2. Preliminaries.
3. Confirmation of Minutes.
4. Matters Arising;
5. Pending Business;
  - i. The Public Service Commission (Amendment) Bill No.6 of 2023
  - ii. Employment (Amendment) Legislative Proposal, 2023.

iii. Meeting with MDAs under the purview of the Committee on the status of Budget implementation FY 2022/23

6. Meeting on the Status of Budget Implementation FY 2022/23 with State Department for Labour and Skills Development
7. Any Other Business.
8. Adjournment.

**MIN. NO.409 NA/LABOUR/2023: PRELIMINARIES.**

The Chairperson called the meeting to order at twenty six minutes past ten o'clock. This was followed by a prayer by the Hon. Abdullahi Amina Dika, M.P.

**MIN.NO.410 NA/LABOUR/2023: CONFIRMATION OF MINUTES OF THE PREVIOUS SITTING.**

This agenda item was deferred

**MIN.NO.411 NA/LABOUR/2023: MATTERS ARISING.**

There were no matters arising.

**MIN.NO.412 NA/LABOUR/2023: PENDING BUSINESS BEFORE THE COMMITTEE.**

The following business has been committed to the committee;

1. Employment (Amendment) Legislative Proposal ,2022 by Hon. Didmus Wekesa Barasa, M.P which seeks to amend the provisions of the Employment Act, 2007 to regulate the transfer of employees by employers from one place of work to another. It seeks to provide clarity on the modalities of transfer in good faith and in a fair, meritorious and rational manner that will benefit both the employee and the employer by preventing demoralization, dissatisfaction and family disintegration and disorientation on the part of the employees.

**Status**

Received comments from the Attorney General (seeking comments from the affected agencies) and Kenya Law Reform Commission. The Committee met with the sponsor of the proposal, Hon. Didmus Barasa, MP. The Report was adopted for forwarding to the Office of Hon Speaker.

2. The Public Service Commission (Amendment) Bill, No.6 of 2023 by Hon. Benjamin Mwangi, MP 2023 seeks to amend the Public Service Commission Act, 2017 to prescribe the mandatory retirement age of sixty years in the Act. The Bill also intends to address the issue of an officer acting in a position for more than six months.

**Status**

Bill advertised seeking public memoranda on 7<sup>th</sup> July 2023 for 14 days ending 21<sup>st</sup> July 2023. The Committee met with the sponsor on 3<sup>rd</sup> August 2023. The Committee has received submissions from various stakeholders.

3. Meeting with MDAs under the purview of the Committee on the status of Budget implementation FY 2022/23. The committee is meeting with the MDAs and independent Commissions on 9<sup>th</sup> and 10<sup>th</sup> August.

**MIN. NO. 413 NA/LABOUR/2023: MEETING ON THE STATUS OF BUDGET IMPLEMENTATION FY 2022/23 WITH THE STATE DEPARTMENT FOR LABOUR AND SKILLS DEVELOPMENT**

Hon. Florence Bore, Cabinet Secretary, Ministry of Labour and Social Protection accompanied by Dr. William Kiprono, Secretary Administration, State Department for Labour and Skills Development (representing the Principal Secretary); Mr. Stephen O. Ogenga, Director General, National Industrial Training Authority; Mrs. Edith Okoki, Ag. Director, National Employment Authority; Ms. Beatrice Mathenge, Ag. Registrar of Trade Unions and Mr. Ndungu Kiarie, Chief Finance Officer, State Department for Labour and Skills Development appeared before the Committee and submitted as follows;

Mr. Ndungu Kiarie, Chief Finance Officer, State Department for Labour and Skills Development, briefed the Committee as follows

#### 1. Financial Performance by Vote and Programme

##### a. Approved Budget for FY 2022/2023

The State Department's total approved allocation was Ksh. 3,356,505,687 for both Recurrent and Development expenditure in the FY 2022/23. The Recurrent Expenditure being Ksh. 2,934,005,687 while the Development expenditure is Ksh. 422,500,000. The total actual expenditure is Ksh 2,214,307,686 of which Ksh 1,986,849,264 is under the recurrent vote while Ksh 227,458,422 is under development vote. The overall absorption rate is 65.97 percent.

The summary of the approved allocations versus the actual expenditure are as follows:

Class	Approved Estimates	Actual Expenditure	Percentage Absorption
	2022/23	2022/23	2022/23
Recurrent Budget	2,934,005,687	1,986,849,264	67.72
Development Budget	422,500,000	227,458,422	53.84
<b>Gross Total</b>	<b>3,356,505,687</b>	<b>2,214,307,686</b>	<b>65.97</b>

Table 1 : Total Approved Budget Vs Actual Expenditure FY 2022/23

##### b. Actual Revenue Receipts (Exchequer Issues, Donor and Appropriation in Aid)

The Covid-19 pandemic led to NEA underestimating A-I-A collections, hence the over-collection by Ksh.130,500,000. In addition, the applications filed with the Registrar Trade Unions were not adequate to raise the full amount of the budgeted AIA.

The recurrent exchequer issues were as follows;

S/ No	Item	Approved Budget 2022/23	Actual Receipts	Variance
1.	Recurrent (net)	2,020,585,687	1,980,223,214	(40,362,473)
	AIA	913,420,000	927,437,050	(14,017,050)
	National Industrial Training Authority (NITA)	855,320,000	740,311,000	(115,009,000)
	National Employment Authority (NEA)	50,000,000	180,500,000	130,500,000
	Director of Occupational Health and Safety Services	5,500,000	5,126,400	(373,600)
	Registrar of Trade Unions (RTU)	1,800,000	899,650	(900,350)
	Headquarters Administrative services	800,000	600,000	(200,000)
	<b>Total</b>	<b>2,934,005,687</b>	<b>2,907,660,264</b>	<b>(26,345,423)</b>

Table 2: Recurrent Exchequer Issues

#### Development Exchequer Issues

The State department informed the Committee that, the Donor funds were for implementation of KYEOP project. The under absorption on the G.O.K component is due to non-release of development exchequer requisitioned but not funded by the National Treasury.

S/No.	Item	Approved Budget 2022/23	Actual Receipts	Variance
2.	<b>Development</b>	<b>422,500,000</b>	<b>220,877,537.10</b>	<b>201,622,462.90</b>
	Donor	367,500,000	216,137,127.10	151,362,872.90
	GOK	55,000,000	4,740,410.00	50,259,590.00
	<b>Total Development</b>	<b>422,500,000</b>	<b>220,877,537.10</b>	<b>201,622,462.90</b>

**c. Actual Expenditure by Vote and Programme with Economic Classification**

The actual expenditure under the recurrent vote with economic classification was as tabulated below.

Economic Classification	Approved Estimates	Actual Expenditure	Percentage of Absorption
<b>Programme 1: Promotion of Best Labour Practice</b>			
Compensation to Employees	475,514,446	466,998,707.8	98.21
Use of Goods and Services	218,641,198	217,890,839	99.66
Current Transfers to Other Government Agencies	11,900,000	8,268,444	69.48
Interest Payments	0	0	0
Social Contributions	5,008,156	5,008,156	100.00
Subsidies	0	0	0
<b>Total Programme 1</b>	<b>711,063,800</b>	<b>698,166,147</b>	<b>98.19</b>

<b>Programme 2: Manpower Development, Employment and Productivity Management</b>			
Compensation to Employees	167,066,498	166,527,482.20	99.68
Use of Goods and Services	48,521,552	33,015,849	68.04
Current Transfers to Other Government Agencies	1,460,940,000	555,570,000	38.03
Interest Payments	0	0	0
Social Contributions	0	0	0
Subsidies	0	0	0
<b>Total Programme 2</b>	<b>1,676,528,050</b>	<b>755,113,331</b>	<b>45.04</b>
<b>Programme 3: General Administration, Planning and Support Services</b>			
Compensation to Employees	199,245,200	199,240,100	100.00
Use of Goods and Services	325,768,637	312,929,718.10	96.06
Current Transfers to Other Government Agencies (and International Organizations)	0	0	0
Interest Payments	0	0	0
Social Contributions	21,400,000	21,399,967.85	100
Subsidies	0	0	0
<b>Total Programme 3</b>	<b>546,413,837</b>	<b>533,569,786</b>	<b>97.65</b>
<b>Total Recurrent</b>	<b>2,934,005,687</b>	<b>1,986,849,264</b>	<b>67.72</b>

The actual expenditure under the development vote with economic classification was as tabulated below;

Economic Classification	Approved Estimates	Actual Expenditure	Percentage of Absorption
<b>Programme 1: Promotion of Best Labour Practice</b>			
Acquisition of Non- Financial Asset	51,400,000	110,000	0.21
Capital Transfers to Govt. Agencies	0	0	0
Other Development	0	0	0
<b>Total Programme 1</b>	<b>51,400,000</b>	<b>110,000</b>	<b>0.21</b>

<b>Programme 2: Manpower Development, Employment and Productivity Management</b>			
Acquisition of Non- Financial Asset	14,300,000	11,930,191	83.43
Capital Transfers to Govt. Agencies	150,320,000	91,984,582	61.19

Other Development	206,480,000	123,433,649	59.78
<b>Total Programme 2</b>	<b>371,100,000</b>	<b>227,348,422</b>	<b>61.26</b>

<b>Programme 3: General Administration, Planning and Support Services</b>			
Acquisition of Non- Financial Asset	0	0	0
Capital Transfers to Govt. Agencies	0	0	0
Other Development	0	0	0
<b>Total Programme 3</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Development</b>	<b>422,500,000</b>	<b>227,458,422</b>	<b>53.84</b>

**2. Non- financial Performance showing actual outputs achieved relative to the set targets in FY 2022/23 programme-based budget.**

The Committee was briefed on the actual outputs achieved relative to the set targets which are listed below. The full summary is annexed to the minutes.

**a. Promotion of Best Labour Practices**

- i. Resolving labour disputes such as the industrial dispute between the Kenya Airlines Pilots Association (KALPA) and the management of Kenya Airway on 14<sup>th</sup> December. The settlement saw Kenya Airways' pilots resume work thus saving airline losses resulting from cancelled flight. In addition, all 18,391 labour disputes reported were addressed. 12,103 labour disputes were resolved amicably while the remaining 6,288 were in various stages of resolution.
- ii. No wages councils were established/operationalized. This was due Court cases in the Labour and Employment Courts in Nairobi and Machakos which has hindered operationalization of the established wages councils. However, the Meeting was informed that the Court had settled the matter and the Ministry would embark on establishment of the same.
- iii. 12,659 workplace inspections on wages, and terms & conditions of employment were carried out to check on compliance with Labour laws and international labour standards

**b. Manpower Development, Employment and Productivity Management**

- i. Access to Labour market information through the Kenya Labour Market Information Systems recorded 304,490 log-ins against a target of 450,000.
- ii. Four hundred (400) Persons assessed and certified under Recognition of Prior Learning
- iii. 109,053 job seekers placed in gainful employment. The National Employment Authority was tasked to provide a listing of the job seekers indicating the geographical areas.
- iv. One Bilateral Labour Agreements negotiated and signed between Kenya and the United Kingdom.
- v. Ten (10) productivity promotion and awareness campaigns
- vi. Two hundred and sixty-two (262) public officers were trained on productivity improvement (Business process re-engineering (BPR) and continuous Improvement).

**c. Workplace Readiness Services**

- i. The Department developed three (3) Research tools: M&E framework on Office of Courier services; Tracer Study tools and; tools to access the impact of the online job employment Programme.

- ii. To increase access to Work Based Learning programmes, the Department partnered with Kenyatta University and Chandaria innovation Centre where a total of five hundred and eighty (580) youths were trained out of which one hundred and eighty-seven (187) graduated. The Graduation was presided by the Principal Secretary on June, 2023.

**d. Management of Post Training Information**

- i. Establishment of National Skills Management Information System (NSMIS)
- ii. Establishment Database of registered Apprenticeship programme centres, incubation and innovation hubs and career counselling centres

**e. Policy, Planning and General Administrative Services**

- i. The Ministry developed and submitted the National Policy on Labour Migration to respective Ministers for their concurrence. The Cabinet memorandum was prepared and submitted to the Cabinet.
  - ii. The Ministry also developed the National Internship policy.
  - iii. The Labour Migration Management Bill was prepared and submitted to AGs office for legal drafting.
- 3. Project information: amount of project funding received including exchequer issues, actual expenditure and completion status.**

The Committee was further briefed on projects as follow;

**a. Construction of National Occupational Safety and Health Institute (Phase 1)**

The project commenced on 15<sup>th</sup> March, 2010 with an estimated cost of 687.91 Million and fully funded by the Government. During the FY 2022/23 Ksh 51,400,000 was disbursed but Ksh. 45,990,203 was utilised. The Project is on-going currently at 75.81%. Further in the 2022/23 FY the project allocation was revised from 106.36 million to 51.4 million during supplementary 1 estimates. Pending works include structural cabling, installation of procured item, power connection, high flow rate pumps, installation of CCTVS and roof works, storm drain works and paint works. Frequent budget cut has delayed the completion of this project making it difficult to realize its intended purpose

**b. Kenya Youth Empowerment and Opportunities Project: Establishment of National Labour Market Information System (LMIS)**

The project is ongoing at 91.40% completion rate. In the 2022/23 FY, the project was allocated Kshs. 220,780,000 under World bank with no GOK funding. Key achievements include finalization and launching of the KESCO document, finalization of the employer skills and occupational survey and the launch of the report, training of twelve (12) officers and development of the application programme interface through consultancy. The project cost under the World Bank was revised from Ksh. 1,350 million to Ksh. 931 million in the 2021/22 FY and the project duration extended to 31<sup>st</sup> December, 2023.

**c. Kenya Youth Employment and Opportunities Project: Improving Youth Employability**

The project commenced on 1<sup>st</sup> July, 2017 and its on-going at 91.90%. The Estimated Project Cost was revised by World Bank from Ksh.5,800 million to Ksh.3,138 in the 2021/22 FY.

**d. Construction of the National Employment Promotion Centre (Kabete)**

The project commenced on 10<sup>th</sup> march, 2015 with an estimated cost of 477.58 million and it's at 72.6 % completion The Attorney General's opinion has been sought by the Principal Secretary on whether to terminate the contract since it was proposed to have the contract period increased. In addition, the contractor presented a demand letter requesting mutual termination of the contract which is not possible in construction projects. He also requested for final payment yet the project is not complete.

**e. Construction of Meru County Labour Offices**

The project commenced on 15<sup>th</sup> May, 2012 and it is at 50% completion. The project was allocated Kshs.10,000,000 in the 2022/23 FY to continue with pending works. However, the contractor presented Certificate No.1 for Ksh. 3,139,750.33 after the budgetary allocation had been slashed during supplementary 1 leaving no funds to continue with pending works. This pending payment will form the first charge of the FY 2023/24 budget as per the PFM Act.

**f. Upgrading of Kisumu Industrial Training Centre (KITC)**

In the 2022/23 FY, the Project was allocated Kshs. 15 million for refurbishment and reticulation of water drainage system. However, all the allocation was slashed during supplementary 1. The project is at 46.18% completion rate.

**Information on reallocation, pending payments with an age of over ninety days and any liabilities incurred**

**a. Reallocations**

The State Department made re-allocations from the recurrent vote under General Administration, Planning and Support Services amounting to Ksh 19,500,000 to cater for pending bills and purchase of motor vehicle leaving a balance of Ksh 1,910,000.

**b. Pending bills**

The State Department has Recurrent and Development bills for the FY 2022/23 and prior years as tabulated below:

Recurrent Pending Bills for FY 2021/22		
S/No	Item	Amount
1	Air Tickets	5,221,010.00
2	Conference Facilities	1,423,845.00
3	Advertisement Services	1,088,872.50
4	Assorted Stationeries	1,579,610.00
	Rent	1,696,500.00
	Printing Equipment (Toners)	114,600.00
<b>Total Pending Bills for Prior Years</b>		<b>11,124,437.50</b>

*Table : Pending Bills for Prior Years*

Recurrent Pending Bills for FY 2022/23		
S/No	Item	Amount
1	Air Tickets	3,200,685.00
2	Conference Facilities	884,500.00
3	Advertisement Services	935,865.25
4	Motor Vehicle Repair & Service	163,670.00
5	Assorted Stationeries	440,415.00
6	Rent	27,541,597.65
<b>Total Pending Bills for FY 2022/23</b>		<b>33,166,732.90</b>

*Table: Pending Bills for FY 2022/23*

Development Pending Bill		
S/No	Item	Amount
1	Air Tickets-Donor	958,045.00
2	Conference Facilities-Donor	329,000.00

3	Advertisement Services-Donor	1,022,926.50
4	Advertisement Services (G.O.K)	292,106.25
5	Construction Works- G.O.K	49,129,953.00
<b>Total Development Pending Bills</b>		<b>51,732,030.75</b>
<b>Total Recurrent and Development Bills</b>		<b>96,023,201.15</b>

*Table: Pending Bills for FY 2022/23*

**Committee observations**

The Committee made the following observations: -

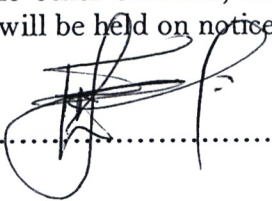
1. The accumulation of pending bills going back to previous years 2121/22. Accumulation of liabilities may invite punitive penalties and charges to the government. Delay in payment of bills by the government is negatively affecting businesses leading to low liquidity in the market which has resulted in distress to contractors and suppliers. The State Department should adhere to the PFM regulations and clear the pending bills in the current financial year.
2. The lack of awareness by the public on the Ministry's initiatives such as The Kenya Labour Market Information System which is a web-based portal whose purpose to improve access to and the quality of Labour Market Information (LMI) to help different labour market actors make informed decisions. KLMIS key focus therefore, is to serve as labour market intelligence/observatory that provide information on the supply of and demand. The Ministry should employ modern marketing strategies so as to improve the publicity of such programmes.
3. Declining number of accredited training institutions and foreign contracts attestation. The Ministry attributed the drop to reduction of jobs demand abroad and the COVID-19 pandemic. However, there is an urgent need for all the Government Agencies in the Labour Migration sector to work harmoniously to expand opportunities especially for the youth. The government should seek and sign bilateral labour agreements for both Skilled and unskilled manpower and create a conducive environment for the private recruitment agencies.

**MIN. NO. 414 NA/LABOUR/2023: ANY OTHER BUSINESS**

No other business arose.

**MIN. NO. 415 NA/LABOUR/2023: ADJOURNMENT/ DATE OF NEXT MEETING**

There being no other business, the meeting was adjourned at twenty minutes to two o'clock. The next meeting will be held on notice.

SIGNED.......... DATE 24/10/2023.....  
 (CHAIRPERSON)

MINUTES OF THE 53<sup>RD</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON LABOUR HELD ON WEDNESDAY 9<sup>TH</sup> AUGUST 2023 IN KONGAMANO 'A' CONFERENCE ROOM, TAMARIND TREE HOTEL, NAIROBI COUNTY AT 3.00 PM

**PRESENT**

1. The Hon. Karemba Eric Muchangi Njiru, M.P. - Chairperson
2. The Hon. Muli Fabian Kyule, M.P. - Vice Chairperson
3. The Hon. Kiti Richard Ken Chonga, M.P.
4. The Hon. Wambilianga Catherine Nanjala, M.P.
5. The Hon. Abdullahi Amina Dika, M.P.
6. The Hon. Chiforomodo Mangale Munga, M.P.
7. The Hon. Kihungi Peter Irungu, M.P.
8. The Hon. Sankaire Leah Sopiato, M.P.
9. The Hon. Siyoi Lillian Chebet, M.P.

**APOLOGIES**

1. The Hon. K'Oyoo James Onyango, M.P
2. The Hon. Kagesi Kivai Ernest Ogesi, M.P.
3. The Hon. Lomwa Joseph Samal, M.P.
4. The Hon. Omwera George Aladwa, M.P
5. The Hon. Aburi Donya Dorice, M.P.
6. The Hon. Barasa Patrick Simiyu, M.P.

**IN ATTENDANCE**

**Public Service Commission**

1. CPA Charity Kisotu, CBS - Vice chairperson, Public Service Commission
2. Dr. Joyce K. Nyabuti, MBS - Commissioner
3. Dr. Simon Rotich - Commission Secretary/CEO
4. Mr. Maina Njoroge - Director, Finance, Planning and Resource Mobilization
5. Mr. Musa Cherogony - Deputy Director, Legal Services

**Salaries & Remuneration Commission**

1. Mr. John Kennedy Monyoncho – Commissioner, representing the Chairperson
2. Sen. Isaac Melly - Commissioner
3. Ms. Nelly P. Ashubwe - Commissioner
4. Ms. Ann Gitau, MBS - Commission Secretary/CEO, SRC
5. Ms. Mary C Konuche - Head of Finance

**COMMITTEE SECRETARIAT**

1. Ms. Rose M. Wanjohi - Senior Clerk Assistant
2. Mr. Samuel Wanjiru - Clerk Assistant III
3. Mr. Fredrick Muthengi - Deputy Director PBO
4. Ms. Fiona Wanjiru - Legal Counsel III
5. Mr. Timothy Chiko - Research Officer III
6. Mr. Alex Amwata - Hansard Officer III
7. Ms. Wambui Nyachae - Research Officer III
8. Ms. Rehema Koech - Audio Officer III
9. Ms. Rinha Sainey - Media Relations Officer III
10. Ms. Zainabu Wario - Serjeant at Arms

**AGENDA**

1. Prayers
2. Preliminaries.

3. Confirmation of Minutes.
4. Matters Arising;
5. Pending Business;
  - i. The Public Service Commission (Amendment) Bill No.6 of 2023
  - ii. Employment (Amendment) Legislative Proposal, 2022.
  - iii. Meeting with MDAs under the purview of the Committee on the status of Budget implementation FY 2022/23
6. Meeting on the Status of Budget Implementation FY 2022/23 with
  - i. Public Service Commission
  - ii. Salaries and Remuneration Commission
7. Submissions on the Public Service Commission (Amendment) Bill, (NA Bill No. 6 of 2023) by the Public Service Commission
8. Any Other Business.
9. Adjournment.

**MIN. NO.400 NA/LABOUR/2023: PRELIMINARIES.**

The Chairperson called the meeting to order at three o'clock. This was followed by a prayer by Hon. Kihungi Peter Irungu, M.P. Self- introductions were made.

**MIN.NO.401 NA/LABOUR/2023: CONFIRMATION OF MINUTES OF THE PREVIOUS SITTING.**

This Agenda item was deferred

**MIN.NO.402 NA/LABOUR/2023: MATTERS ARISING.**

There were no matters arising.

**MIN.NO.403 NA/LABOUR/2023: PENDING BUSINESS BEFORE THE COMMITTEE.**

The following business has been committed to the committee;

1. Employment (Amendment) Legislative Proposal ,2022 by Hon. Didmus Wekesa Barasa, M.P which seeks to amend the provisions of the Employment Act, 2007 to regulate the transfer of employees by employers from one place of work to another. It seeks to provide clarity on the modalities of transfer in good faith and in a fair, meritorious and rational manner that will benefit both the employee and the employer by preventing demoralization, dissatisfaction and family disintegration and disorientation on the part of the employees.

**Status**

Received comments from the Attorney General (seeking comments from the affected agencies) and Kenya Law Reform Commission. The Committee met with the sponsor of the proposal, Hon. Didmus Barasa, MP. The Report was adopted for forwarding to the Office of Hon Speaker.

2. The Public Service Commission (Amendment) Bill, No.6 of 2023 by Hon. Benjamin Mwangi, MP 2023 seeks to amend the Public Service Commission Act, 2017 to prescribe the mandatory retirement age of sixty years in the Act. The Bill also intends to address the issue of an officer acting in a position for more than six months.

**Status**

Bill advertised seeking public memoranda on 7<sup>th</sup> July 2023 for 14 days ending 21<sup>st</sup> July 2023. The Committee met with the sponsor on 3<sup>rd</sup> August 2023. The Committee has received submissions from various stakeholders.

3. Meeting with MDAs under the purview of the Committee on the status of Budget implementation FY 2022/23. The committee is meeting with the MDAs and independent Commissions on 9<sup>th</sup> and 10<sup>th</sup> August.

**MIN. NO. 404 NA/LABOUR/2023: MEETING ON THE STATUS OF BUDGET IMPLEMENTATION FY 2022/23 WITH THE PUBLIC SERVICE COMMISSION**

CPA Charity Kisotu, Vice chairperson, Public Service Commission accompanied by Dr. Joyce K. Nyabuti, Commissioner; Dr. Simon Rotich, Commission Secretary/CEO; Mr. Maina Njoroge, Director, Finance, Planning and Resource Mobilization and Mr. Musa Cherogony, Deputy Director, Legal Services appeared before the Committee and submitted as follows;

Mr. Maina Njoroge, Director, Finance, Planning and Resource Mobilization, submitted as follows on the requested information;

The Commission's total actual revenue for the 2022/23 financial year was Kshs. 2,364,924,566 broken down as follows: Recurrent exchequer issues of Kshs. 2,344,945,471.95 and Kshs. 19,979,094 for Development. In addition, the Commission raised Kshs. 14,687,445.65 in Appropriation-In-Aid (AIA) during the year largely from the competency assessment exams.

During the period under review, the Commission engaged various development partners to explore areas of collaboration, technical and financial support. Under the World Bank-supported Program to strengthen Governance for Enabling Service Delivery and Public Investment in Kenya (GESDeK 1), which is coordinated by the Public Finance Management Reforms (PFMR) Secretariat, the Commission was allocated Kshs. 18 million.

In addition, Mozilla Corporation is supporting the Commission in the development of a new website among other partnership initiatives. This exercise will be completed and commissioned during the first quarter of 2023/24 financial year.

The Konza Technopolis Development Authority donated two (2) Idea Hubs for Video Conferencing Solutions and fifty (50) Desktop computers for the Commission's ICT training Centre as part of the Jitume Program.

With the support of the Commonwealth Fund for Technical Cooperation (CFTC), the Commission benefitted from a Leadership Development Training Programme for the Commission Board.

During the period, the Commission held several engagement meetings with the World Bank. Arising from this engagement, the Commission will be one of the state agencies that will play a key role in the following programs supported by the Bank.

- a) **Kenya Urban Support Program II**  
The State Department of Urban and Housing will be coordinating the program. The program aims at supporting the municipalities in some selected Counties.
- b) **Kenya County Governance and Performance Program (CGPP)**  
This is being coordinated by the State Department of Devolution, and it is to be implemented by the county governments and some capacity building by select national level agencies, including the PSC.
- c) **The Governance for Enabling Service Delivery and Public Investment in Kenya II (GESDeK II)**  
This is coordinated by the PFMR Secretariat and supports national level PFM and Public Sector Management Reforms at the national level.

In implementation of the above programmes, the Commission will play a key role in supporting devolution in Kenya, specifically in areas of governance, supporting establishment of municipalities, and other HR-related matters.

#### a. Actual expenditure by Vote and Program

The Commission's efficiency in utilization of allocated funds has been high over the years and stands at 97 per cent during the period under review. The Commission utilized Kshs. 2.40 billion from an allocation of Kshs.2.48 billion with an unspent balance of Ksh.76.57 million as summarized in Table 1 here below: -

Budget Item	Printed Estimates	Supplementary Estimates	Approved Estimates	Actual Expenditure	Balance	Absorption Rate
<b>1. Gross Recurrent</b>	<b>2,555.84</b>	<b>-103.38</b>	<b>2,452.46</b>	<b>2,379.61</b>	<b>72.85</b>	<b>96%</b>
A-I-A	-1.00	-17.00	-18.00	-14.69	-3.31	82%
<b>Net Recurrent</b>	<b>2,554.84</b>	<b>-120.38</b>	<b>2,434.46</b>	<b>2,364.92</b>	<b>69.54</b>	<b>97%</b>
<b>Compensation to Employees (PE):</b>	<b>1,868.06</b>	<b>-51.28</b>	<b>1,816.79</b>	<b>1,807.14</b>	<b>9.64</b>	<b>99%</b>
PSC Secretariat (Including Pension & Gratuity)	868.06	26.60	894.66	894.09	0.58	100%
PSIP (Interns stipend)	1,000.00	-77.88	922.12	913.06	9.06	99%
<b>Non-Discretionary Expenditure (a+b+c+d+e+f):</b>	<b>197.94</b>	<b>-18.55</b>	<b>179.39</b>	<b>172.99</b>	<b>6.40</b>	<b>96%</b>
a) Utilities (Electricity & Water)	11.15	0.00	11.15	9.76	1.39	88%
b) Communication (Telephone, Airtime, Leased Lines & Courier)	37.75	-3.55	34.20	32.48	1.72	95%
c) Rent (Bruce House)	10.15	0.00	10.15	9.64	0.51	95%
d) Insurance (Medical & GPA)	84.59	27.00	111.59	108.92	2.67	98%
e) Contracted Guards & Cleaning Services	10.30	0.00	10.30	10.19	0.11	99%
f) Car Loan and Mortgage	44.00	-42.00	2.00	2.00	-	100%
<b>Other Recurrent (Core Mandate Programmes)</b>	<b>489.84</b>	<b>-33.55</b>	<b>456.29</b>	<b>401.68</b>	<b>54.61</b>	<b>88%</b>
<b>2. Gross Development</b>	<b>26.30</b>	<b>0.00</b>	<b>26.30</b>	<b>19.9</b>	<b>6.32</b>	<b>76%</b>
<b>Total Recurrent and Development</b>	<b>2,582.14</b>	<b>-103.38</b>	<b>2,478.76</b>	<b>2,399.59</b>	<b>79.17</b>	<b>97%</b>

Table 1 FY 2022/23 Expenditure Analysis (Ksh. Millions)

The actual expenditure of Kshs. 1,807.14 million on Personnel Emoluments accounts for 76 per cent of the Commission's recurrent expenditure while Kshs. 401.68 million was utilized on the core mandate programmes.

The Commission's planned activities for the FY 2022/23 were carried out through the following four (4) budget programs:

- 1) General Administration, Planning, and Support Services,
- 2) Human Resource Management and Development,
- 3) Governance and National Values, and
- 4) Performance and Productivity Management.

The Commission's actual expenditure by Programmes and Sub-Programmes is shown in Table 2 here below: -

Name of the Programme & Sub-Programme	Approved Budget 2022/23	Actual Expenditure 2022/23	Absorption Rate
SP 1.1: Administration	860.09	829.23	96%
SP 1.2: Board Management Services	45.72	44.86	98%
<b>Total Expenditure of Programme 1</b>	<b>905.82</b>	<b>874.09</b>	<b>96%</b>
SP 2.1: Establishment and Management Consultancy Services	53.35	52.84	99%
SP 2.2: Human Resource Management	194.58	176.61	91%
SP 2.3: Human Resource Development	1,108.60	1,090.86	98%
<b>Total Expenditure of Programme 2</b>	<b>1,356.53</b>	<b>1,320.32</b>	<b>97%</b>
SP 3.1: Compliance and Quality Assurance	96.11	94.41	98%
SP 3.2: Ethics, Governance and National Values	43.70	41.13	94%
<b>Total Expenditure of Programme 3</b>	<b>139.82</b>	<b>135.54</b>	<b>97%</b>
SP 4.1: Performance & Productivity Mgt	50.30	49.66	99%
<b>Total Expenditure of Programme 4</b>	<b>50.30</b>	<b>49.66</b>	<b>99%</b>
<b>Total Recurrent Vote</b>	<b>2,452.46</b>	<b>2,379.61</b>	<b>97%</b>
<b>Development Vote</b>	<b>26.30</b>	<b>19.98</b>	<b>76%</b>
<b>Total Expenditure Vote</b>	<b>2,478.76</b>	<b>2,399.59</b>	<b>97%</b>
<b>AIA</b>	<b>-18.00</b>	<b>-14.69</b>	<b>82%</b>

*Table 2 Actual Expenditure by Programmes and Sub-Programmes (Kshs Millions)*

### 1. Non-financial performance

The Commission's Annual Work Plan for FY 2022/23 derived its activities and targeted outputs from the Strategic Plan 2019-24. The allocated funds were applied to activities (planned targets) as outlined in Table 3 here below.

Budget Programme	Total Planned Targets	Performance Status		
		Fully Achieved	Ongoing	Not Implemented
P1: General Administration, Planning and Support Services	160	83	39	38
P2: Human Resource Management and Development	47	27	8	12
P3: Governance and National Values	21	10	6	5
P4: Performance and Productivity Management	7	3	3	1
<b>Total</b>	<b>235</b>	<b>123</b>	<b>56</b>	<b>56</b>
<b>Percentage</b>	<b>100</b>	<b>52.3</b>	<b>23.8</b>	<b>23.8</b>

*Table 3 A summary of the performance status as at 30th June 2023.*

The Committee was informed that the analysis of targets performance implemented for the period under review, shows that out of the 235 planned targets for implementation, a total of 179 planned targets were implemented at different levels. However, 56 targets were not implemented due to various reasons. Out of the 235 targets planned for implementation, 123 (52.4%) were attained as per the set target (fully implemented), 56 (23.8%) were on-going while 56 (23.8%) targets were not achieved as projected.

The underperformance on some of the planned targets for the period was largely attributed to delay in exchequer releases and implementation of austerity measures as directed by the National Treasury, which resulted to non-implementation and postponement of the majority of targets. In addition, the Commission was involved in many key assignments as requested by the new government, of which

had not been factored in the Annual work plan. It is important to mention that the Commission played a key role in the transition and organization of the new government.

However, targets which were not accomplished in the financial year have been prioritized in the FY 2023/24 Annual Work Plan.

## **2. Key Achievements under each Budget Programme**

The Committee was further briefed on key achievements in the various programmes as annexed to the minutes;

## **3. Project information**

During the year, the Commission was allocated Kshs. 26.3m for Development Vote. An amount of Kshs. 19,979,094 was utilized to complete the on-going construction project of additional offices on the 5<sup>th</sup> floor (roof top) of the existing old office block. This project was completed and handed over to the Commission during the period under review.

## **4. Information on re-allocations, pending payments and any liabilities incurred**

The Commission does not have any pending payments with an age of over ninety days. However, at the close of FY 2022/23 on 30<sup>th</sup> June 2023, the Commission had pending bills amounting to Kshs. 34,190,959.95 due to lack of exchequer provision.

## **Committee observations.**

The Committee made the following observations and recommendations;

1. The disparity between the absorption rate and the performance. The rate of achievement of the set targets was not commensurate with the resources absorbed. The Committee was informed that the underperformance was occasioned by lack of exchequer release and budget re-alignments that resulted to budgets cuts on non-core areas such as training and capacity building. Further, a bulk of the resources are utilised in the Public Service Internship Programme (PSIP).
2. The unclear role of the Commission in the recruitment of TVET trainers. The Committee was informed that the commission renders technical support services to the TVETs Boards. The Commission builds capacity of the Boards to conduct recruitment of the trainers.
3. The key achievements submitted by the Commission had no corresponding resources utilized.
4. Further, the committee noted with concern the pending bills totalling Kshs. 34,190,959.95 Pending payment to suppliers and contractors adversely affects their businesses in terms of liquidity. The Commission assured the Committee that the pending bills will be prioritised as the first charge in FY 2023/24.
5. The Commission needs to streamline performance in the public service through performance management. Performance management should be institutionalized in the MDAs to create and sustain improved performance in the public service.

## **Recommendation**

The Commission was tasked to submit a detailed listing of key achievement and outputs against set targets and the resources utilized.

**MIN. NO. 405 NA/LABOUR/2023: SUBMISSIONS ON THE PUBLIC SERVICE COMMISSION (AMENDMENT) BILL, (NA BILL NO. 6 OF 2023) BY PUBLIC SERVICE COMMISSION**

Mr. Musa Cherogony, Deputy Director, Legal Services, Public Service Commission submitted as follows;

#### **Proposed Section 34**

On the proposed amendment to Section 34 of the Act to provide for non-payment of acting allowance beyond six months the Commission submitted that whereas the objective of the proposed amendment is to ensure vacant positions are filled expeditiously, not all positions which officers are appointed to act are available for filling.

There are circumstances where substantive holders are lawfully authorized to be away for a period exceeding six months and therefore the post cannot be filled. This include; officers on secondment, leave of absence granted to a spouse of a foreign service officer who has been posted outside Kenya during the tour of service for the foreign service officer. Staff of universities also take sabbatical leave and various universities prescribe different periods for the sabbatical leave. Some have 9 months some have one year. It will not be fair to have an officer perform duties in the higher office and not be compensated.

The Commission proposed that, instead of the proposed amendment, the following proviso should be introduced after 34(3) to read:

*Provided that an officer may be appointed to act beyond the six months period if the substantive holder of the office is on secondment or on authorized leave which exceeds six months"*

#### **Justification**

The primary objective of acting appointment is to ensure continuity of service delivery so that temporary or substantive vacation of a position for one reason or another does not impede or disrupt public service delivery.

#### **Proposed Section 80**

On the proposed amendment to Section 80 of the Public Service Commission Act, 2017 to prescribe the mandatory retirement age of 60 years, the Commission submitted that Regulation 70 of the Public Service Commission Regulations 2020 provides as follows:

*70. (1) Subject to the Constitution, section 80 of the Act, any other relevant written law or a specific government policy, the mandatory retirement age in the public service shall be—*

*(a) sixty years;*

*(b) sixty-five years for persons with disability; and*

*(c) such age as may be determined by the Commission for lecturers and research scientists serving in public universities, research institutions or equivalent institutions as determined by Commission in consultation with such universities, research institutions or equivalent institutions.*

*And*

*(6) Subject to section 80 (2) of the Act, in determining whether to engage an officer after attainment of retirement age, the Commission shall determine and document the rare knowledge, skills or competencies that the officer possesses.*

*(7) In this regulation—*

*(a) "rare knowledge, skills and competencies" means knowledge, skills and competencies that are scarce, unique and not readily available in the job market.*

The regulation above serves to address special circumstances that may be considered in exceptional cases. Some of these cases include where capacity in the public service is lacking or specific skills are required and not readily available; personal staff of specified state officers as determined from time to time; and succession management challenges due to intermittent recruitment freeze.

Further, the Commission submitted that;

Article 234 (3) excludes an office of High Commissioner, Ambassador or other diplomatic or Consular representative of the Republic; from the mandate of Public Service Commission.

Article 234 (4) of the Constitution provides that the Commission shall not appoint a person to hold or act in any office on the personal staff of the President or a retired President, except with the consent of the President or the retired President.

Regulation 27 of the PSC Regulations 2020 gives the Commission responsibility for appointment of Advisors to the President, Deputy President and Cabinet Secretaries. These Advisors are identified and recommended by the specified State Officer.

Putting the blanket age of sixty years will disadvantage persons with disability, lecturers and research scientists serving in public universities and research institutions.

Kenya's Vision 2030 and African Agenda 2063 both recognize the role played by science and scientific organizations in achieving developmental objectives. Subjecting lecturers and researchers to retirement at sixty years of age will have an impact on their role in manpower development and promotion of science and innovation and may result in them seeking greener pastures elsewhere resulting in brain drain from the country.

The scope of mandate of the Public Service Commission pursuant to Section 3 of the Public Service Commission Act 2017 applies to persons holding offices in the public service and excludes offices or positions subject to:

- i) The Parliamentary Service Commission
- ii) The Judicial Service Commission
- iii) The Teachers Service Commission
- iv) The National Police Service Commission
- v) An office in the service of a county except on hearing and determining appeals from county Governments' Public Service (234(2)(i))

Therefore, amendment of the Public Service Commission Act, 2017 will not stop these other Service Commissions from extending service beyond 60 years unless each of the enabling pieces of legislation of the various Commissions are similarly amended.

The Commission proposed that the Committee may consider retaining the retirement age in the Regulations (which are approved by Parliament through the Statutory Instruments Act 2013) rather than legislating it in the Act.

### **Justification**

Legislating in an Act will tie the hands of the executive for whom the Commission recruits and appoints in the event there is need to review the retirement age like it was done in 2009 when it was increased from 55 to 60.

The Commission further proposes that there is need to enact the Public Service Management Act which will apply across the entire spectrum of the public service covering all Service Commissions and County Public Service Boards and County Assembly Service Boards just like the Public Finance Management Act applies to all public institutions.

**Committee observation.**

The committee proposed that Section 34 of the Act be amended to provide for a further extension of the acting period to a further six (6) months after the expiry of the initial six months. After the expiry of the twelve months the position should be competitively filled or the acting official confirmed for appointment. This will only apply to positions available for filling.

The Commission was agreeable with the proposal.

**Committee recommendation**

The Committee directed the Commission to fast track the drafting and committal to Parliament of the Public Service Human Resources management Bill which is to create common norms and standards in the Public Service.

**MIN. NO. 406 NA/LABOUR/2023: MEETING ON THE STATUS OF BUDGET IMPLEMENTATION FY 2022/23 WITH SALARIES AND REMUNERATION COMMISSION.**

Mr. John Kennedy Monyoncho, Commissioner, Salaries and Remuneration Commission (SRC) representing the Chairperson; Ms. Ann Gitau, MBS, Commission Secretary/CEO, SRC; Sen. Isaac Melly, Commissioner; Ms. Nelly P Ashubwe, Commissioner and Ms. Mary C Konuche, Head of Finance appeared before the Committee and submitted as follows;

Ms. Ann Gitau, MBS, Commission Secretary/CEO, SRC submitted that;

1. On the Financial performance by Vote and program.

The Commission's Vote is R-2081 Salaries and Remuneration Commission which has one programme which is Remuneration and Benefits management.

2. Actual Revenue Receipts (Exchequer issues, Donor and Appropriation in Aid)

The actual receipts were as tabulated below;

Description	Printed Estimates	Revised Estimates	Actual Receipt
Exchequer Issues	612,500,000	504,921,203	502,338,023
Other Receipts	-	-	-
Appropriations ~in~Aid	-	-	-
Grants from Development Partners	-	-	-
<b>Total</b>	<b>612,500,000</b>	<b>504,921,203</b>	<b>502,338,023</b>

*Table 4 Actual Revenue Receipts (Exchequer issues, Donor and Appropriation in Aid)*

3. Actual Expenditure by Vote (R 2081) and Program (Salaries and Remuneration Management)

The Commission does not have a development budget. The actual expenditure by vote and programme were as follows;

Description	Gross Estimates	Revised Net Estimates	Cumulative Expenditure	Absorption Rate
Compensation to Employees	304,400,000	275,748,000	275,445,312	99.89%
Use of goods and services	193,625,000	196,464,596	192,433,744	97.95%
Capital expenditure	114,475,000	32,708,607	30,625,189	93.63%
Total	612,500,000	504,921,203	498,504,245	98.73%

Table 5 Actual Expenditure by Vote (R 2081)

4. Non-financial performance

The committee was further briefed on actual outputs achieved relative to the set targets in the 2022/23 programme-based budget as summarised and annexed to the minutes

5. Project information

The Commission does not have any capital projects.

6. Information on reallocations, pending payments and liabilities.

a) Reallocations

The Commission sought and received authority from the National Treasury for reallocation of funds as tabulated below.

No.	Date	Reallocation		Amount	Remarks
		From	To		
1.	15/11/2022	2210200 (Communication, Supplies and Services-Telephone)	(1,500,000)	4,000,000	Approved by the National Treasury on 15/12/2022 vide letter Ref: RES 2081/22/01/A' (9)
		2210300 Domestic Travel and Subsistence	(2,000,000)		
		2211300 (Other operating expenses-Education and Library Services)	(500,000)		
		<b>Total</b>	<b>(4,000,00)</b>	<b>4,000,000</b>	

Table 6 Re-allocation of funds

No.	Date	Reallocation				Remarks
		From	Amount	TO	Amount	
2.	20/04 /2023	2211300 (Other operating expenses)	(915,510)	2210200 (Communication, Supplies and Services-Courier services)	300,000	Approved by the National Treasury on 03/05/2023 vide letter Ref: RES 2081/22/01/'A' (22)
		3111100 (Purchase of specialized plant, Equipment and Machinery)	(8,824,743)	2210300 (Domestic Travel and Subsistence)	3,120,572	
				2210500 (Printing, Advertising and Information Supplies)	300,000	
				2210800 (Hospitality Supplies and Services-Conferences)	3,611,127	
				2220210 (Maintenance of Computers, Software and Networks)	2,408,554	
		Total	(9,740,253)		9,740,253	

**Table 7 Re-allocation of funds**

**Pending payments**

As at the close of the financial year, Commission did not have pending payments that were over ninety (90) days.

**Committee Observation**

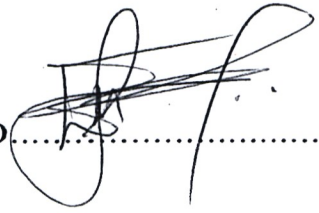
The Committee queried on the compliance rate of the advices issued by the Commission through the gazette circulars. The Commission decried inadequate resources to track the implementation of advices issued. Follow up to establish the status of implementation is pegged on resources and therefore there is a need to facilitate the Commission to effectively perform its mandate.

**MIN. NO. 407 NA/LABOUR/2023: ANY OTHER BUSINESS**

No other business arose.

**MIN. NO. 408 NA/LABOUR/2023: ADJOURNMENT/ DATE OF NEXT MEETING**

There being no other business, the meeting was adjourned at twelve minutes past six o'clock. The next meeting will be held on notice.

SIGNED 

DATE 24/10/2023  
(CHAIRPERSON)

MINUTES OF THE 52<sup>ND</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON LABOUR HELD ON WEDNESDAY 9<sup>TH</sup> AUGUST 2023 IN KONGAMANO 'A' CONFERENCE ROOM, TAMARIND TREE HOTEL, NAIROBI COUNTY AT 9.00 AM

**PRESENT**

1. The Hon. Karemba Eric Muchangi Njiru, M.P. - Chairperson
2. The Hon. Muli Fabian Kyule, M.P. - Vice Chairperson
3. The Hon. Kiti Richard Ken Chonga, M.P.
4. The Hon. Wambilianga Catherine Nanjala, M.P.
5. The Hon. Abdullahi Amina Dika, M.P.
6. The Hon. Chiforomodo Mangale Munga, M.P.
7. The Hon. Kihungi Peter Irungu, M.P.
8. The Hon. Sankaire Leah Sopiato, M.P.
9. The Hon. Siyoi Lillian Chebet, M.P.

**APOLOGIES**

1. The Hon. K'Oyoo James Onyango, M.P
2. The Hon. Kagesi Kivai Ernest Ogesi, M.P.
3. The Hon. Lomwa Joseph Samal, M.P.
4. The Hon. Omwera George Aladwa, M.P
5. The Hon. Aburi Donya Dorice, M.P.
6. The Hon. Barasa Patrick Simiyu, M.P.

**COMMITTEE SECRETARIAT**

1. Ms. Rose M. Wanjohi - Senior Clerk Assistant
2. Mr. Samuel Wanjiru - Clerk Assistant III
3. Mr. Fredrick Muthengi - Deputy Director PBO
4. Ms. Fiona Wanjiru - Legal Counsel III
5. Mr. Timothy Chiko - Research Officer III
6. Mr. Alex Amwata - Hansard Officer III
7. Ms. Wambui Nyachae - Research Officer III
8. Ms. Rehema Koech - Audio Officer III
9. Ms. Rinha Sainey - Media Relations Officer III
10. Ms. Zainabu Wario - Serjeant at Arms

**GENDA**

1. Prayers
2. Preliminaries.
3. Confirmation of Minutes.
4. Matters Arising;
5. Pending Business;
  - i. The Public Service Commission (Amendment) Bill No.6 of 2023
  - ii. Employment (Amendment) Legislative Proposal, 2022.
  - iii. Meeting with MDAs under the purview of the Committee on the status of Budget implementation FY 2022/23
6. Consideration of the Draft report on the proposed Employment (Amendment) Bill, 2022
7. Consideration of the Draft report on the Public Service Commission (Amendment) Bill No 6 of 2023
8. Meeting on the Status of Budget Implementation FY 2022/23 with
  - i. State Department for Public Service
9. Submissions on the Public Service Commission (Amendment) Bill, (NA Bill No. 6 of 2023) by the Public Service Commission
10. Any Other Business.

11. Adjournment.

**MIN. NO.391 NA/LABOUR/2023: PRELIMINARIES.**

The Chairperson called the meeting to order at twenty-two minutes to ten o'clock and thereafter said the Prayer. Self-introductions were made.

**MIN.NO.392 NA/LABOUR/2023: CONFIRMATION OF MINUTES OF THE PREVIOUS SITTING.**

Minutes of the 47<sup>th</sup> Sitting were confirmed as being a true reflection of the proceedings of the meeting as proposed by The Hon. Muli Fabian Kyule, M.P and seconded by The Hon. Abdullahi Amina Dika, M.P.

Minutes of the 48<sup>th</sup> Sitting were confirmed as being a true reflection of the proceedings of the meeting as proposed by The Hon. Kiti Richard Ken Chonga, M.P and seconded by The Hon. Chiforomodo Mangale Munga, M.P.

Minutes of the 49<sup>th</sup> Sitting were confirmed as being a true reflection of the proceedings of the meeting as proposed by The Hon. Kiti Richard Ken Chonga, M.P and seconded by The Hon. Abdullahi Amina Dika, M.P.

Minutes of the 50<sup>th</sup> Sitting were confirmed as being a true reflection of the proceedings of the meeting as proposed by The Hon. Chiforomodo Mangale Munga, M.P. and seconded by The Hon. Kiti Richard Ken Chonga, M.P.

Minutes of the 51<sup>st</sup> Sitting were confirmed as being a true reflection of the proceedings of the meeting as proposed by The Hon. Muli Fabian Kyule, M.P and seconded by The Hon. Kiti Richard Ken Chonga, M.P.

**MIN.NO.393 NA/LABOUR/2023: MATTERS ARISING.**

There were no matters arising.

**MIN.NO.394 NA/LABOUR/2023: PENDING BUSINESS BEFORE THE COMMITTEE.**

The following business has been committed to the committee;

1. Employment (Amendment) Legislative Proposal ,2022 by Hon. Didmus Wekesa Barasa, M.P which seeks to amend the provisions of the Employment Act, 2007 to regulate the transfer of employees by employers from one place of work to another. It seeks to provide clarity on the modalities of transfer in good faith and in a fair, meritorious and rational manner that will benefit both the employee and the employer by preventing demoralization, dissatisfaction and family disintegration and disorientation on the part of the employees.

**Status**

Received comments from the Attorney General (who was seeking comments from the affected agency) and Kenya Law Reform Commission. The Committee met with the sponsor of the proposal, Hon. Didmus Barasa, MP

2. The Public Service Commission (Amendment) Bill, No.6 of 2023 by Hon. Benjamin Mwangi, MP seeks to amend the Public Service Commission Act, 2017 to prescribe the mandatory retirement age of sixty years in the Act. The Bill also intends to address the issue of an officer acting in a position for more than six months.

### **Status**

Bill advertised seeking public memoranda on 7<sup>th</sup> July 2023 for 14 days which ended on 21<sup>st</sup> July 2023. The Committee met with the sponsor of the bill on 3<sup>rd</sup> August 2023. It has received submissions from various stakeholders.

3. Meeting with MDAs under the purview of the Committee on the status of Budget implementation FY 2022/23. The committee is to meet with the MDAs and independent Commissions on 9<sup>th</sup> and 10<sup>th</sup> August.

### **MIN. NO. 395 NA/LABOUR/2023: CONSIDERATION OF THE DRAFT REPORT ON THE PROPOSED EMPLOYMENT (AMENDMENT) BILL 2022 (LEGISLATIVE PROPOSAL) BY HON. DIDMUS BARASA, MP**

Ms. Fiona Wanjiru, Legal Counsel, guided the Committee through the draft report on the proposed Employment (Amendment) Bill, 2022. The Committee observed and proposed as follows;

#### **Proposed section 15A (1)**

That Section 15A (1) providing for the definition of the word 'transfer' be redrafted to specify that 'transfer' relates to a change of the geographical location of an employee's station of work.

#### **Justification**

The definition as originally drafted leaves room for multiple interpretation as is the case of mergers or acquisitions, an employee's place of work may equally be moved from one place to another.

#### **Committee recommendation**

The Committee agreed

#### **Proposed section 15A (4)(a)**

That Section 15A (4)(a) of the proposed bill requiring that an employee who is to be transferred be given a six months' notice in writing of the intended transfer or pay of one months' wage or salary in lieu of notice, be deleted.

#### **Justification**

The deletion of paragraph (a) is necessary to align the provisions on change in terms of a contract of service as provided for in section 10(5) of the Act and Article 41(1) of the Constitution of Kenya, 2010, that every person has a right to fair labour practices.

The transfer should be affected by the employer in consultation with the employee and contract revised to reflect the change.

#### **Committee recommendation**

The Committee agreed

#### **Proposed section 15A (4)(e)**

Section 15A (4)(e) which proposes that the consent of the employee is required before effecting the transfer be deleted.

#### **Justification**

An employer is free to allocate or organize work as it deems prudent to achieve optimum results, and that as per article 41 (1), every person has a right to fair labour practices and as held in the matter of Henry Ochido v NGO Co-ordination Board [2015] eKLR, at the minimum, prior consultations before a transfer are required to enable an employee organize themselves.

In addition, cross-border practice (Europe), change in employee's place of work is considered a change in the employee's working conditions and therefore can be decided upon by management where the new place of work is located within the same geographical sector, but where the new place of work is not located within the same geographical sector, the change will be considered an amendment to the employment agreement and therefore, would require the employee's formal consent.

The transfer of employees from one location to another can be an effective tool to optimize performance at the workplace. However, if used arbitrarily and without due regard for the employees' welfare, it can negatively affect employees' performance. In addition, in undertaking the consultations with the employee, all relevant factors must be taken into account including family obligations. (Republic vs Deputy General of National Police Service & 2 others ex-parte PC Stephen Mathenge (2015))

#### **Committee recommendation**

The Committee agreed.

Having considered the submissions from the sponsor of the legislative proposal and the stakeholders the Committee **unanimously** adopted the Draft Report on the Proposed Employment (Amendment Bill), 2022 and recommended its publishing as proposed by Hon. Wambilianga Catherine Nanjala, M.P. and seconded by Hon. Muli Fabian Kyule, M.P.

#### **MIN. NO. 396 NA/LABOUR/2023: CONSIDERATION OF THE DRAFT REPORT ON THE PUBLIC SERVICE COMMISSION (AMENDMENT) BILL, NO 6 OF 2023 BY HON. BENJAMIN G. MWANGI, MP.**

Ms. Fiona Wanjiru, Legal Counsel, guided the Committee through the draft report on the Public Service Commission (Amendment) Bill No. 6 of 2023. The Committee observed and proposed as follows;

#### **Proposed Section 34**

On the proposed amendment of section 34 of the Public Service Commission Act (No. 10 of 2017) to provide that an officer working in an acting capacity will not be entitled to an acting allowance after six months, the committee noted that the amendment may offend the constitutional right to fair labour practices under Article 41. Equal remuneration for work of equal value, is a fair labour practise.

Currently section 5 of the Employment Act, 2007 provides that an employer shall pay his employees equal remuneration for work of equal value in order to prevent discrimination in remuneration.

#### **Committee recommendation**

The committee proposed that Section 34 of the Act be amended to provide for confirmation of appointment of the officer acting after the expiry of the six months or competitive filling of the position.

#### **Proposed section 80**

The proposed amendment to Section 80 of the Public Service Commission Act, 2017 to prescribe the mandatory retirement age of 60 years,

#### **Justification**

Article 24 (1) as read with Article 25 of the Constitution allows limitation of the rights guaranteed by Article 27, so long as the conditions set in Article 24 are satisfied. Article 24(1) provides that a right or fundamental freedom in the Bill of Rights shall not be limited except by law and only to the

extent that such limitations are reasonable and justifiable. In this instance, the limitation of age does not amount to discrimination as it is justified under Employment law and practice. It also allows for continuity in the sector and the absorption of young professionals. Thus, reasonable and justifiable.

The proposed amendment would also align the National Social Security Fund Act (No. 45 of 2013) provision on the age of retirement provided for in section 2 of the Act. "pensionable age" means the age of sixty years.

#### Committee recommendation

The Committee agreed with the amendment.

The Draft Report on the Public Service Commission (Amendment) Bill No. 6 of 2023 was unanimously adopted having been proposed by Hon. Wambilianga Catherine Nanjala, M.P and seconded by Hon. Muli Fabian Kyule, M.P.

### MIN. NO. 397 NA/LABOUR/2023: MEETING ON THE STATUS OF BUDGET IMPLEMENTATION FY 2022/23 WITH STATE DEPARTMENT FOR PUBLIC SERVICE

The Chairperson informed the committee of the receipt of a letter from Mr. Amos N. Gathecha, Principal Secretary, State Department for Public Service, requesting the Committee to reschedule the meeting with the Ministry to another date due to a scheduled official foreign engagement.

Mr. Fredrick Muthengi, Deputy Director, Parliamentary Budget Office, briefed the Committee on the submissions from the State Department for Public Service on the status of budget implementation for the FY 2022/23 as follows;

#### 1. Financial performance by Vote and Programme

##### a. Actual revenue receipts

The State Department had an approved allocation of KSh. 10.00 billion composed of KSh. 9.73 billion under recurrent and KSh. 0.27 billion under development. The major source of funds under recurrent were the exchequer and local AIA mostly for the Kenya School of Government while development financing was from the exchequer and a grant from JICA.

The State Department had exchequer requested of KSh. 7.99 billion for both recurrent and development budget. However only KSh. 7.55 billion was received by the end of the financial year. This represented a 95% financing of the approved budget. The unspent budget became part of the pending bills for the state Department.

Further, the State Department expected to raise KSh. 1.91 billion from sale of good and services under the recurrent budget mainly through the Kenya School of Government. By the close of the financial year, the State Department had collected KSh. 1.61 billion or 84% of the targeted revenue. The target was not met due to austerity measures during the financial year that targeted training allocation in all MDAs.

In total, the State Department spent 92% of the total allocation as indicated in tables below.

Source of Funding	Gross Estimates FY 2022/23 (KSh.)	Cumulative Expenditure (KSh.)	Remarks/ absorption
Current Expenditure			
Exchequer	7,812,021,730	7,459,992,852	95%

Appropriations In Aid	1,915,170,000	1,610,068,802	84%
<b>Total Current Expenditure</b>	<b>9,727,191,730</b>	<b>9,006,140,388</b>	<b>93%</b>
<b>Development Expenditure</b>			
Exchequer	174,087,150	97,525,000	56%
Appropriations In Aid-Grant	100,100,000	98,878,843	99%
<b>Total Development Expenditure</b>	<b>274,187,150</b>	<b>196,403,843</b>	<b>72%</b>
<b>Total Expenditure</b>	<b>10,001,378,880</b>	<b>9,202,544,231</b>	<b>92%</b>

*Table 1 Budget implementation status by source of funding*

**b. Actual expenditure by vote and programme**

The State Department for Public Service has two programmes and nine sub programmes that fall under this esteemed Departmental Committee on Labour. Table 2 below provides actual expenditure per programme and sub programme for the financial year 2022/23.

Programme/ Sub-Programme	Gross Estimates FY	Cumulative Expenditure	Absorption
	FY2022/23	FY2022/23	FY2022/23
<b>PROGRAMME 1: Public Service Transformation</b>			
SP1.1: Human Resource Management	5,741,995,469	5,691,240,645	99%
SP1.2: Human Resource Development	2,570,865,319	2,261,460,074	88%
SP1.3: Management Consultancy Services	117,657,867	116,904,702	99%
SP1.4: Huduma Kenya	927,399,732	599,716,924	65%
SP1.5: Performance Management	71,201,238	57,134,592	80%
SP1.6: Public Service Reforms	88,334,172	56,131,662	64%
<b>Sub-Total</b>	<b>9,516,953,797</b>	<b>8,782,588,599</b>	<b>92%</b>
<b>PROGRAMME 2: General Administration, Planning and Support Services</b>			
SP3.1: Human Resources and Support Services	428,108,828	364,384,164	85%
SP3.2: Financial Management Services	51,963,650	51,315,148	99%
SP3.3: Information Communications Services	4,352,605	4,256,320	98%
<b>Sub-Total</b>	<b>484,425,083</b>	<b>419,955,632</b>	<b>87%</b>
<b>GRAND TOTAL</b>	<b>10,001,378,880</b>	<b>9,202,544,231</b>	<b>92%</b>

*Table 2 Actual expenditure by vote and programme*

**c. Actual Expenditure by Economic Classification**

In addition, the State Department spent 94% of the compensation to employees due to the component of AIA that was not collected as envisaged. Expenditure under use of goods and services was 65% as a result of lack exchequer to finance the various commitment at the end of the financial year. Table 3 below provides more information on recurrent and development expenditures by economic classification.

Expenditure by Economic Classification	Gross Estimates FY 2022/23 (KSh.)	Cumulative Expenditure (KSh.)	Remarks/ absorption
<b>Current Expenditure</b>			
Compensation to Employees	865,386,000	810,293,766	94%
Employer Contributions to National Social and Health Insurance Scheme	5,400,000,000	5,400,000,000	100%
Use of Goods and Services	1,040,846,761	671,358,169	65%
Social Benefits	96,814,796	68,657,775	71%
Current Transfers	2,275,225,173	2,021,459,104	89%
Acquisition of Non-Financial Assets	48,919,000	34,371,574	70%
<b>Total Current Expenditure</b>	<b>9,727,191,730</b>	<b>9,006,140,388</b>	<b>93%</b>
<b>Development Expenditure</b>			
Use of Goods and Services	101,150,000	98,878,843	98%
Capital Transfers to Government Agencies	130,540,750	80,025,000	61%

Acquisition of Non-Financial Assets	42,496,400	17,500,000	41%
Total Development Expenditure	274,187,150	196,403,843	72%
Total Expenditure	10,001,378,880	9,202,544,231	92%

*Table 3 Expenditure Status by Economic Classification*

## 2. Non-Financial Performance

The State Department achieved several targets in the FY 2022/2023 under the following divisions as outline in the detailed summary which is annexed to the minutes.

- i) Human Resource Management Policy
- ii) Human Resource Development
- iii) Public Sector Reforms and Transformation
- iv) Management Consultancy Services
- v) Huduma Kenya Programme

## 3. Projects Information

The meeting was informed that the State Department for Public Service has seven (7) projects as presented in the table below.

Project Code and Project Title	Financing		Actual Cumulative Exp. up to 30th June 2022	Approved budget 2022/23	Actual Expenditure 2022/23	Outstanding Project Cost as at 30th June 2023	Project Completion % as at 30th June 2023
	Estimated project cost	Source of fund					
<b>KSh. Million</b>							
Implementation of Huduma Service Delivery Channels	25,030.00	GOK (Exchequer)	8,329.03	33.10	17.50	16,683.47	33%
Completion of Tuition complex at KSG Matuga	745.00	GOK (Exchequer)	101.80	24.40	15.00	628.20	16%
Completion of hostels 112 bed capacity single rooms at KSG-Embu	1,200.00	GOK (Exchequer)	144.17	32.50	45.00	1,010.83	16%
Completion of tuition complex at SG-Baringo	623.50	GOK (Exchequer)	128.00	73.60	20.00	475.50	24%
Japanese Grants for Human Resource Development Scholarships (JDS)	497.40	Donor	100.10	100.10	98.87	298.43	40%
Upgrading of GHRIS	560.00	GOK (Exchequer)	30.00	6.37	-	530.00	5%
<b>TOTAL</b>	<b>28,655.90</b>		<b>8,833.10</b>	<b>270.07</b>	<b>196.37</b>	<b>19,626.43</b>	<b>32%</b>

*Table 4 Project status as at 31st June 2023-Ksh. in Millions*

The State Department has projects with a total cost of KSh. 28.6 billion comprising of KSh. 28.2 billion from the Government of Kenya and KSh. 0.4 billion of Development Partner's support.

## 4. Information on Reallocation, Pending Bills and Liabilities

- i) Information on Re-allocation

The State Department requested for reallocation during the FY 2022/23 that were approved in the two supplementary estimates that were done during the financial year.

- ii) Pending bills with an age of ninety days

The State Department has a pending bill of KSh. 1.76 billion composed of KSh. 1.63 billion under recurrent in the FY 2022/23, KSh. 19.84 million under Development in the same period. The total amount has KSh. 111.53 million historical pending bills. The pending bills include KSh. 1.28 billion for the civil servants enhanced medical scheme that was declared as a pending bill in 2021/22. This was subsequently paid as a first charge in the FY 2022/23. The deficit created by charging the pending bill did not get budget allocation during the financial year. The bills also include KSh. 77.76 million for Jubilee Health Insurance meant for the senior civil servant medical scheme. The Jubilee insurance pending bill is as a result of lack of budgetary provision of KSh. 35.00 million and lack of exchequer of KSh. 42.76 million.

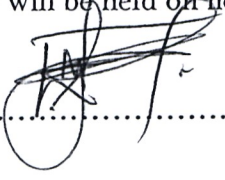
**MIN. NO. 398 NA/LABOUR/2023: ANY OTHER BUSINESS**

No other business arose.

**MIN. NO. 399 NA/LABOUR/2023: ADJOURNMENT/ DATE OF NEXT MEETING**

There being no other business, the meeting was adjourned at eighteen minutes past one o'clock. The next meeting will be held on notice.

SIGNED.....



DATE .....

29/10/2023

(CHAIRPERSON)

## **Annexure 3**

### **Written submissions from stakeholders**



DD cabinet  
8  
10/08

**REPUBLIC OF KENYA**  
**MINISTRY OF PUBLIC SERVICE, GENDER AND AFFIRMATIVE ACTION**  
**STATE DEPARTMENT FOR PUBLIC SERVICE**  
**Office of the Principal Secretary**

Telegraphic address: "Personnel", Nairobi  
Telephone: Nairobi 227411  
Telex: 23125  
Fax: 243620  
When Replying please quote:

P.O. BOX 30050 – 00100  
NAIROBI,  
KENYA.

**Date: 10<sup>th</sup> August, 2023**

**Ref. No. MPSG&AA.6**

The Clerk of the National Assembly  
Parliament Buildings  
**NAIROBI**

*Rose Wanjohi*  
*pls facilitate*  
*up 4/4/23*  
*10/8/23*

**Attn: Peter K. Chemweno**

**RE: REQUEST FOR INFORMATION ON STATUS OF BUDGET IMPLEMENTATION BY THE DEPARTMENTAL COMMITTEE ON LABOUR FOR THE FINANCIAL YEAR 2022/2023**

Reference is made to your letter Ref. NA/DDC/LABOUR/2023/061 dated 25<sup>th</sup> July, 2023 on the above subject matter.

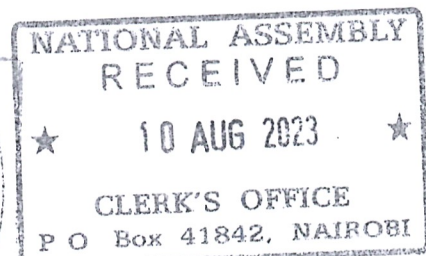
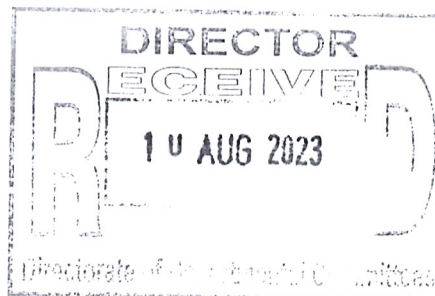
Submitted herewith, is the Status Report for your further necessary action.

*Amos N. Gathecha*

**Amos N. Gathecha, EBS, 'ndc' (K)**  
**PRINCIPAL SECRETARY**

**Copy to: Hon. Aisha Jumwa Katana**  
Cabinet Secretary  
Ministry of Public Service, Gender and Affirmative Action  
**NAIROBI**

Encl.





REPUBLIC OF KENYA  
MINISTRY OF PUBLIC SERVICE, GENDER AND AFFIRMATIVE  
ACTION

SUBMISSION TO THE NATIONAL ASSEMBLY DEPARTMENTAL COMMITTEE  
ON LABOUR ON THE STATUS OF BUDGET IMPLEMENTATION FOR THE  
FINANCIAL YEAR 2022/2023

BY

MR. AMOS N. GATHECHA, EBS, 'ndc' (K)  
PRINCIPAL SECRETARY  
STATE DEPARTMENT FOR PUBLIC SERVICE

AUGUST, 2023

# STATUS OF BUDGET IMPLIMENTATION FOR THE FINANCIAL YEAR 2022/2023

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## 1.0 INTRODUCTION

**Hon. Chairman,** I wish to thank you and the Honourable Members of this esteemed Committee for your request to submit the financial year 2022/2023 Budget Implementation Status for the State Department for Public Service.

### 1.1 Mandate of the State Department for Public Service

**Hon. Chairman,** The State Department for Public Service is currently domiciled at the Ministry of Public Service, Gender and Affirmative Action created under Executive order No. 1 of November 2022 (revised January 2023) on the organization of the Government of the Republic of Kenya. The State Department is broadly charged with the responsibility of providing strategic leadership and guidance to the Public Service on Human Capital Management and Development; Public Service Transformation; and Huduma Kenya Service Delivery Programme.

The functions of the SDPS as provided in the Executive Order No. 1 of 2023 are:

- i) Public Sector Reforms and Transformation including Operational Standards and Process Engineering;
- ii) Government Human Resource Information Systems and Services;
- iii) Overseeing the management of National Youth Service (NYS);
- iv) Internship and Volunteer Policy for Public Service;
- v) Government Payroll Policy and Standards;
- vi) Government Shared Support Services;

- vii) Research, Development and Public Service Delivery Innovations;
- viii) Public Service Career Planning and Development;
- ix) Administration of Insurance and Welfare Programmes for the Civil Service, including: Comprehensive Group Life, Last expense, Work Injury Benefits and Group Personal Accident Insurance Cover; and
- x) Counselling Policy and Service.

**Hon. Chairman**, the State Department for Public Service comprises five (5) divisions; Human Resource Management Policy, Human Resource Development, Management Consultancy Services, Public Sector Reforms and Transformation, Administrative Support Services and the Huduma Kenya Programme.

In addition, the State Department has four Semi-Autonomous Government Agencies (SAGAs) namely, Kenya School of Government (KSG), National Youth Service (NYS), Institute of Human Resource Management and Human Resource Management Professionals Examination Board (HRMPEB).

**Hon. Chairman**, in the Medium-Term Expenditure Framework, the State Department has three programmes, namely; **Public Service Transformation, National Youth Service and General Administration and Support Services**. The National Youth Service falls under the Departmental Committee on Social Protection and will be making a comprehensive presentation to the appropriate committee in due course.

## **(a) Strategic Objectives**

To achieve its mandate, the State Department has the following strategic objectives:

- i. Increase access to public services;
- ii. Develop skills and competencies in the public service;
- iii. Formulate and monitor the implementation of Human Resource Management (HRM) policies;
- iv. Improve employee wellness and health in the Public Service;
- v. Provide management consultancy and advisory services in the Public Service;
- vi. Coordinate business process reengineering and its application in public service delivery;
- vii. Promote knowledge management and information sharing;
- viii. Formulate guidelines and Policies for career management in the Public Service;
- ix. Undertake research and development and Public Service Delivery innovations; and
- x. Coordinate the provision of overall logistical support for effective implementation of the key programmes and projects in realization of the State Department's mandate.

**Hon. Chairman,** the State Department implements its mandate and the programmes through the aforementioned Divisions. The Divisions' functions are as follows:

### **i. Human Resource Management Policy**

The Division is charged with the provision of professional, technical guidance and advisory in the formulation, review and interpretation of policies,

regulations and procedures for strategic interventions on human resource matters in the Public Service.

Its key functions are: Formulating, reviewing and implementing Human Resource (HR) policies, norms and standards, systems, guidelines and procedures for effective and efficient management of human resource in the Public Service; monitoring and evaluating implementation of HR Management Policies; providing technical assistance and strategic advisories to MDAs to build their capacities and strengthen the HR function for impactful Public Service management; human resource planning, succession management and deployment of common cadre staff across the Public Service to enhance efficiency in service delivery; provision of counselling and psychosocial support services in the Public Service; implementation of comprehensive Medical Insurance Schemes and Group Life Cover for Civil Servants and Senior Officers; and advising on terms and Conditions of service in the Public Service to enhance industrial harmony.

## ii. Human Resource Development

**Hon. Chairman**, the Human Resource Development Division is responsible for coordination of technical assistance and capacity building activities in the Public Service for the attainment of Kenya Vision 2030 and other national development priorities, including the Bottom-Up Economic Transformation Agenda 2022-2027.

The Division is responsible for, among others: Human Resource Development Policy and strategies; Skills and competency development for the public service; resource mobilization through partnership with development partners; capacity building and technical assistance to county governments; monitoring and evaluation of capacity building activities in the Public Service; and collaboration

with the Kenya School of Government and other state agencies in designing training curricula and programmes for the Public Service.

### **iii. Management Consultancy Services**

The primary objective of this Division is to provide management advisory services to Ministries, Departments, Agencies and Counties (MDACs) to enhance their performance delivery.

Its key functions are: Initiating and providing coordination, oversight and advisory on public sector reforms and transformation of both the national and county governments; providing timely, up-to-date accurate data on government human resource for evidence-based decision making; ensuring clear, defined and efficient payroll management through appropriate standards and controls; leveraging research in developing and overseeing implementation of cutting-edge tools, systems and processes to facilitate responsive, customer-centric, efficient and effective delivery of public services; developing and overseeing the implementation of a dynamic career planning and development framework and guidelines for the Public Service.

### **iv. Public Sector Reforms and Transformation**

**Hon. Chairman,** the Public Sector Reforms and Transformation Division is key in the Coordination of public sector reforms at National and County levels.

The key functions of the Division is to: Technical assistance and capacity building of Public Service on Results Based Management (RBM) and Business Process Re-Engineering (BPR); Identification and prioritization of public services to be re-engineered; establishment of public service operation standards; Development of tools and approaches on performance management; Collection, collation, analysis and dissemination of information on reform initiatives and programmes; Undertaking research and innovation on public service innovations; promoting knowledge management in the Public Service; maintaining database of reform

champions; custodian of public service emeritus strategy; RBM coaches and BPR champions; and monitoring, evaluating and reporting outcomes and impacts on reforms across the Public Service; and mobilization of resource to support reform initiatives and programmes.

**v. Administrative Support Services**

**Hon Chairman**, the fifth division in my State Department is charged with the responsibility of coordination and support in the implementation of our mandate.

Its key functions are: Monitoring and evaluating implementation of State Department's projects and programmes; improving management systems and strengthening logistical support services for efficient and effective service delivery; spearheading economic planning and policy analysis, including undertaking economic and financial analysis; developing and implementing the Ministry's procurement plan for improved accountability and cost effectiveness in utilization of public funds, managing the State Department's Assets; providing financial stewardship for effective utilization of budgetary provisions; Budget preparation; processing financial payments and collection of Appropriation-in-Aid (AIA).

**vi. Huduma Kenya Service Delivery Programme**

**Hon. Chairman**, the Huduma Kenya Programme's primary objective is to transform public service delivery in order to ensure efficient, effective, accessible and citizen-centric services through one-stop-shop platforms.

The programmes key functions are; Providing quality, accessible, dignified, and convenient public services to customers; developing policy and legislation framework for Huduma Kenya Service Delivery Programme; developing, operationalizing, supporting and maintaining Huduma Kenya integrated service delivery platforms; building human and institutional capacity to ensure

transformation of public service delivery and establishing and sustaining partnerships.

**Hon. Chairman**, three out of the four Semi-Autonomous Agencies in the State Department are charged with the following responsibility:

**i. Kenya School of Government (KSG)**

**Hon Chairman**, the Kenya School of Government is a State Corporation established under an Act of Parliament (Act No.9 of 2012). The mandate of the school is to contribute to the transformation of the public service by inculcating national values, strengthening the pillars of public governance, developing core skills and competencies for quality service delivery through training, consultancy services, policy-oriented and problem-solving research.

**ii. Human Resource Management Professionals Examination Board (HRMPEB)**

**Hon. Chairman**, the Human Resource Management Professionals Examination Board (HRMPEB) is established by section 16 of the Human Resource Management Professionals Act, no. 52, 2012 as an examinations body for human resource management professionals.

The key functions of the Board are: Preparing and regulating syllabuses for Human Resource Management Professionals examinations; preparation and conducting examinations for Human Resource Professionals; promoting recognition of Human Resources examinations locally and internationally; and Certifying Qualified Human Resource Professionals.

**iii. Institute of Human Resources Management (IHRM)**

**Hon. Chairman**, "IHRM is a Statutory body established under the Human Resource Management Professionals Act, No. 52 of 2012. Its mandate is to regulate the HR profession in Kenya, enhance competencies and capabilities while supporting innovative and transformative HR practices and standards.

Hon. Chairman, the fourth Semi-Autonomous Agency; the National Youth Service is oversighted by the Departmental Committee on Social Protection and therefore not covered in this report.

## **2.0 Financial Year 2022/23 Budget Implementation Status**

Hon. Chairman, in the financial year 2022/23, the State Department had an approved allocation of **KSh. 10.00 billion** composed of **KSh. 9.73 billion** under recurrent and **KSh. 0.27 billion** under development.

The major source of funds under recurrent were the exchequer and local AIA mostly for the Kenya School of Government while development financing was from the exchequer and a grant from JICA.

### **a) Actual Revenue Receipts**

The State Department had exchequer requested of **KSh. 7,99 billion** for both recurrent and development budget. However only **KSh. 7.55 billion** was received by the end of the financial year. This represented a 95% financing of the approved budget. The unspent budget became part of the pending bills for the state Department.

Hon. Chairman, the State Department expected to raise **KSh. 1.91 billion** from sale of good and services under the recurrent budget mainly through the Kenya School of Government. By the close of the financial year, the State Department had collected **KSh. 1.61 billion** or 84% of the targeted revenue. The target was not met due to austerity measures during the financial year that targeted training allocation in all MDAs.

In total, the State Department spent 92% of the total allocation as indicated in table 1,2 and 3 below:

**Table 1 Budget Implementation Status by Source of Funding**

Source of Funding	Gross Estimates FY 2022/23 (KSh.)	Cumulative Expenditure (KSh.)	Remarks/ absorption
<b>Current Expenditure</b>			
Exchequer	7,812,021,730	7,459,992,852	95%
Appropriations In Aid	1,915,170,000	1,610,068,802	84%
<b>Total Current Expenditure</b>	<b>9,727,191,730</b>	<b>9,006,140,388</b>	<b>93%</b>
<b>Development Expenditure</b>			
Exchequer	174,087,150	97,525,000	56%
Appropriations In Aid-Grant	100,100,000	98,878,843	99%
<b>Total Development Expenditure</b>	<b>274,187,150</b>	<b>196,403,843</b>	<b>72%</b>
<b>Total Expenditure</b>	<b>10,001,378,880</b>	<b>9,202,544,231</b>	<b>92%</b>

**b) Actual expenditure by vote and programme**

**Hon. Chairman,** the State Department for Public Service has two programmes and nine sub programmes that fall under this esteemed Departmental Committee on Labour. Table 2 below provides actual expenditure per programme and sub programme for the financial year 2022/23.

**Table 2: Actual Expenditures for Programmes and Sub-programmes.**

Programme/ Sub- Programme	Gross Estimates FY	Cumulative Expenditure	Absorption
	FY2022/23	FY2022/23	FY2022/23
<b>PROGRAMME 1: Public Service Transformation</b>			
SP1.1: Human Resource Management	5,741,995,469	5,691,240,645	99%
SP1.2: Human Resource Development	2,570,365,319	2,261,460,074	88%
SP1.3: Management Consultancy Services	117,657,867	116,904,702	99%
SP1.4: Huduma Kenya	927,399,732	599,716,924	65%
SP1.5: Performance Management	71,201,238	57,134,592	80%
SP1.6: Public Service Reforms	88,334,172	56,131,662	64%
<b>Sub-Total</b>	<b>9,516,953,797</b>	<b>8,782,588,599</b>	<b>92%</b>
<b>PROGRAMME 2: General Administration, Planning and Support Services</b>			
SP3.1: Human Resources and Support Services	428,108,828	364,384,164	85%
SP3.2: Financial Management Services	51,963,650	51,315,148	99%

Programme/ Sub- Programme	Gross Estimates FY	Cumulative Expenditure	Absorption
	FY2022/23	FY2022/23	FY2022/23
SP3.3: Information Communications Services	4,352,605	4,256,320	98%
<b>Sub-Total</b>	<b>484,425,083</b>	<b>419,955,632</b>	<b>87%</b>
<b>GRAND TOTAL</b>	<b>10,001,378,880</b>	<b>9,202,544,231</b>	<b>92%</b>

***c) Actual Expenditure by Economic Classification***

**Hon Chairman**, the State Department spent 94% of the compensation to employees due to the component of AIA that was not collected as envisaged. Expenditure under use of goods and services was 65% as a result of lack exchequer to finance the various commitment at the end of the financial year. Table 3 below provides more information on recurrent and development expenditures by economic classification.

***Table 3: Expenditure Status by Economic Classification***

Expenditure by Economic Classification	Gross Estimates FY 2022/23 (KSh.)	Cumulative Expenditure (KSh.)	Remarks / absorption
<b>Current Expenditure</b>			
Compensation to Employees	865,386,000	810,293,766	94%
Employer Contributions to National Social and Health Insurance Scheme	5,400,000,000	5,400,000,000	100%
Use of Goods and Services	1,040,846,761	671,358,169	65%
Social Benefits	96,814,796	68,657,775	71%
Current Transfers	2,275,225,173	2,021,459,104	89%
Acquisition of Non-Financial Assets	48,919,000	34,371,574	70%
<b>Total Current Expenditure</b>	<b>9,727,191,730</b>	<b>9,006,140,388</b>	<b>93%</b>
<b>Development Expenditure</b>			
Use of Goods and Services	101,150,000	98,878,843	98%
Capital Transfers to Government Agencies	130,540,750	80,025,000	61%
Acquisition of Non-Financial Assets	42,496,400	17,500,000	41%
<b>Total Development Expenditure</b>	<b>274,187,150</b>	<b>196,403,843</b>	<b>72%</b>
<b>Total Expenditure</b>	<b>10,001,378,880</b>	<b>9,202,544,231</b>	<b>92%</b>

### 3.0 Non-Financial Performance

The State Department achieved the following key milestones in the FY 2022/2023 under the following divisions:

#### a) Human Resource Management Policy

Hon Chairman, the State Department undertook a wide range of Human Resource reform initiatives including development, implementation and review of the following policies:

- i. Comprehensive medical and group life insurance schemes for Civil Servants;
- ii. Designated hardship areas and payment of hardship allowances;
- iii. Post-retirement medical policy, guidelines and scheme for civil servants; teachers and disciplined services personnel
- iv. Essentials of counselling for public service programme for capacity building of public service mental health champions;
- v. Established Counselling and Wellness Services Helpline and Counselling and Wellness Services provided in four Huduma Centres
- vi. Draft Internship and Volunteer Policy for the Public Service;
- vii. A Framework for Collective Bargaining in the Public Service;
- viii. A draft Payroll management policy to ensure sustainable public service wage bill; and

#### b) Human Resource Development

Hon Chairman, the State Department undertook the following:

- i. In-service foreign training of 600 officers;
- ii. Support capacity building for (2) County Governments in Skills Audit;
- iii. Developed Monitoring, Evaluation and Reporting framework
- iv. Developed a framework for engagement of development partners;
- v. Review of Human Resource Development Policy in the Public Service;

- vi. Developed a Human Resource Development Strategy for the Public Service; and
- vii. Developed a draft Human Resource Development Audit Framework for the Public Service.

#### **c) Public Sector Reforms and Transformation**

Hon Chairman, the State Department undertook the following:

- i. Re-engineered 150 public Service delivery processes in 45 Ministries, Departments and Agencies;
- ii. Developed a draft Public Sector Transformation Strategy; and
- iii. Organised and coordinated the 2023 Africa Public Service Day in Zimbabwe, through which public service delivery innovations were identified and showcased.

#### **d) Management Consultancy Services**

Hon. Chairman, to ensure the Public Service institutions remain fit for purpose, the State Department has implemented the following:

- a) **Unified Human Resource (UHR) system for the Public Service:** The State Department has upgraded the Government Human Resource Information System (GHRIS);
- b) **Unified Payroll Number (UPN) Generating System:** The State Department has developed a Unified Payroll Number (UPN) Generating System with an aim to automate allocation and reactivation of Payroll Numbers for employees in MDCAs;
- c) **Operationalization of the Executive Order No. 1 of 2023:** Following the release of the **Executive Order No. 1 of 2023**, some functions were shifted from some Ministries/State Departments while others acquired new functions. Additional functional areas were also created. In view of this, the State Department for Public Service review of the Structures

and Staff establishment to re-aligned the functions of all Ministries/State Departments with the provisions of the Executive Order. Further, the State Department has separated payrolls for functions that were transferred to a different Ministry/State Department and merged all the payrolls where two functions were combined; and

d) **Framework for Career management in the Public Service:** Public Service developed a Framework to guide the management of Career Progression Guidelines. The Framework introduces a new approach for developing career guidelines in the public service and takes into consideration numerous public service jobs and classifies them into job families by grouping related functions and specifications, adopting cumulative service period, harmonizing inconsistent job titles, defining and broadening career paths, maintaining norms and standards and refining job descriptions.

e) **Huduma Kenya Programme**

**Hon. Chairman,** the State Department aims to increase the accessibility and affordability of public services through the existing Huduma platforms and delivery Channels under the one stop shop model and enhance automation and digitization of the services. Towards this end, the secretariat achieved the following:

- i. Served 13,515,486 customers were during the FY 2022/23.
- ii. Extended Working hours in eighteen (18) Huduma Centres from 0800hrs to 1700hrs to 0700hrs to 1900hrs while in Huduma Contact Centre the hours were extended from 0700hrs to 1900hrs to 0700hrs to 2100hrs.
- iii. developed a digitalization plan in order to align with the Government's Bottom-Up Economic Transformation Agenda on digitalization of Government Services.

The detailed summary of the Programmes Key Outputs, Performance is provided under Annex 1.

#### 4.0 Projects Information

**Hon. Chairman,** The State Department for Public Service has seven (7) projects as presented in the table below.

**Table 3: Project Status as at 31<sup>st</sup> June 2023 – KSh.in Millions**

Project Code and Project Title	Financing		Actual Cumulative Exp. up to 30th June 2022	Approved budget 2022/23	Actual Expenditure 2022/23	Outstanding Project Cost as at 30th June 2023	Project Completion % as at 30th June 2023
	Estimated project cost	Source of fund					
<b>KSh. Million</b>							
Implementation of Huduma Service Delivery Channels	25,030.00	GOK (Exchequer)	8,329.03	33.10	17.50	16,683.47	33%
Completion of Tuition complex at KSG Matuga	745.00	GOK (Exchequer)	101.80	24.40	15.00	628.20	16%
Completion of hostels 112 bed capacity single rooms at KSG- Embu	1,200.00	GOK (Exchequer)	144.17	32.50	45.00	1,010.83	16%
Completion of tuition complex at KSG- Ingo	623.50	GOK (Exchequer)	128.00	73.60	20.00	475.50	24%
Japanese Grants for Human Resource Development Scholarships (JDS)	497.40	Donor	100.10	100.10	98.87	298.43	40%
Upgrading of GHRIS	560.00	GOK (Exchequer)	30.00	6.37	-	530.00	5%
<b>TOTAL</b>	<b>28,655.90</b>		<b>8,833.10</b>	<b>270.07</b>	<b>196.37</b>	<b>19,626.43</b>	<b>32%</b>

**Hon. Chairman,** The State Department has projects with a total cost of **KSh. 28.6 billion** comprising of **KSh. 28.2 billion** from the Government of Kenya and **KSh. 0.4 billion** of Development Partner's support.

## 5.0 Information on Reallocation, Pending Bills and Liabilities

### a) Information on Reallocation

Hon. Chairman, the State Department requested for reallocation during the FY 2022/23 that were approved in the two supplementaries that were done during the financial year.

### b) Pending bills with an age of ninety days

The State Department has a pending bill of **KSh. 1.76 billion** composed of **KSh. 1.63 billion** under recurrent in the FY 2022/23, **KSh. 19.84 million** under Development in the same period. The total amount has **KSh. 111.53 million** historical pending bills.

**Hon Chairman**, the pending bills include **KSh. 1.28 billion** for the civil servants enhanced medical scheme that was declared as a pending bill in 2021/22. This was subsequently paid as a first charge in the FY 2022/23. The deficit created by charging the pending bill did not get budget allocation during the financial year. The bills also include **KSh. 77.76 million** for Jubilee Health Insurance meant for the senior civil servant medical scheme. The Jubilee pending bill is as a result of lack of budgetary provision of **KSh. 35.00 million** and lack of exchequer of **KSh. 42.76 million**.

A detailed table containing all pending bills is attached as **annex 3** of this report.

## 6.0 CONCLUSION

**Hon. Chairman**, I wish to appreciate the role of Parliament in the overlooking the budget process including execution and implementation of the approved budgets. The State Department for Public Service looks forward to continued support and partnership with Parliament, and in particular, this esteemed Committee.

The State Department will continue to play a pivotal role in pursuit of its mandate of guiding the Service and creating the enabling work environment for efficient and effective service delivery to the citizens.

**Hon. Chairman** and members, I wish to submit to this committee the budget Implementation status for FY 2022/23.

**Hon. Chairman**, I submit and once again thank you.



**Mr. Amos N. Gathecha, EBS, ndc (K)**  
**PRINCIPAL SECRETARY**  
**STATE DEPARTMENT FOR PUBLIC SERVICE**

**ANNEX 1: Summary of the Programmes Key Outputs, Performance Indicators and Targets and achievements for FY 2022/23**

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2022/23	Achievement	Remarks
<b>STATE DEPARTMENT FOR PUBLIC SERVICE</b>						
Programme 1: Public Service Human Resource Management and Development						
Programme Outcome: A responsive Public Service with dynamic strategies, structures and systems for quality service delivery						
SP 1.1 Human Resource Management	HRM Policy	Medical Insurance Schemes administered	No. of Civil Servants Covered	145,000	125,000	The reduction of civil servants being covered is due to retirement
		Post-Retirement Medical Scheme Policy developed and implemented	No. of officers in CSG 3 and above covered	300	250	This is the number of State Officers who are in CGS3 and above
		Human Resource Management Policies and Guidelines for Public Service developed/ reviewed	Actuarial study Report on establishment of PRMIS	1	1	Awaiting Cabinet memorandum on establishment of PRMIS
			Post Retirement Policy	1	1	Target achieved
			No. of Officers covered under Post-Retirement Medical Insurance Scheme (PRMIS)	-	-	Not rolled out yet
		No. of policy documents developed /reviewed	3	1	One Policy was developed/reviewed	

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2022/23	Achievement	Remarks	
SP 1.2 Human Resource Development		Human Resource Management Policies and Guidelines for Public Service complied with	% Compliance with HRM Policies and guidelines in MDACs	100	100	Target achieved	
		Technical Assistance, coaching and capacity building on HRM to MDACs provided	No. of public officers in MDACs given technical assistance / coached / capacity built in HRM	1,100	1,000	Services provided upon requests from MDACs	
	HRMPEB	HR Professionals certified	No. of HR Professionals certified	923	2,242	Improved marketing led to additional numbers	
	HRD	Public Servants accessing Training Revolving Fund (TRF)	No. of Public Servants accessing TRF	300	300	Target achieved	
		Skills Capacity Gaps in the Public Service assessed	No. of Skills Capacity Gaps Assessment conducted	5	3	Services provided upon requests from MDACs	
			No. of MDACs implementing skills Master Plan for scarce and high priority areas	25	25	Target achieved	
		Capacity building in Human Resource Development (HRD) practices in Counties undertaken	No. of Counties supported in developing their capacities in HRD	30	30	Target achieved	
		Training and Capacity Development for the	No. of Public servants trained through GoK support	500	500	Target achieved	

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2022/23	Achievement	Remarks
		public service undertaken	No. of HRD policy documents developed	3	3	Developed Online training guidelines, TNA guidelines and HR audit framework
			No. of Local and Foreign Capacity building Programmes evaluated	2	0	Inadequate funding
		Talent Management and Mentorship for Young Professionals undertaken	No. of young Professionals mentored for leadership	100	-	Inadequate funding
		Public Service Competency Framework implemented	No. of MDACs capacity built on Competency Framework	15	-	Inadequate funding
		Knowledge Management Strategy for the Public Service developed	Knowledge Management Strategy for the Public Service	-	-	Inadequate funding
			No. of MDACs capacity built on Knowledge Management Strategy	-	-	Inadequate funding
SP.1.3 Management Consultancy Services	Management Consultancy Services	Career Guidelines reviewed/ developed in the Public Service	No. of Career Guidelines reviewed/developed	20	22	These were developed in state agencies. Program for reviewing career guidelines for Ministries/Departments Scheduled for FY 2023/24

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2022/23	Achievement	Remarks
		Organizational Review for MDACs undertaken	No. of MDACs organizational structures reviewed	20	42	Reviews have been done as part of implementation of the executive order no 1 of 2023
		Government Human Resource Information System (GHRIS) infrastructure upgraded	% Installation and commissioning of GHRIS infrastructure and data HR migration	80	100	The GHRIS upgraded infrastructure has been acquired at a cost of KShs 190.0 M and was commissioned in December 2022
			No. of cumulative MDCAs uploaded in the GHRIS Data Warehouse	302	183	Additional 106 MDACs have provided the necessary data for uploading and the process is ongoing.  Inadequate funding for data consolidation experienced in FY 2022/23 hence the Shortfall
		Government Human Resource Information System (GHRIS) upgraded	No. of Modules developed	3	3	Payroll Management, Public Service Superannuation and performance appraisal system are developed.  Other Modules such as Pension Management, Staff Establishment module .training, among others prototyped.
		Cumulative IPPD system sites installed	No. cumulative sites installed in IPPD System	205	183	The IPPD system is been retired. Any additional sites is domiciled in the UHR system

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2022/23	Achievement	Remarks
		Staff trained on Integrated Payroll and Personnel Database (IPPD), Unified Payroll Number Generating (UPN) and GHRIS	No. of staff trained on IPPD, UPN/GHRIS	450	481	Target achieved. This involved training of GHRIS/UHR Champions and payroll managers in MDACs
		MDACs Payroll audited	No. of payrolls audited	5	6	This include Garissa, Machakos, Kitui, Wajir, Nyamira and Turkana. Others Ongoing
SP 1.4 Counselling Policy and Services	Psychological Counselling Unit	Public Service Psychological Counselling Services strengthened	% Completion of Public Service Psychological Assessment Centre	20	-	Inadequate funding
			% Completion of the review of Public Service Guidance and Counselling Policy	50	80	Target achieved
			% Completion of development of Guidelines for Public service wellness programmes	50	-	Target not achieved
			No. of Public Service Mental Health Champions in MDACs trained	300	304	Target achieved

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2022/23	Achievement	Remarks
SP 1.5 Kenya School of Government	KSG	National capacity building for Public Service undertaken	No. of public officers provided with counselling and wellness services	6,000	8,036	Target achieved
			No. of public officers provided with specialized counselling services	500	505	Target achieved
			No. of Participants from National Government trained and certified	19,000	10,872	Training activities in the School were severely affected by training budget
			No. of Participants from County Governments trained and certified	6,000	3,883	Training activities in the School were severely affected by training budget cuts
			No. of consultancies for public service undertaken	10	31	The School established a specialised Centre for Consultancy services. This has enhanced the School's capacity in undertaking consultancy services.
		Policy Research and advisory briefs prepared	No. of research in areas aligned to national development priorities	4	15	The School established a specialised Centre for Research and Advanced Training. This has enhanced the School's capacity in undertaking research projects and development of Policy Research and advisory briefs.
Programme 2: Public Service Transformation						
Programme Outcome: Transformed Public Service for quality, effective and efficient Service Delivery						

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2022/23	Achievement	Remarks
SP 2.1 Huduma Kenya	Huduma Kenya Secretariat	Huduma Kenya integrated service delivery channels operationalized and refurbished	No. of additional operational Huduma Centres in Counties/Sub-counties	-	-	-
			No. of Huduma Centres refurbished	10	12	Target surpassed due to issuance of AIEs in Huduma Centres for maintenance and refurbishment.
			No. of Huduma Mashinani Outreaches	208	102	The underachievement is due to budget constraint that was caused by budget re-alignment.
		Quality, accessible, dignified, and convenient public services to customers provided	No. of Customers (in Millions) served annually through Huduma Service delivery platforms	13.50	13.51	This was achieved by extension of working hours in eighteen Huduma Centres and Huduma Contact Centre.
			% Customer satisfaction level	90.00	90	Target achieved. Customers exit survey was done to ascertain the satisfaction level.
			No. of services provided on Huduma Service Delivery platforms	153	130	Targeted MDAs were not able to upload their services on Huduma Service Delivery Platforms
			No. of staff trained on service excellence and Huduma standards	1,500	220	The target was affected by budget re-alignment

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2022/23	Achievement	Remarks
			% Upgrade of Huduma Contact Centre	80	60	Furniture, ICT infrastructure and system were upgraded. Relocation was affected by budget re-alignment
			% Upgrade of Huduma ICT systems and infrastructure	45	45	Target achieved
			% Upgrade of Huduma Security systems	45	0	Target affected by budget re-alignment
		Policy and Legislation Framework for Huduma Kenya Service Delivery Programme developed	% Completion level of the One-Stop-Shop Government Policy	100	100	Submitted to the Cabinet for approval
			One-Stop-Shop Government Bill	-	-	-
			% Development of the Huduma Kenya Strategic Plan	70	70	Target achieved
		Research and Innovations for Huduma Kenya integrated service delivery platforms implemented	No. of research conducted on Huduma Kenya platforms	1	0	Target affected by budget re-alignment
			No. of new service delivery innovations implemented	1	0	Target affected by budget re-alignment
SP 2.2 Public Service Reforms	PSTD	Capacity Building and Strategic Partnerships on Results Based	No. of institutions sensitized on Business Process Re-engineering (BPR)	398	150	Over 300 MDAs have reported on BPR undertaken in their institutions as a Performance Contract requirement

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2022/23	Achievement	Remarks
		Management undertaken	No. of champions trained on BPR	350	134	This the number of champions trained
		Public Service Transformation Framework reviewed	Public Service Transformation Framework	-	-	The Public Sector Transformation Policy and Public Sector Transformation Strategy is being developed to align to BeTA Implementation of the Framework ongoing
			No. of MDACs Sensitized on Public Service Transformation Framework	-	-	-
			No. of MDACs with Transformation plans	-	-	Pillars of the Framework have been implemented as appropriate by responsible actors.
		Public Service Emeritus Strategy implemented	No. of Public Service Emeriti	20	-	
			No. of knowledge sharing forums	-	12	12 MDACS sensitized
		Innovations in service delivery implemented	Reviewed Public Service Innovation Strategy	-	-	Review of Public Service Innovation Strategy in process
			Public Service Delivery Innovation online platform developed	-	-	Innovation platform initiated
			No. of Service Delivery Innovations evaluated	100	156	Innovations submitted and evaluated for Africa Public Service Day

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2022/23	Achievement	Remarks
			No. of MDACs sensitized on Service Delivery Innovations Strategy	50	-	MDAs are mainstreaming innovation through participation in APSD and submission of innovation to UN and other bodies
			Annual Africa Public Service Day held	1	-	Continental celebration of Africa Public Service Day held in Zimbabwe
<b>Programme 3: General Administration, Planning and Support Services</b>						
<b>Programme Outcome: Enhanced Leadership and Policy Direction for Effective Service Delivery</b>						
SP 3.1 Headquarters Administrative Services	Human Resource Management Services	Human Resource Services improved	Work environment and Employee satisfaction survey	1	1	Target achieved
			Training Needs Assessment Report	1	1	Target achieved
			Reviewed Human Resource Plan	1	-	Draft Human Resource Plan developed
			No. of HR Plan recommendations implemented	3	-	Draft Human resource not finalised
			% Acquisition and Partitioning of Office Space	100	100	Target Achieved
SP 3.2 Financial Management Services	Finance	Funds allocated utilized efficiently	% Absorption rate	100	100	Target Achieved

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2022/23	Achievement	Remarks
SP 3.3 Information Communication Services	ICT	Information and Communication Technology improved	No. of Automated Key Business and Management Processes	2	1	Inadequate funding
			Hardware procured	30	20	Inadequate funding
			Software procured	3	3	Target achieved
SP 3.4 Central Project, Planning and Management Services	Central Planning and Project Monitoring Unit	Programmes/Projects Monitored and evaluated	No. of Monitoring and Evaluation reports	2	1	Project Stocktaking undertaken and report prepared
		Performance Contracting coordinated	No. of Performance Contracts reports	4	4	All the four quarter reports prepared
		Performance Contracts developed	No. of Performance Contracts signed	2	2	Performance Contracts for the Cabinet Secretary and Principal Secretary developed and signed
		Strategic Plans prepared	No. of Strategic Plans	1	1	Draft Strategic Plan Developed for the State Department
<b>Programme 4: National Youth Service</b>						
<b>Programme Outcome: Disciplined and Empowered Youth</b>						
SP 4.1 Paramilitary Training and National Service	Paramilitary Training and National Service	Youth recruited and trained in paramilitary skills	No. of youth recruited	10,000	24,847	Enlisted 24,847 youth comprising of September 2022 intake of 13,942 youth (9,689 males and 4,253 females) and May 2023 intake of 10,905 youth (7,066 males and 3,839 females) drawn

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2022/23	Achievement	Remarks
						from all Sub-counties across the country.
			No. of youth trained in paramilitary skills	10,000	22,705	22,705 youth comprising of two cohorts of 11,800 (8,428 males and 3,372 females) and 10,905 youth (7,066 males and 3,839 females) were admitted and trained in Paramilitary Skills
		Servicemen/women (SM/W) engaged in National Service	No. of SM/W deployed to National Service	19,649	20,953	Developed and implemented the National Service Deployment Plan and deployed a total of 20,953 SM/W (15,055 males and 5,898 females), comprising of two cohorts of 9,282 SM/W (6,654 males and 2,628 females) and 11,671 SM/W (8,401 males and 3,270 females), to all Field Units to provide service to the nation on tasks of national importance including but not limited to agricultural production, security services and other disaster and emergency response activities, railway and Kisumu port rehabilitation.
		Food produced	Tonnes of food produced	2,160	2,179.68	Produced 2,179.68 tons of food mainly maize and vegetables
		Cotton produced	Tonnes of cotton produced	-	-	

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2022/23	Achievement	Remarks
		Presidential Directives implemented	% Implementation of Presidential Directives	100	100	Trained 3,731 boda boda riders in various Sub-counties in Nairobi County;
		Rapid Response to Disaster and emergencies	% Disaster and Emergency Responses	100	100	The Service planted 94,330 trees and propagated 385,815 tree seedlings across all Field Units towards greening Kenya initiative. i. Fire response to Kenya Broadcasting Cooperation on 11th July 2022. ii. Collapsed building at Infinity Mwiki area on 10th August 2022. iii. Collapsed building in Tassia on 8th November 2022; iv. Collapsed building in Kasarani on 15th November 2022.
SP 4.2 Technical and Vocational Training	Technical and Vocational Training	Technical and Vocational skills to youth imparted	No. of SM/W enrolled in Technical and vocational training	17,500	15,394	Enrolled a total of 15,394 SM/W, comprising of 11,235 males and 4,159 females, into various specialised courses
			No. of SM/W training in specialised skills	36,225	41,106	Trained 41,106 SM/W, comprising of 30,380 males and 10,726 females, in technical and vocational skills. Graduated 16,373 SM/W, comprising of 11,932 males and 4,441 females.
		SM/W talent identified and developed	No. of Youth whose talents are identified and developed	2,500	5,582	5,582 SM/W were identified, nurtured and mentored in various talent development activities such as national

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2022/23	Achievement	Remarks
SP 4.3 Commercial and Enterprise Development	Commercial and Enterprise Development	Commercial and Enterprise Activities established	No. of Commercial and Enterprise activities	6	5	<p>leagues, national sports federations, and national music and drama festivals</p> <p>The Service engaged in four commercial and enterprise activities namely:</p> <ul style="list-style-type: none"> <li>i. Garment production</li> <li>ii. Production of certified potato seeds</li> <li>iii. Water Bottling</li> <li>iv. Bakery production</li> <li>v. Hire of vehicles and machinery and construction Works.</li> </ul>
SP 4.4 Corporate Services, Strategy and Planning	Administration	Collaborations and Partnerships established	Revenue generated from Commercial and Enterprise (KSh. M)  No. of collaborations and Partnerships established	724.86  5	338.99  10	<ul style="list-style-type: none"> <li>i. Frigoken Limited</li> <li>ii. County Government of Elgeyo Marakwet.</li> <li>iii. County Government of Kisii</li> <li>iv. Kenya Broadcasting Corporation.</li> <li>v. County Government of Nyandarua</li> <li>vi. Kenya Institute for Public Policy Research and Analysis (KIPPRA) procurement of NYS products and service;</li> <li>ii. Kenya Forest Services</li> <li>ii. Kenya Airport Authority (KAA)</li> </ul>

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2022/23	Achievement	Remarks
						x. Kenya National Trading Corporations
		Research and Innovation mainstreamed	No. of Research Innovations	2	2	Developed two (2) innovations on hydraulic knapsack sprayer and on automated irrigation system

## ANNEX 2: Project Report

VOTE 1213-STATE DEPARTMENT OF PUBLIC SERVICE

ANNEX 7: PROJECTS DETAILS FOR FY 2022/23

Project Code and Project Title	Financing		Timeline		Actual Cumulative Exp. up to 30th June 2022	Approved budget 2022/23		Actual Expenditure 2022/23		Outstanding Project Cost as at 30th June 2023	Project Completion % as at 30th June 2023	Remarks	
	Estimated project cost	GoK	Foreign	Start Date		Expected Completion Date	GoK	foreign	GoK				foreign
<b>KSh. Million</b>													
Implementation of Huduma Service Delivery Channels	25,030.00	25,030.00		2013	2026	8,329.03	33.10	17.50		16,682.70	33%		
Completion of Tuition complex at KSG Matuga	745.00	745.00		2018	2026	101.80	24.40	15.00		628.20	16%		
Completion of hostels 112 bed capacity single rooms at KSG-Embu	1,200.00	1,200.00		2018	2026	144.17	32.50	45.00		1,035.83	16%		
Completion of tuition complex at KSG-Baringo	623.50	623.50		2018	2026	128.00	73.60	20.00		450.50	24%		
Japanese Grants for Human Resource Development Scholarships (JDS)	497.40	97.00	400.4	2021	2026	100.10	-	-	98.87	397.30	20%		
Upgrading of GHRIS	560.00	560.00		2021	2026	30.00	6.37	-		530.00	5%		
	<b>28,655.90</b>	<b>28,255.50</b>	<b>400.40</b>			<b>8,833.10</b>	<b>169.97</b>	<b>97.50</b>	<b>98.87</b>	<b>19,724.53</b>			

### ANNEX 3: PENDING BILLS

STATE DEPARTMENT FOR PUBLIC SERVICE		
S/NO	PAYEE	AMOUNT
	<b>HISTORICAL PENDING BILLS</b>	
1	RADIO JAMBO	464,000.00
2	TELEPOSTA PENSION SCHEME	174,000.00
3	OLIVER K. LTD	7,113,129.00
4	STAN HOLDINGS COMPANY LTD	3,687,917.50
5	CONFEZ TECHNOLOGIES	3,650,000.00
6	SAGE MEDIA	11,817,500.00
7	SAGE MEDIA	11,817,500.00
8	SAGE MEDIA	11,817,500.00
9	SAGE MEDIA	11,817,500.00
10	SAGE MEDIA	36,394,809.00
11	PROCOST LTD	1,435,754.05
12	UTO CREATIONS STUDIO LTD	1,466,471.85
13	ROEH TOURS & TRAVEL	209,195.00
14	ROEH TOURS & TRAVEL	99,000.00
15	ROEH TOURS & TRAVEL	94,125.00
16	ROEH TOURS & TRAVEL	16,685.00
17	ROEH TOURS & TRAVEL	240,785.00
18	ROEH TOURS & TRAVEL	46,700.00
19	ROEH TOURS & TRAVEL	157,280.00
20	ROEH TOURS & TRAVEL	87,900.00
21	ROEH TOURS & TRAVEL	127,500.00
22	ROEH TOURS & TRAVEL	61,840.00
23	ROEH TOURS & TRAVEL	26,700.00
24	ROEH TOURS & TRAVEL	58,360.00
25	ROEH TOURS & TRAVEL	30,695.00
26	ROEH TOURS & TRAVEL	34,045.00
27	ROEH TOURS & TRAVEL	19,985.00
28	ROEH TOURS & TRAVEL	59,365.00
29	ROEH TOURS & TRAVEL	115,335.00
30	ROEH TOURS & TRAVEL	115,335.00
31	ROEH TOURS & TRAVEL	78,865.00
32	ROEH TOURS & TRAVEL	57,505.00
33	ROEH TOURS & TRAVEL	60,570.00
34	ROEH TOURS & TRAVEL	56,490.00
35	ROEH TOURS & TRAVEL	32,775.00
36	ROEH TOURS & TRAVEL	32,405.00
37	ROEH TOURS & TRAVEL	36,105.00
38	ROEH TOURS & TRAVEL	34,150.00
39	ROEH TOURS & TRAVEL	34,470.00
40	ROEH TOURS & TRAVEL	50,715.00
41	NATION MEDIA GROUP PLC	684,400.00

42	NATION MEDIA GROUP PLC	2,141,070.00
43	THE STANDARD GROUP PLC	2,202,840.00
44	MINISTRY OF INFORMATION COMMUNICATION TECHNOLOGY (GOVERNMENT ADVERTISING AGENCY)	205,045.00
45	THE STANDARD GROUP PLC	1,624,000.00
46	MFI DOCUMENT SOLUTIONS LTD	312,702.00
47	MFI DOCUMENT SOLUTIONS LTD	312,702.00
48	MFI DOCUMENT SOLUTIONS LTD	312,702.00
	<b>SUB TOTAL</b>	<b>111,526,422.40</b>
	<b>PENDING BILLS FOR 2022-2023 FY</b>	
49	KENYA AGRICULTURE AND LIVESTOCK RESEARCH ORGANIZATION	170,800.00
50	KISUMU HOTEL (MASENO UNIVERSITY)	567,500.00
51	KENYA INDUSTRIAL TRAINING INSTITUTE (NAKURU)	187,500.00
52	KENYA INDUSTRIAL TRAINING INSTITUTE	240,000.00
53	MASADA HOTEL	679,000.00
54	MOMBASA BEACH HOTEL	222,000.00
55	MOMBASA BEACH HOTEL	294,000.00
56	NATIONAL INDUSTRIAL TRAINING AUTHORITY	280,000.00
57	PRIDENN FLAMIGIO BEACH RESORT LIMITED	1,399,500.00
58	MACHAKOS UNIVERSITY	238,000.00
59	KENYA SCHOOL OF GOVERNMENT BARINGO	204,000.00
60	KENYA SCHOOL OF GOVERNMENT MOMBASA	357,000.00
61	RIFT VALLEY INSTITUTE OF SCIENCE AND TECHNOLOGY	157,500.00
62	KENYA SCHOOL OF GOVERNMENT-LOWER KABETE	450,660.00
63	KENYA SCHOOL OF GOVERNMENT-EMBU	412,500.00
64	MINISTRY OF INFORMATION COMMUNICATION AND TECHNOLOGY GOVERNMENT ADVERTISING (GAA)	233,669.00
65	MINISTRY OF INFORMATION COMMUNICATION AND TECHNOLOGY GOVERNMENT ADVERTISING (GAA)	205,045.00
66	KENYA SCHOOL OF GOVERNMENT-EMBU	280,000.00
67	KENYA SCHOOL OF GOVERNMENT-LOWER KABETE	2,090,900.00
68	KENYA SCHOOL OF GOVERNMENT-EMBU	303,750.00
69	KENYA SCHOOL OF GOVERNMENT-EMBU	416,250.00
70	KENYA SCHOOL OF GOVERNMENT-EMBU	300,000.00
71	KENYA SCHOOL OF GOVERNMENT-LOWER KABETE	184,440.00
72	KENYA SCHOOL OF GOVERNMENT-EMBU	285,000.00
73	KENYA SCHOOL OF GOVERNMENT-EMBU	1,351,500.00
74	KENYA SCHOOL OF GOVERNMENT-EMBU	795,000.01
75	KENYA SCHOOL OF GOVERNMENT-EMBU	715,500.00
76	MINISTRY OF INFORMATION COMMUNICATION TECHNOLOGY (GOVERNMENT ADVERTISING AGENCY)	98,793.25
77	GOVERNMENT PRINTERS	435,000.00
78	PRINCIPLE SECRETATRY STATE DEPARTMENT OF BROADCASTING AND TELECOMMUNICATION	205,045.00

79	MINISTRY OF INFORMATION COMMUNICATIO TECHNOLOGY(GAA)	205,045.00
80	SILVER AFRICA TOURS AND SAFARIS LIMITED	5,276,680.00
81	AIRLITE TRAVEL LIMITED	55,786.00
82	AIRLITE TRAVEL LIMITED	36,965.00
83	SILVER AFRICA TOURS AND SAFARIS LIMITED	3,177,500.00
84	AIRLITE TRAVEL LIMITED	340,200.00
85	AIRLITE TRAVEL LIMITED	111,000.00
86	AIRLITE TRAVEL LIMITED	1,099,000.00
87	AIRLITE TRAVEL LIMITED	150,600.00
88	GLOBUS TOURS &TRAVEL LTD	90,000.00
89	GLOBUS TOURS &TRAVEL LTD	91,000.00
90	GLOBUS TOURS &TRAVEL LTD	508,300.00
91	GLOBUS TOURS &TRAVEL LTD	55,900.00
92	GLOBUS TOURS &TRAVEL LTD	60,000.00
93	GLOBUS TOURS &TRAVEL LTD	33,000.00
94	GLOBUS TOURS &TRAVEL LTD	93,500.00
95	GLOBUS TOURS &TRAVEL LTD	55,000.00
96	GLOBUS TOURS &TRAVEL LTD	55,000.00
97	KEYSA TOURS AND TRAVEL	136,445.00
98	KEYSA TOURS AND TRAVEL	58,470.00
99	KEYSA TOURS AND TRAVEL	37,395.00
100	KEYSA TOURS AND TRAVEL	31,868.00
101	REX KIOSK	172,440.00
102	PIRTS ENTERPRISES COMPANY LIMITED	310,000.00
103	ADVATECH SUPPLIES LTD	2,800,000.00
104	DT DOBIE	73,220.00
105	DT DOBIE	380,500.00
106	URYSIA LIMITED	158,395.78
107	URYSIA LIMITED	99,729.26
108	POSTAL CORPORATION OF KENYA	121,480.00
109	SOARING EAGLES VENTURES	414,300.00
110	KENBRIGHT ACTUARIAL AND FINANCIAL SERVICES LIMITED	5,104,000.00
111	KENYATTA INTERNATIONAL CONFERENCE CENTER	2,786,357.70
112	MFI DOCUMENT SOLUTIONS LTD	289,588.20
113	MFI DOCUMENT SOLUTIONS LTD	321,679.60
114	MFI DOCUMENT SOLUTIONS LTD	321,679.60
115	EN DOT AGENCIES	238,000.00
116	SANRIC GENERAL MERCHANTS	243,000.00
117	BULLSONS AGENCIES LIMITED	490,000.00
118	PAMTECH SUPPLIES	465,500.00
119	EARTH LINE VENTURES	1,825,492.00
120	VENTONE ENTERPRISES	720,300.00
121	SIMPLY SAVE INVESTMENTS	765,000.00
122	RUFA LOGISTICS AND SUPPLIES	880,000.00
123	EASTCOM ENTERPRISES	620,000.00

124	KENYA DEVELOPMENT CORPORATION	4,718,880.00
125	KENYA DEVELOPMENT CORPORATION	4,718,880.00
126	KENYATTA INTERNATIONAL CONVENTION CENTER	5,493,630.65
127	KENYATTA INTERNATIONAL CONVENTION CENTER	5,493,630.65
128	TELEPOSTA PENSION SCHEME	10,014,732.80
129	KENYATTA INTERNATIONAL CONVENTION CENTER	2,707,272.95
130	KENYATTA INTERNATIONAL CONVENTION CENTER	15,367,680.00
131	JUBILEE HEALTH INSURANCE	77,766,883.00
132	CUSLINE INVESTMENTS	444,000.00
133	TELKOM KENYA	109,500.00
134	POSTAL CORPORATION	122,890.00
135	GOVERNMENT PRINTER	435,000.00
136	NATION MEDIA GROUP	1,427,380.00
137	NATION MEDIA GROUP	713,690.00
138	NATION MEDIA GROUP	420,734.00
139	STANDARD GROUP LIMITED	406,000.00
140	KERRI WORKS LIMITED	438,600.00
141	KERRI WORKS LIMITED	897,000.00
142	DIMATEC CLEANING & FUMIGATION	530,400.00
143	LISTE PRODUCTS	885,000.00
144	LISTE PRODUCTS	141,750.00
145	JOHNS GENERAL SERVICES	862,704.00
146	KENBRIGHT ACTUARIAL SERVICES	15,312,000.00
147	SILVER AFRICA TOURS	367,400.00
148	AIRLITE TRAVEL	36,800.00
149	AIRLITE TRAVEL	40,470.00
150	AIRLITE TRAVEL	37,320.00
151	SILVER AFRICA TOURS	151,950.00
152	SILVER AFRICA TOURS	214,720.00
153	SILVER AFRICA TOURS	190,550.00
154	SILVER AFRICA TOURS	563,950.00
155	SILVER AFRICA TOURS	151,500.00
156	SILVER AFRICA TOURS	222,050.00
157	SILVER AFRICA TOURS	206,275.00
158	SILVER AFRICA TOURS	154,270.00
159	SILVER AFRICA TOURS	171,600.00
160	SILVER AFRICA TOURS	707,000.00
161	KENRON GENERAL SUPPLIES	127,750.00
162	BULLSONS AGENCIES LIMITED	960,000.00
163	KLINK NETWORK LIMITED	163,100.00
164	NOVY ENTERPRISES	494,500.00
165	INTROPEAK INVESTMENTS	485,750.00
166	GTREND CONCEPTS	37,000.00
167	TOTAL KENYA	1,700,850.00
168	SAMO AGENCIES	96,400.00
169	JEMA AUTO GARAGE	430,000.00

170	GOODFRIEND ENTERPRISES	1,350,200.00
171	SMARGIE ENTERPRISES	480,400.00
172	RUPAS GIFT CENTER	305,486.00
173	STARMED ENTERPRISES	1,302,000.00
174	VENTONE ENTERPRISES	1,099,200.00
175	NAIVASHA COUNTRY HOTEL	442,000.00
176	EDIHURST GENERAL SUPPLIES	1,330,000.00
177	PIT ENTERPRISES	192,400.00
178	MACHAOKS UNIVERSITY	193,000.00
179	MACHAOKS UNIVERSITY	235,000.00
180	FINNET SYSTEM SOLUTION	60,500.00
181	STANDARD GROUP LIMITED	812,000.00
182	INTERSECURE O SOLUTIONS	273,300.00
183	INTERSECURE O SOLUTIONS	256,900.00
184	UAP LIFE ASSURANCE LIMITED	2,556,626.00
185	TELKOM KENYA LIMITED	11,672,598.50
186	SAFARICOM LIMITED	10,327,400.00
187	HOLIMARC MOTORS & ALLIED SERVICES	1,091,600.00
188	ULANDA AUTO TECH WING	1,129,840.00
189	CARDAN LIMITED	500,000.00
190	CACOTECH LIMITED	874,500.00
191	VOLKSEVIS TECHNOLOGIES LIMITED	487,932.00
192	REYTORIA GENERAL SUPPLIES	697,500.00
193	UNES UNIVERSITY BOOKSTORE	890,096.00
194	MBERIKA GENERAL SUPPLIES	907,887.00
195	KENYA SCHOOL OF GOVERNMENT	819,000.00
196	DIALESCAS AFRICA	1,251,063.62
197	BRANDWORKS CONSULT LIMITED	1,750,000.00
198	PARYAN GENERAL SUPPLIES	1,061,700.00
199	NEOSCAPE ARCH SYSTEM LIMITED	2,835,502.50
200	KENYA INSTITUTE OF SUPPLIES MANAGEMENT	139,200.00
201	ONCALL INFOTECH LIMITED	3,297,000.00
202	STAN HOLDINGS COMPANY	1,159,680.00
203	SYSPAN ENTERPRISES	3,237,820.00
204	WANGLAN ENTERPRISES	982,850.00
205	DIRECTOR NATIONAL YOUTH SERVICE	10,819,250.00
206	TELEPOSTA PENSION SCHEME	20,492,641.20
207	KICC	4,176,000.00
208	EAGLE OAKS FURNITURES	790,000.00
209	LAKE NAIVASHA RESORT	900,000.00
210	DENAN GENERAL SUPPLIES	3,360,000.00
211	AGILE CLOUD LIMITED	2,482,208.79
212	REMPTA ENTERPRISES	1,200,000.00
213	FAIR VIEW TECHNOLOGIES	791,200.00
214	LEYZA ENTERPRISES	1,027,840.00
215	CURECU ENTERPRISES	1,257,900.00

216	DEBOLANA CONTRACTORS	882,900.00
217	TRENCHMAX SOLUTIONS LIMITED	158,900.00
218	HERMANA INTERNATIONAL LIMITED	4,456,550.00
219	AML QUEST SERVICES LIMITED	3,290,000.00
220	BROADVISION LIMITED	4,283,745.00
221	WARDA HOLDINGS LIMITED	985,650.00
222	RIVENALA KENYA LIMITED	2,017,104.00
223	NHIF	1,280,175,237.00
224	PRIMATE TOURS LTD	29,985.00
225	PRIMATE TOURS LTD	49,900.00
226	PRIMATE TOURS LTD	48,990.00
227	TILIL TECHNOLOGIES	1,083,892.80
228	TOP CHOICE SURVEILLANCE LTD	13,596,560.00
229	POSTAL CORPORATION OF KENYA	153,670.00
230	POSTAL CORPORATION OF KENYA	112,130.00
231	POSTAL CORPORATION KENYA	105,960.00
232	JUBILEE INSURANCE.	727,176.00
233	TILIL TECHNOLOGIES	1,528,748.75
234	JALAM SUPPLIES	49,500.00
235	JALAM SUPPLIES	50,000.00
236	KCB STAFF PENSION FUND	5,482,740.00
237	POSTAL CORPORATION OF KENYA	252,955.01
238	JUBILEE HEALTH INSURANCE.	1,596,609.80
239	METRO DALMAR LIMITED	2,689,600.00
	<b>SUB TOTAL</b>	<b>1,629,317,346.42</b>
	<b>DEVELOPMENT</b>	
240	BEST BARGAIN ELECTRONICS	1,705,000.00
241	MODIMBO SUPPLIES	1,530,000.00
242	BEST BARGAIN ELECTRONICS	1,142,100.00
243	PEREGRINE EAST AFRICA	248,000.00
244	WANGLAN ENTERPRISES	1,760,000.00
245	GODATA AGENCIES	1,890,000.00
246	SHAKIME ELECTRONICS	995,500.00
247	SYBYL KENYA LIMITED	10,575,927.10
	<b>SUB TOTAL</b>	<b>19,846,527.10</b>
	<b>GRAND TOTAL</b>	<b>1,760,690,295.92</b>



**REPUBLIC OF KENYA**

**MINISTRY LABOUR AND SOCIAL PROTECTION**

**STATE DEPARTMENT FOR LABOUR AND SKILLS DEVELOPMENT**

**VOTE 1184**

PRESENTATION ON BUDGET IMPLEMENTATION FOR THE FY 2022/2023

TO

THE DEPARTMENTAL COMMITTEE ON LABOUR

BY

THE CABINET SECRETARY

**10<sup>TH</sup> AUGUST 2023**

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## **INTRODUCTION**

The State Department for Labour and Skills Development is one of the six sub-sectors of the Social Protection, Culture and Recreation Sector Working Group (SWG). The State Department plays a critical key role in the country's development through promotion of harmonious industrial relations; safety and health at workplace; employment promotion; industrial training; productivity management; national human resource planning and utilization; registration and regulation of trade unions, provision of social security and skills development.

### **Mandate of the State Department**

The Mandate of the State Department for Labour and Skills Development as per Executive Order No. 1 of 2023 includes:

- National Labour and Employment Policy Management;
- Promotion of Occupational Health and Safety at Work;
- Industrial Relations Management;
- National Labour Productivity and Competitiveness;
- National Human Resource Planning and Development;
- Child Labour Policy and Regulations Management;
- Develop and maintain Database on Employment Creation;
- Skills Development; and Management of the National Skills Development Fund
- Implementation of the Industrial Attachment Policy;
- Management of Skills and Post Training Policy;
- Industrial Training and harmonization of skills training at all levels of Training;
- Assessing Industrial Training, Testing and Occupational Skills and Awarding Certificates including Government Test Certificates;
- Migratory Labour and International Jobs Policy; Promote overseas employment; Coordination of labour migration management;
- Workplace Inspection; and Workman's Compensation Policy;
- Develop Legal and institutional framework for labour migration; and
- Promote co-operation and partnerships on labour migration.

### **Strategic Objectives**

- Inculcate a safety and health culture in workplaces;
- Promote harmonious labour relations, social dialogue and fair labour practices;
- Provide policy guidance on national human resource planning, development and utilization;
- Ensure adequate supply of relevant skills to industry;
- Develop, implement and review labour market policies, legislation and programmes for employment and sustainable job creation;
- Promote productivity awareness, improvement, measurement and enhancement of competitiveness;
- Strengthen the linkage between industry and training;
- Enhance linkage between education and training institutions and labor market; and

- To improve service delivery and coordination of the Sub-Sector's functions, programmes and activities

### The State Department's Programmes

For the purposes of Budget Making processes, the State Department has three (3) programmes as outlined in the table below.

**Table 1.1 : Programmes, Objectives and Sub-Programmes**

S/No	Programme	Objectives	Sub-Programmes
1.	Promotion of Best Labour Practice	Promote harmonious labour and employment relations, and enhance a safe and healthy culture at work	Promotion of Harmonious Industrial Relations
			Regulation of Trade Unions
			Occupational Safety and Health Services
			Employment Promotion Services
2.	Manpower Development, Employment and Productivity Management	Enhance competitiveness of the country's workforce	Human Resource Planning and Development
			Industrial Skills Development
			Productivity Promotion, Measurement & Improvement
			Management of Skills Development and Post-Training
3.	General Administration, Planning and Support Services	Improve service delivery and coordination of Ministry's functions, programmes and activities	Policy, Planning and General Administrative Services

### 1. Financial Performance by Vote and Programme

#### Approved Budget for FY 2022/2023

The State Department's total approved allocation was Ksh. 3,356,505,687 for both Recurrent and Development expenditure in the FY 2022/23. The Recurrent Expenditure being Ksh. 2,934,005,687 while the Development expenditure is Ksh. 422,500,000. The total actual expenditure is Ksh 2,214,307,686 of which Ksh 1,986,849,264 is under the recurrent vote while Ksh 227,458,422 is under development vote. The overall absorption rate is 65.97 percent.

The summary of the approved allocations versus the actual expenditure are as follows:

**Table 1.2: Total Approved Budget Vs Actual Expenditure FY 2022/23**

Class	Approved Estimates	Actual Expenditure	Percentage Absorption
	2022/23	2022/23	2022/23
Recurrent Budget	2,934,005,687	1,986,849,264	67.72
Development Budget	422,500,000	227,458,422	53.84
<b>Gross Total</b>	<b>3,356,505,687</b>	<b>2,214,307,686</b>	<b>65.97</b>

(a.) Actual Revenue Receipts: Exchequer Issues, Donor and Appropriation in Aid

**Exchequer issues****Table 1.3 Recurrent Exchequer Issues**

S/ No	Item	Approved Budget 2022/23	Actual Receipts	Variance
1.	<b>Recurrent (net)</b>	<b>2,020,585,687</b>	<b>1,980,223,214</b>	<b>(40,362,473)</b>
	<b>AIA</b>	<b>913,420,000</b>	<b>927,437,050</b>	<b>(14,017,050)</b>
	National Industrial Training Authority (NITA)	855,320,000	740,311,000	(115,009,000)
	National Employment Authority (NEA)	50,000,000	180,500,000	130,500,000
	Director of Occupational Health and Safety Services	5,500,000	5,126,400	(373,600)
	Registrar of Trade Unions (RTU)	1,800,000	899,650	(900,350)
	Headquarters Administrative services	800,000	600,000	(200,000)
	<b>Total</b>	<b>2,934,005,687</b>	<b>2,907,660,264</b>	<b>(26,345,423)</b>

**Foot Notes:**

The Covid-19 pandemic led to NEA underestimating A-I-A collections, hence the over-collection by Ksh.130,500,000

The applications filed with the Registrar Trade Unions were not adequate to raise the full amount of the budgeted AIA.

**Table 1.4: Development Exchequer Issues**

S/No.	Item	Approved Budget 2022/23	Actual Receipts	Variance
2.	<b>Development</b>	<b>422,500,000</b>	<b>220,877,537.10</b>	<b>201,622,462.90</b>

	Donor	367,500,000	216,137,127.10	151,362,872.90
	GOK	55,000,000	4,740,410.00	50,259,590.00
	<b>Total Development</b>	<b>422,500,000</b>	<b>220,877,537.10</b>	<b>201,622,462.90</b>

**Foot Notes:** The Donor funds is for implementation of KYEOP project.

The under absorption on the G.O.K component is due to non-release of development exchequer requisitioned but not funded by the National Treasury.

**(b.) Actual Expenditure by Vote and Programme with Economic Classification**  
**Table 1.5: Recurrent Vote**

Economic Classification	Approved Estimates	Actual Expenditure	Percentage of Absorption
<b>Programme 1: Promotion of Best Labour Practice</b>			
Compensation to Employees	475,514,446	466,998,707.8	98.21
Use of Goods and Services	218,641,198	217,890,839	99.66
Current Transfers to Other Government Agencies	11,900,000	8,268,444	69.48
Interest Payments	0	0	0
Social Contributions	5,008,156	5,008,156	100.00
Subsidies	0	0	0
<b>Total Programme 1</b>	<b>711,063,800</b>	<b>698,166,147</b>	<b>98.19</b>

<b>Programme 2: Manpower Development, Employment and Productivity Management</b>			
Compensation to Employees	167,066,498	166,527,482.20	99.68
Use of Goods and Services	48,521,552	33,015,849	68.04
Current Transfers to Other Government Agencies	1,460,940,000	555,570,000	38.03
Interest Payments	0	0	0
Social Contributions	0	0	0
Subsidies	0	0	0
<b>Total Programme 2</b>	<b>1,676,528,050</b>	<b>755,113,331</b>	<b>45.04</b>

<b>Programme 3: General Administration, Planning and Support Services</b>			
Compensation to Employees	199,245,200	199,240,100	100.00
Use of Goods and Services	325,768,637	312,929,718.10	96.06
Current Transfers to Other Government Agencies (and International Organizations)	0	0	0
Interest Payments	0	0	0

Social Contributions	21,400,000	21,399,967.85	100
Subsidies	0	0	0
<b>Total Programme 3</b>	<b>546,413,837</b>	<b>533,569,786</b>	<b>97.65</b>
<b>Total Recurrent</b>	<b>2,934,005,687</b>	<b>1,986,849,264</b>	<b>67.72</b>

**Table 1.6: Development Vote**

<b>Economic Classification</b>	<b>Approved Estimates</b>	<b>Actual Expenditure</b>	<b>Percentage of Absorption</b>
<b>Programme 1: Promotion of Best Labour Practice</b>			
Acquisition of Non- Financial Asset	51,400,000	110,000	0.21
Capital Transfers to Govt. Agencies	0	0	0
Other Development	0	0	0
<b>Total Programme 1</b>	<b>51,400,000</b>	<b>110,000</b>	<b>0.21</b>

<b>Programme 2: Manpower Development, Employment and Productivity Management</b>			
Acquisition of Non- Financial Asset	14,300,000	11,930,191	83.43
Capital Transfers to Govt. Agencies	150,320,000	91,984,582	61.19
Other Development	206,480,000	123,433,649	59.78
<b>Total Programme 2</b>	<b>371,100,000</b>	<b>227,348,422</b>	<b>61.26</b>

<b>Programme 3: General Administration, Planning and Support Services</b>			
Acquisition of Non- Financial Asset	0	0	0
Capital Transfers to Govt. Agencies	0	0	0
Other Development	0	0	0
<b>Total Programme 3</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Development</b>	<b>422,500,000</b>	<b>227,458,422</b>	<b>53.84</b>

2. Non- financial Performance showing actual outputs achieved relative to the set targets in FY 2022/23 programme based budget.

Table 2.1 Programme Outputs, Key Performance Indicators and Achieved Outputs

Programme	Sub-Programme	Key Output	Key Performance Indicator	Target (s)	Actual	Variance	Achieved Outputs
Programme 1: Promotion of Best Labour Practices							
Outcome: Harmonious industrial relations and a safety and health culture at work							
Promotion of Best Labour Practices	Sub-Programme 1.1: Promotion of Harmonious Industrial Relations	Labour disputes resolved	Proportion (%) of received disputes Resolved	80	65.81	(14.19)	Processed all 18,391 Labour disputes reported. 12,103 Labour disputes resolved amicably while the remaining 6,288 were in various stages of resolution
			Proportion (%) of strikes and lock-outs apprehended	100	50%	(50%)	2 major strikes were registered at the Ministry. Settled the industrial dispute between the Kenya Airlines Pilots Association (KALPA) and the management of Kenya Airway on 14 <sup>th</sup> December. The settlement saw Kenya Airways' pilots resume work thus saving airline losses resulting from cancelled flight. The resolution of the Doctors strike was ongoing as at the end of the financial year.

Programme	Sub-Programme	Key Output	Key Performance Indicator	Target (s)	Actual	Variance	Achieved Outputs
		Compliance with Labour laws and international labour standards	No. of County Child Labour Committees established and operationalized	15	1	(14)	Operationalized 1 County Child Labour Committee in Busia. Lack of Funds has hindered attainment of the activity.
		Compliance with ratified conventions on international labour standards	No. of compliance reports prepared	8	6	(2)	The ILO compliance reports submitted are ( Human Resource Development Convention C.142, Forced Labour Convention C.29 (1930), Right to organize and collective bargaining Convention,1949(No.98), MLC,2006-Maritime Labour Convention,2006(MLC,2006), Minimum Age Convention,1973(No.138),

Programme	Sub-Programme	Key Output	Key Performance Indicator	Target (s)	Actual	Variance	Achieved Outputs
							Worst forms of child Labour Convention, 1999(No.182)) -The yearly reports are determined by ILO supervisory bodied
							Total 208 cases were reported out of which 202 have been settled (KSA-118, 112-settled; UAE-29, 25-settled; Qatar-61, 61-settled) Resolution of the remaining cases was ongoing as at the end of the financial year
		Rights of Kenyan migrant labour protected	Proportion (%) of received disputes resolved	80%	97.12 %	+17.12 %	
			Proportion (%) of migrant workers in distress repatriated	100%	100%	Nil	A total of 758 migrant workers have been repatriated (KSA-740 and UAE-18)
			No. of foreign contracts attested for renewal or extension	80,000	42,254	(37,746)	The achievement of the target is determined by the No. of people who find employment both locally and abroad
			No. of trade unions books of accounts inspected	450	367	(83)	Lack of Funds hinders actualization of the activity
	<b>Sub-Programme 1.2: Regulation of Trade Unions</b>	Regulation of trade unions	Number of trade union membership records updated	40	38	(2)	-

Programme	Sub-Programme	Key Output	Key Performance Indicator	Target (s)	Actual	Variance	Achieved Outputs
	Sub-programme 1.3: Provision of Occupational Safety and Health	Safe Working Environment in workplaces ensured	Number of workers in hazardous occupations medically examined	120,000	148,699	+28,699	Target achieved
			Number of Hazardous industrial equipment examined	19,000	22,101	+3,101	Target achieved
		Number of members of the Health and Safety Committees and other workers trained	25,000	9,433	(15,567)	Lack of funds realization of the fund	
			Number of work places audited for compliance with OSH regulations	8,000	6,560	(706)	Lack of funds led to the underachievement of the target
		Safety culture institutionalized in workplaces	No. of Micro and Small Enterprises (MSE) Operators sensitized on OSH	1,000	0	(1,000)	Lack of funds led to the commencement of the activity
			No. of health care providers sensitized on OSH in Health care facilities	80	99	+19	Target achieved. The health care providers were trained in Muranga and Embu Level -5 hospitals
			Work Injury Benefits Administration	Proportion (%) of work injury claims processed	46.5%	46.5%	-
Programme 2	Sub-Programme	Key Output	Key Performance Indicator	Target (s)	Actual	Variance	Remarks
Programme2: Manpower Development, Employment and Productivity Management							
Outcome: Optimal human resource utilization and competitive workforce							

Programme	Sub-Programme	Key Output	Key Performance Indicator	Target (s)	Actual	Variance	Achieved Outputs
<b>Manpower Development, Employment and Productivity Management</b>	<b>Sub-programme 2.1: Human Resource Planning and Development</b>	Labour market information provided	No. of log-ins into the KLMIS	450,000	304,490	(145,510)	The indicator depends on the number and frequency of people accessing the KLMIS
			Number of National Surveys undertaken	1	-	(1)	The survey of Training in local Institution (STLI) was initiated but not finalized due to the budgetary cuts
	<b>Sub-programme 2.2: Provision of Industrial Skills</b>	Skills for Industry developed	No. of personnel trained on LMI production	10	12	+2	The numbers trained depends on the approval by world bank
			No. of Job Opportunities Analysis (JOA) reports prepared	4	4	Nil	Target achieved
			No. of trainees placed on industrial attachment	35,000	40,270	+5,270	Target achieved
			No. workers trained in relevant industrial skills including Textiles and Apparels within the EPZ	146,000	56,903	(89,097)	Lack of funds hindered attainment of the target
			No. of persons assessed in government trade testing including housing and construction workers	161,000	75,664	(85,336)	The assessment only takes place in December, August and April
			No. of training institutions accredited and registered for industrial training (both new and those renewing registration)	936	788	(148)	The achievement is influenced by accreditation of new employment agencies

Programme	Sub-Programme	Key Output	Key Performance Indicator	Target (s)	Actual	Variance	Achieved Outputs
			Number of Youths trained and certified in industrial skills	10,000	4,468	(5,532)	Assessment of the Youth under KYEOP
			No. of Persons assessed and certified under Recognition of Prior Learning	400	402		Target achieved. The assessment was a pilot role out
			No. of Assessment Guidelines for Master Craftsman developed	10	0	(10)	50 Occupational Competency Standards (OCS) were reviewed/developed. In 2021/22 FY, 25 were gazetted. The remaining 25 have already been forwarded to the Office of Attorney General for legal advice before gazettment
	Sub-programme 2.3: Employment Promotion	Sub-programme 2.3: Employment Promotion	Employment services	No. of job seekers placed in gainful employment	105,000	109,053	
			No. of Job Centres established	No. of Job Centres established	1	-	(1)
			No. of graduates placed in Internship positions	Conduct a survey to assess implementation of		-	

Programme	Sub-Programme	Key Output	Key Performance Indicator	Target (s)	Actual	Variance	Achieved Outputs
				internship programmes in Kenya Review the draft National Internship Policy and Guidelines			
			Foreign Employment regulated	Number of private employment agencies vetted and registered annually	500	679	+179
		Foreign Employment regulated	Number of Bilateral Labour Agreements negotiated and signed		2	-	(2)
			No. of Kenyan Migrant workers provided with pre-departure training	133,750	91,789	(41,961)	Variance to be covered in sub-sequent quarters
			No. of Safe Houses established	1	-	(1)	The Ministry is yet to establish a safe house
	<b>Sub-programme 2.4:</b>	Productivity awareness and	No. of productivity promotion and awareness campaigns	9	10	+1	Target achieved

Programme	Sub-Programme	Key Output	Key Performance Indicator	Target (s)	Actual	Variance	Achieved Outputs					
	Productivity Promotion, Measurement and Improvement	Promotion creation	On-line productivity enterprise solutions systems	1	-	(1)	Budget for purposes of Securing consultancy on the development of an on-line productivity enterprise solutions system was submitted to The National Treasury. However, funds were not availed.					
Productivity Statistics produced								No. of National and Sectoral productivity indices developed	20	20	-	Target achieved.
Public sector Productivity Measurement								No. of officers in the public sector trained on productivity measurement	250	262	+62	Target achieved. The officers were drawn from 53 State Corporations
Productivity improvement services								No. of public officers trained on productivity improvement (Business process re-engineering (BPR) and continuous Improvement)	200	262	+62	Target achieved. The officers were drawn from 53 State Corporations
								No. of companies implementing productivity improvement (Textile, Grain Milling, SMEs, Dairy and Tea)	10	5	(5)	Five of the Companies that had been sensitized on Productivity management (measurement and Improvement) postponed the activity to the following FY 2023/2024.

Programme	Sub-Programme	Key Output	Key Performance Indicator	Target (s)	Actual	Variance	Achieved Outputs
		Country's global competitiveness index improved	No. of Institutions trained on how to fill competitiveness index report questionnaires	150	0	(150)	This is an initiative undertaken in partnership with the Pan African Productivity Association (an affiliate of African Union) and the Institute of Management Development. Training of staff is yet to be undertaken.
Programme 3	Sub-Programme	Key Output	Key Performance Indicator	Target (s)	Actual	Variance	Remarks
<b>Programme 3: Workplace Readiness Services</b>							
<b>Outcome3: Improved Workplace Productivity and Competitiveness</b>							
Workplace Readiness Services	Sub-Programme 3.1: Management of Skills Development	Coordination of workplace readiness services improved	No. of quality assurance standards developed	4	1	(3)	Lack of funds led to the underachievement of the target
		Enhanced quality assurance and standards in PTSD	No. of quality assurance assessments on PTSD programmes carried;	15	1	(14)	Lack of funds led to the underachievement of the target
		Promote research-based PTSD programmes	No. of Research tools developed	4	3	(1)	The Department developed 3 Research tools: M&E framework on Office of Courier services; Tracer Study tools and; tools to access the impact of the online job employment Programme

Programme	Sub-Programme	Key Output	Key Performance Indicator	Target (s)	Actual	Variance	Achieved Outputs
			No. of research reports on the impact of PTSD programmes	4	1	(3)	A report on the National apprenticeship programme which was implemented in the 11 counties has been prepared
			No. of Volunteer Graduate Assistants (VGAs) and apprenticeship trainees placed	94	0	(94)	Lack of Funds hindered the implementation the Programme
	<b>Sub-Programme 3.2 : Work Based Learning Services</b>	Increased access to Work Based Learning programmes	No. of youth enrolled in entrepreneurship and business mentorship programs	1,000	187	(813)	The Department partnered with Kenyatta University and Chandaria innovation Centre where a total of 580 youths were trained out of which 187 graduated. The Graduation was presided by the Principal Secretary on June,2023
							The merger of State Department of Post-training and Skills Development with Labour hinder the implementation of the programme since

Programme	Sub-Programme	Key Output	Key Performance Indicator	Target (s)	Actual	Variance	Achieved Outputs
							most of the technical officers implementing the programme remained in Ministry of Education
							The Department in collaboration with the NGAO selected youths in respective counties to be attached to master crafts persons in industries in the counties for work-based learning.
			No. of youth participating in the apprenticeship programme.	1,000	230	(770)	The merger of State Department of Post-training and Skills Development with Labour hinder the implementation of the programme since the County directors of Education were coordinating the implementation in the counties and after the merger there was need of officers from Labour to spearhead the process
		Enhanced Youth Employability	No. of youth provided and facilitated to access affordable business trading spaces and business	1,000	187	(813)	The Department partnered with Kenyatta University and Chandaria innovation Centre where a total of 580 youths were

Programme	Sub-Programme	Key Output	Key Performance Indicator	Target (s)	Actual	Variance	Achieved Outputs
			incubation/innovation services				trained out of which 187 graduated. The Graduation was presided by the Principal Secretary on June,2023 The merger of State Department of Post-training and Skills Development with Labour hinder the implementation of the programme
Programme 4	Sub-Programme	Key Output	No. of youth trained in the online employment skills development programme	470	726	+256	The Department held the National Online Employment Skills Development Programme on June 12-16 <sup>th</sup> . The objective of the Programme was to equip the youth with the requisite knowledge, skills and attitude to access and participate in online work. The modules were one: 1.Data entry management 2. Content creation 3.Transcription

**Programme4: Management of Post Training Information**  
**Outcome: Improve an Up-to-date post training Skills and employment database for policy formulation and implementation**

Programme	Sub-Programme	Key Output	Key Performance Indicator	Target (s)	Actual	Variance	Achieved Outputs
Management of Post Training Information	Sub-Programme 4.1: National Skills Management Information System	Enhanced Management of Post Training Information	% level of establishment of National Skills Management Information System (NSMIS)	50	50	-	Target achieved
		National Skills Inventory developed	% level of establishment Database of National Skills cadres, Industries, Master Craftsmen, Career counselors, Quality Standards	10	10	-	Target achieved
Programme:5	Sub-Programme	Key Output	Key Performance Indicator	Target (s) <td>Actual</td> <td>Variance</td> <td>Remarks</td>	Actual	Variance	Remarks
<b>Programme:5: Policy, Planning and General Administrative Services</b>							
<b>Outcome: Efficient service delivery</b>							
Policy, Planning and General Administrative Services	Sub-Programme 3.1: Policy, Planning and General Administrative Services	Policy, legal and legislative framework developed/reviewed	No. of labour and employment policies reviewed	1	1	-	<ul style="list-style-type: none"> <li>The Ministry prepared the Cab-Memo on the National Wages and Remuneration Policy.</li> </ul>
			No. of labour and employment policies developed	1	1	Nil	<ul style="list-style-type: none"> <li>National Policy on Labour Migration Finalized and Submitted to respective Ministers for their concurrence</li> <li>Cabinet Memorandum was prepared and</li> </ul>

Programme	Sub-Programme	Key Output	Key Performance Indicator	Target (s)	Actual	Variance	Achieved Outputs
		Administrative services Systems developed	No. of youth placed on attachment	160	141	(19)	The target is dependent on the size of the staff establishment in the state Department while the posting of internship is dependent on the Public Service Commission
		Collective Bargaining Agreement (CBA) analyzed and registered	% Of CBA analyzed and registered	100%	100%	Nil	The State Department analyzed the 305 CBAs received from employers and workers representatives and forwarded them to the

Programme	Sub-Programme	Key Output	Key Performance Indicator	Target (s)	Actual	Variance	Achieved Outputs
		Economic disputes referred to the Ministry by Industrial Court investigated	% Economic disputes referred to the Ministry by the Employment and Labour Relations Court	100%	100%	Nil	Employment and Labour Relations Court for registration as at the end of 4 <sup>th</sup> Quarter Eight (8) Economic Disputes were referred to the Ministry from the Court as at the end of 4 <sup>th</sup> Quarter

### 3. Project information: amount of project funding received including exchequer issues , actual expenditure and completion status

Table 3.1 Project Details

Project Name	Project Commence Date	Estimated value of the Project (Kshs.) Million		FY 2022/23 (Kshs.)		Percent of Completion	Remarks/ Challenges faced in Implementing the Project
		Foreign	GOK	Total Disbursements	Actual Expenditure		
1 Construction of National Occupational Safety and Health Institute (Phase 1)	15 <sup>th</sup> March, 2010	0	687.91Million	51,400,000	45,990,203	The Project is on-going currently at 75.81%	The 2022/23 FY project allocation was revised from 106.36 million to 51.4 million during supplementary 1. During the 2022/23 FY the following works were undertaken: procurement of Boilers and accessories; Standby



	2	Kenya Youth Empowerment and Opportunities Project: Establishment of National Labour Market Information System (LMIS)	1 <sup>st</sup> July, 2017	931.8 Million	264 Million	220,780,000	138,374,644	The project is ongoing at 91.40% completion rate	<p>In 2022/23 FY, the project was allocated Kshs. 220,780,000 under World bank with no GOK funding. Key achievements include finalization and launching of the KESCO document; finalization of the Employer skills and occupational survey and the launch of the report; training of twelve (12) officers; and development of the Application programme Interface through consultancy.</p> <p>The Project Cost under the World Bank was revised from Ksh. 1,350 million to Ksh. 931 million in 2021/22 FY and the project duration extended to 31<sup>st</sup> December, 2023.</p>
	3	Kenya Youth Employment and Opportunities Project: Improving	1 <sup>st</sup> July, 2017	3,138 Million	0	150,320,000	91,984,582	The Project is on-going at 91.90% Since inception: A total of 74,155 youths trained on the job specific skills training (JSST) and	The project was allocated Kshs.150,320,000 in 2022/23 FY

Youth Employability					<p>assessed as follows:  2,581 in cycle 1; 6,065 in cycle 2; 11,493 in cycle 3; 16,293 in cycle 4; 15,602 in cycle 5; 11,835 in cycle 6; and 5,818 in cycle 7b and 4,468 youths who had not been assessed in the previous cycles respectively. So far, a total of 42,798 youth registered for the summative assessment, and 29,605 of the total number is certified in cycle 1, 2,3,4,5, and 6.A total of 36,431 youth in Cycle 1-4 transited from MPYG to NITA</p> <p>50 Occupational Competency Standards (OCS) were reviewed/developed. 25 gazetted and the balance at advertisement stage awaiting gazette 1,061 Master Craftsmen were trained in pedagogy and obtained craftsmen certification 688 MCs assessed for summative assessment</p>	<p><b>RESTRUCTURING OF KYEOP PROJECT</b></p> <p>Implementation of the component was reviewed during the Mid-Term review held in 2019. To ensure effective and efficient project implementation process the role of coordination of Job Specific Skills Training (JSSST) including the payment of stipends to the trainees were transferred to the Ministry of ICT Innovation and Youth Affairs while NITA was tasked with ensuring quality processes are enhanced in KYEOP training.</p> <p>The Estimated Project Cost was revised by World Bank from Ksh.5,800 million to Ksh.3,138 million in 2021/22 FY.</p>
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4	Construction of the National Employment Promotion Centre (Kabete)	10th March, 2015	0	477.58Million	-	-	The Project is at 72.6%	The Attorney General's opinion has been sought by the Principal Secretary on whether to terminate the contract or not. Awaiting AG's response.
5	Construction of Meru County Labour Offices	15 <sup>th</sup> May, 2012	0	30.4Million	-	-	The project is 50% complete.	The project was allocated Kshs.10,000,000 in 2022/23 FY to continue with pending works. However, the contractor presented Certificate No.1 for Ksh. 3,139,750.33 after the budgetary allocation had been slashed during supplementary 1 leaving no funds to continue with pending works.
6	Upgrading of Kisumu Industrial Training Centre (KITC)	1 <sup>st</sup> July, 2012	0	595 Million	-	-	The project is at 46.18% completion rate.	In 2022/23 FY, the Project was allocated Kshs. 15 million for refurbishment and reticulation of water drainage system. However, all the allocation was slashed during supplementary 1

**4. Information on reallocation, pending payments with an age of over ninety days and any liabilities incurred**

**a). Reallocations**

The State Department made reallocations from recurrent vote under General Administration, Planning and Support Services amounting to Ksh 19,500,000 to cater for Pending Bills and purchase of motor vehicle balance of Ksh 1,910,000.

**b) Pending bills**

The State Department has Recurrent and Development bills for FY 2022/23 and prior years as tabulated below:

**Table 4.1: Pending Bills for Prior Years**

<b>Recurrent Pending Bills for FY 2021/22</b>		
<b>S/No</b>	<b>Item</b>	<b>Amount</b>
1	Air Tickets	5,221,010.00
2	Conference Facilities	1,423,845.00
3	Advertisement Services	1,088,872.50
4	Assorted Stationeries	1,579,610.00
5	Rent	1,696,500.00
6	Printing Equipment (Toners)	114,600.00
<b>Total Pending Bills for Prior Years</b>		<b>11,124,437.50</b>

**Table 4.2: Pending Bills for FY 2022/23**

<b>Recurrent Pending Bills for FY 2022/23</b>		
<b>S/No</b>	<b>Item</b>	<b>Amount</b>
1	Air Tickets	3,200,685.00
2	Conference Facilities	884,500.00

3	Advertisement Services	935,865.25
4	Motor Vehicle Repair & Service	163,670.00
5	Assorted Stationeries	440,415.00
6	Rent	27,541,597.65
<b>Total Pending Bills for FY 2022/23</b>		<b>33,166,732.90</b>

**Table 4.3: Pending Bills for FY 2022/23**

<b>Development Pending Bill</b>		
<b>S/No</b>	<b>Item</b>	<b>Amount</b>
1	Air Tickets-Donor	958,045.00
2	Conference Facilities-Donor	329,000.00
3	Advertisement Services-Donor	1,022,926.50
4	Advertisement Services( G.O.K)	292,106.25
5	Construction Works- G.O.K	49,129,953.00
<b>Total Development Pending Bills</b>		<b>51,732,030.75</b>
<b>Total Recurrent and Development Bills</b>		<b>96,023,201.15</b>

Sign: ..... Date: .....

Hon. Florence Bore  
**CABINET SECRETARY**



**Salaries & Remuneration  
Commission**

Rewarding productivity

**Ref. No. SRC/FIN/5 (27)**

**2<sup>nd</sup> August, 2023**

**The Clerk**

The National Assembly  
PO. Box 41842-00100  
**NAIROBI**

**Attn: Peter K. Chemweno**

**REQUEST FOR INFORMATION ON STATUS OF BUDGET IMPLEMENTATION BY THE  
DEPARTMENTAL COMMITTEE ON LABOUR FOR THE FINANCIAL YEAR 2022/2023**

Reference is made to your letter Ref: NA/DDC/LABOUR/2023/061 dated 25<sup>th</sup> July 2023 on the above subject.

We hereby forward the Commission's status of budget implementation for the financial year 2022/2023 as requested in your letter under reference.

**Mrs. Anne R. Gitau, MBS  
COMMISSION SECRETARY/CEO**

**Encls.**



Salaries & Remuneration  
Commission  
Rewarding productivity

*NDC*  
*Please deal*  
*Early*  
*08/08/23*

**Ref. No: SRC/FIN/5 (28)**

**3<sup>rd</sup> August, 2023**

**The Clerk**  
The National Assembly  
P O Box 41842-00100  
Parliament Buildings  
**NAIROBI**

*Rose Wanjohi*  
*for facilitator*  
*8/8/23*

**Attn: Jeremiah Ndombi, MBS**

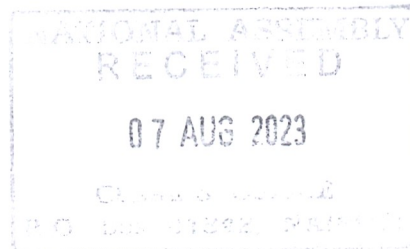
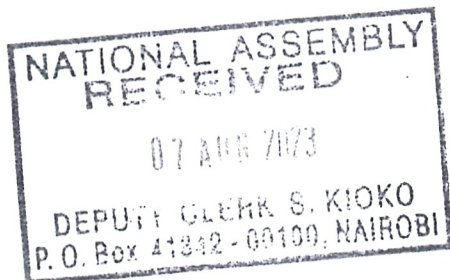
**MONITORING OF THE STATUS OF BUDGET IMPLEMENTATION FOR THE FINANCIAL YEAR 2022/23 BY THE DEPARTMENTAL COMMITTEE ON LABOUR**

Reference is made to your letter Ref. No. NA/DDC/LABOUR/2023/071, dated 2<sup>nd</sup> August, 2023 on the above subject.

The Salaries and Remuneration Commission acknowledges receipt of your letter under reference and would like to **confirm attendance** for the meeting as scheduled, on **Wednesday, 9<sup>th</sup> August 2023**, starting at **3.30 pm** at a venue to be confirmed by yourself.

The Commission appreciates your continued support as we discharge our respective mandates.

*[Signature]*  
**MRS. ANNE R. GITAU, MBS**  
**COMMISSION SECRETARY/CEO**



**SALARIES AND REMUNERATION COMMISSION  
(SRC)**

**INFORMATION ON STATUS OF BUDGET IMPLEMENTATION FOR  
THE FINANCIAL YEAR 2022/2023**

**DEPARTMENTAL COMMITTEE ON LABOUR**

**3<sup>rd</sup> AUGUST, 2023**

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## Introduction

In reference to the National Assembly Letter **Ref: NA/DDC/LABOUR/2023/061** dated **25<sup>th</sup> July 2023**, the Departmental Committee on Labour requested for financial and non-financial information related to the budget implementation for the financial year 2022/23 in the following areas.

### 1. Financial performance by Vote and program.

The Commission's Vote is **R-2081 Salaries and Remuneration Commission**. We have one programme which is **Remuneration and Benefits management**.

#### a.) Actual Revenue Receipts (Exchequer issues, Donor and Appropriation in Aid)

Description	Printed Estimates	Revised Estimates	Actual Receipts
Exchequer Issues	612,500,000	504,921,203	502,338,023
Other Receipts	-	-	-
Appropriations in Aid	-	-	-
Grants from Development Partners	-	-	-
<b>Total</b>	<b>612,500,000</b>	<b>504,921,203</b>	<b>502,338,023</b>

#### b.) Actual Expenditure by Vote (R 2081) and Program (Salaries and Remuneration Management)

Description	Gross Estimates	Revised Net Estimates	Cumulative Expenditure	Absorption Rate
Compensation to Employees	304,400,000	275,748,000	275,445,312	99.89%
Use of goods and services	193,625,000	196,464,596	192,433,744	97.95%
Capital expenditure	114,475,000	32,708,607	30,625,189	93.63%
<b>Total</b>	<b>612,500,000</b>	<b>504,921,203</b>	<b>498,504,245</b>	<b>98.73%</b>

Revision of the budget from **Kshs. 612 Million** to **Kshs. 504 Million** affected the Commission's key activities of carrying out monitoring and evaluation audit activities of public institutions to ensure adherence to the issued guidelines in addition to stakeholder engagements.

\*The Commission does not have a development budget.

## 2. Non-financial performance

Key Output (KO)	Key Performance Indicators (KPIs)	Targets	Actual	Variance	Remarks
Remuneration and benefits advice	% of advice issued on requests for MCDAs	100	100	-	The Commission provided advice on remuneration and benefits for two hundred and thirty-eight (238) requests during the period under review.
	% of advice on CBA requests for MCDAs	100	100	-	The Commission provided advice on Collective Bargaining Negotiations to thirty-three (33) Public institutions.
	To review and set remuneration benefits to advice officers	100	100	-	Job evaluation was conducted in the entire public service, salary surveys conducted, salary structure review commenced and will be concluded in the current financial year.
Harmonized grading and salary structure	% of jobs evaluated and salary structures advised for MCDAs	100	100	-	The Commission undertook job evaluation for roles in seventy-seven (77) institutions as part of JE phase II. Further SRC conducted job evaluation reviews for roles in forty-two (42) public service institutions advised salary structures
Monitoring and Compliance audits	No. of monitoring and compliance audit reports for MDAs	60	60	-	The Commission undertook Monitoring and Evaluation in 60 public institutions and reports developed. These includes Public Universities (16); County executives (19); County assembly (4); Police stations (16); and Prisons (5)
	No. of public officers trained on compliance audit reports	300	329	+29	The Commission trained 329 public officers on monitoring and evaluation audit reports during the training on Automated Wage Bill Monitoring and Evaluation System
	Roll out the Automated Wage Bill	47	126	+79	The Commission rolled out the Automated Wage Bill Monitoring and Evaluation System in 126

Key Output (KO)	Key Performance Indicators (KPIs)	Targets	Actual	Variance	Remarks
	Monitoring and Evaluation System in the 47 counties				Public institutions that included: 14 CCIOS, 74 State Corporations and 38 Public universities.  Ninety-three (93) institutions have uploaded their data for Monitoring and Evaluation in the Wage Bill Monitoring and Evaluation System  <b>Note:</b> The target and focus changed from counties to state corporation after PFMR reduced SRC budget allocation for the activity.
Wage bill forecast	No. of reports on quarterly wage bill forecasts	4	4	-	Four (4) quarterly wage bill bulletins were prepared and published.
Remuneration and benefits policy	Remuneration and Benefits and Regulations Policy	1	1	-	Remuneration and Benefits Policy was concluded.  Draft Regulations submitted to Parliament but not approved.
Guideline for the implementation of allowances payable in the public service	Report on Allowances payable in the public service	1	1	-	The Commission concluded advise on Phase 1 and 2  Institutions submitted their information as requested by the Commission.  Based on this, the framework for implementation for streamlining of allowances in the Public Service was finalized
Framework and policy for recognition of performance and productivity	Performance and productivity recognition framework and policy	1	1	-	The Commission finalized and launched the Framework for Recognizing Productivity and Performance in the Public Service on 14 <sup>th</sup> April 2023; and trained two hundred and sixty-two (262) officers drawn from seventy (70) public institutions on productivity measurement.

Key Output (KO)	Key Performance Indicators (KPIs)	Targets	Actual	Variance	Remarks
Productivity indices	Report on sector productivity indices	1	1	-	The Commission supported twenty (20) institutions in developing their productivity measures.
Harmonized public sector retirement and benefits structure	Report on reviewed and harmonized retirement benefit laws	1	1	-	The gap analysis report and retirement benefits policy guideline for the Public Service was finalized.
Policy on guideline on attraction and retention of critical and rare skills in the public service	Approved policy guideline on attraction and retention	1	0.5	0.50	The Commission undertook a study on attraction and retention of requisite skills in the public service. The study sought to understand the level of attraction and retention of skills in the public service. A data collection tool was developed, sent out to various stakeholders and collation of the data done. The report will be finalized in the quarter one of the FY 2023/24.

### 3. Project information

The Commission does not have any capital projects.

### 4. Information on reallocations, pending payments and liabilities.

#### a) Reallocations

The Commission sought and received authority from the National Treasury for reallocation of funds as tabulated below.

**Table 1: Re-allocation of funds**

No.	Date	Reallocation		Amount	Remarks	
		From	To			
1.	15/11/2022	<b>2210200</b> (Communication, Supplies and Services- Telephone)	(1,500,000)	<b>2211200</b> (Fuel, Oil and Lubricants)	4,000,000	Approved by the National Treasury on 15/12/2022 vide letter Ref: RES 2081/22/01/A' (9)
		<b>2210300</b> Domestic Travel and Subsistence	(2,000,000)			
		<b>2211300</b> (Other operating expenses- Education and Library Services)	(500,000)			
		<b>Total</b>	(4,000,00)		4,000,000	

No.	Date	Reallocation				Remarks
		From	Amount	TO	Amount	
2.	20/04 /2023	<b>2211300</b> (Other operating expenses)	(915,510)	<b>2210200</b> (Communication, Supplies and Services-Courier services)	300,000	Approved by the National Treasury on 03/05/2023 vide letter Ref: RES 2081/22/01/A' (22)
		<b>3111100</b> (Purchase of specialized plant, Equipment and Machinery)	(8,824,743)	<b>2210300</b> (Domestic Travel and Subsistence)	3,120,572	
				<b>2210500</b> (Printing, Advertising and Information Supplies)	300,000	
				<b>2210800</b> (Hospitality Supplies and Services-Conferences)	3,611,127	
				<b>2220210</b> (Maintenance of Computers, Software and Networks)	2,408,554	
		Total	(9,740,253)		9,740,253	

**a. Pending payments**

As at the close of the financial year, Commission did not have pending payments that were over ninety (90) days.





REPUBLIC OF KENYA



## PUBLIC SERVICE COMMISSION

# PRESENTATION ON THE STATUS OF BUDGET IMPLEMENTATION FOR THE 2022/23 FINANCIAL YEAR TO THE NATIONAL ASSEMBLY DEPARTMENTAL COMMITTEE ON LABOUR

Public Service Commission  
P.O Box 30095, 00100, Nairobi,  
Kenya, Harambee Avenue  
Telephone: +254 (020) 2223901-5,  
2227471-5  
Mobile: +254-724-253807,  
+254-735-800282  
Contact Center No. 0204865000

WEDNESDAY, 9<sup>TH</sup> AUGUST, 2023 AT 14:00PM

*Reform, Perform, Transform Kenya*

Website:  
[www.publicservice.go.ke](http://www.publicservice.go.ke)  
[psck@publicservice.go.ke](mailto:psck@publicservice.go.ke)  
Facebook page:  
Public Service Commission  
Twitter: @PSCKenya

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**PRESENTATION TO THE NATIONAL ASSEMBLY DEPARTMENTAL COMMITTEE ON  
LABOUR ON THE STATUS OF PUBLIC SERVICE COMMISSION (VOTE 2071) BUDGET  
IMPLEMENTATION FOR THE FY 2022/23. ON WEDNESDAY, 9<sup>TH</sup> AUGUST, 2023 AT  
14:00PM**

---

## **1.0 BACKGROUND**

The National Assembly vide letter Ref. NA/DDC/LABOUR/2023/071, dated 2<sup>nd</sup> August, 2023 (copy enclosed) invited the Public Service Commission among other MDAs to appear before the Departmental Committee on Labour for monitoring the status of budget implementation for the 2022/23 financial year.

In its submission, the Commission is required to comprehensively report on the following:

1. **Financial performance by Vote and Program** indicating the:
  - a) Actual revenue receipts: exchequer issues, donor and appropriations in aid (AIA).
  - b) Actual expenditure by Vote and program classified under recurrent and development and if applicable may include economic classification.
2. **Non-financial performance** showing actual outputs achieved relative to the set targets in the 2022/23 program-based budget.
3. **Project information:** amount of project funding received including exchequer issues, actual expenditure and completion status.
4. Where applicable, information on reallocations, pending payments with an age of over ninety days, and any other liabilities incurred.

The Commission is pleased to submit the status of its budget implementation for the 2022/23 financial year to the Committee as follows:

## **2.0 FINANCIAL PERFORMANCE BY VOTE AND PROGRAM**

### **2.1 Actual revenue receipts**

The Commission total actual revenue for the 2022/23 financial year was **Kshs. 2,364,924,566** broken down as follows: Recurrent exchequer issues (**Appendix 1**) of **Kshs. 2,344,945,471.95** and **Kshs. 19,979,094** for Development (**Appendix 2**). In addition, the Commission raised **Kshs. 14,687,445.65** in Appropriation-In-Aid (AIA) during the year largely from the competency assessment exams (**Appendix 3**).

During the period under review, the Commission engaged various development partners to explore areas of collaboration, technical and financial support. Under the World Bank-supported Program to strengthen Governance for Enabling Service Delivery and Public Investment in Kenya (GESDeK 1), which is coordinated by the Public Finance Management Reforms (PFMR) Secretariat, the Commission was allocated Kshs. 18 million.

In addition, Mozilla Corporation is supporting the Commission in the development of a new website among other partnership initiatives. This exercise will be completed and commissioned during the first quarter of 2023/24 financial year.

The Konza Technopolis Development Authority donated 2 Idea Hubs for Video Conferencing Solutions and fifty (50) Desktop computers for the Commission's ICT training centre as part of the Jitume Program.

With the support of the Commonwealth Fund for Technical Cooperation (CFTC), the Commission benefitted from a Leadership Development Training Programme for the Commission Board.

During the period, the Commission held several engagement meetings with the World Bank. Arising from this engagement, the Commission will be one of the state agencies that will play a key role in the following programs supported by the Bank.

a) **Kenya Urban Support Program II**

The State Department of Urban and Housing will be coordinating the program. The program aims at supporting the municipalities in some selected Counties.

b) **Kenya County Governance and Performance Program (CGPP)**

This is being coordinated by the State Department of Devolution, and it is to be implemented by the county governments and some capacity building by select national level agencies, including the PSC.

c) **The Governance for Enabling Service Delivery and Public Investment in Kenya II (GESDeK II)**

This is coordinated by the PFMR Secretariat and supports national level PFM and Public Sector Management Reforms at the national level.

In implementation of the above programmes, the Commission will play a key role in supporting devolution in Kenya, specifically in areas of governance, supporting establishment of municipalities, and other HR-related matters.

## **2.2 Actual expenditure by Vote and Program**

The Commission's efficiency in utilization of allocated funds has been high over the years and stands at **97 per cent** during the period under review. The Commission utilized **Kshs.**

**2.40 billion** from an allocation of **Kshs.2.48 billion** with an unspent balance of **Ksh.76.57 million** as summarized in Table 2.1 here below: -

**Table 2.1: FY 2022/23 Expenditure Analysis (Ksh. Millions)**

Budget Item	Printed Estimates	Supplementary Estimates	Approved Estimates	Actual Expenditure	Balance	Absorption Rate
<b>1. Gross Recurrent</b>	<b>2,555.84</b>	<b>-103.38</b>	<b>2,452.46</b>	<b>2,379.61</b>	<b>72.85</b>	<b>96%</b>
A-I-A	-1.00	-17.00	-18.00	-14.69	-3.31	82%
<b>Net Recurrent</b>	<b>2,554.84</b>	<b>-120.38</b>	<b>2,434.46</b>	<b>2,364.92</b>	<b>69.54</b>	<b>97%</b>
<b>Compensation to Employees (PE):</b>	<b>1,868.06</b>	<b>-51.28</b>	<b>1,816.79</b>	<b>1,807.14</b>	<b>9.64</b>	<b>99%</b>
PSC Secretariat (Including Pension & Gratuity)	868.06	26.60	894.66	894.09	0.58	100%
PSIP (Interns stipend)	1,000.00	-77.88	922.12	913.06	9.06	99%
<b>Non-Discretionary Expenditure (a+b+c+d+e+f):</b>	<b>197.94</b>	<b>-18.55</b>	<b>179.39</b>	<b>172.99</b>	<b>6.40</b>	<b>96%</b>
a) Utilities (Electricity & Water)	11.15	0.00	11.15	9.76	1.39	88%
b) Communication (Telephone, Airtime, Leased Lines & Courier)	37.75	-3.55	34.20	32.48	1.72	95%
c) Rent (Bruce House)	10.15	0.00	10.15	9.64	0.51	95%
d) Insurance (Medical & GPA)	84.59	27.00	111.59	108.92	2.67	98%
e) Contracted Guards & Cleaning Services	10.30	0.00	10.30	10.19	0.11	99%
f) Car Loan and Mortgage	44.00	-42.00	2.00	2.00	-	100%
<b>Other Recurrent (Core Mandate Programmes)</b>	<b>489.84</b>	<b>-33.55</b>	<b>456.29</b>	<b>401.68</b>	<b>54.61</b>	<b>88%</b>
<b>2. Gross Development</b>	<b>26.30</b>	<b>0.00</b>	<b>26.30</b>	<b>19.9</b>	<b>6.32</b>	<b>76%</b>
<b>Total Recurrent and Development</b>	<b>2,582.14</b>	<b>-103.38</b>	<b>2,478.76</b>	<b>2,399.59</b>	<b>79.17</b>	<b>97%</b>

The actual expenditure of **Kshs. 1,807.14 million** on Personnel Emoluments accounts for **76 per cent** of the Commission's recurrent expenditure while **Kshs. 401.68 million** was utilized on the core mandate programmes.

The Commission's planned activities for FY 2022/23 were carried out through the following four (4) budget programs:

- 1) General Administration, Planning, and Support Services,
- 2) Human Resource Management and Development,
- 3) Governance and National Values, and
- 4) Performance and Productivity Management.

The Commission's actual expenditure by Programmes and Sub-Programmes is shown in Table 2.2 here below: -

**Table 2.2: Actual Expenditure by Programmes and Sub-Programmes (Kshs Millions)**

Name of the Programme & Sub-Programme	Approved Budget 2022/23	Actual Expenditure 2022/23	Absorption Rate
SP 1.1: Administration	860.09	829.23	96%
SP 1.2: Board Management Services	45.72	44.86	98%
<b>Total Expenditure of Programme 1</b>	<b>905.82</b>	<b>874.09</b>	<b>96%</b>
SP 2.1: Establishment and Management Consultancy Services	53.35	52.84	99%
SP 2.2: Human Resource Management	194.58	176.61	91%
SP 2.3: Human Resource Development	1,108.60	1,090.86	98%
<b>Total Expenditure of Programme 2</b>	<b>1,356.53</b>	<b>1,320.32</b>	<b>97%</b>
SP 3.1: Compliance and Quality Assurance	96.11	94.41	98%
SP 3.2: Ethics, Governance and National Values	43.70	41.13	94%
<b>Total Expenditure of Programme 3</b>	<b>139.82</b>	<b>135.54</b>	<b>97%</b>
SP 4.1: Performance & Productivity Mgt	50.30	49.66	99%
<b>Total Expenditure of Programme 4</b>	<b>50.30</b>	<b>49.66</b>	<b>99%</b>
<b>Total Recurrent Vote</b>	<b>2,452.46</b>	<b>2,379.61</b>	<b>97%</b>
<b>Development Vote</b>	<b>26.30</b>	<b>19.98</b>	<b>76%</b>
<b>Total Expenditure Vote</b>	<b>2,478.76</b>	<b>2,399.59</b>	<b>97%</b>
<b>AIA</b>	<b>-18.00</b>	<b>-14.69</b>	<b>82%</b>

### 3.0 NON-FINANCIAL PERFORMANCE

The Commission's Annual Work Plan for FY 2022/23 derived its activities and targeted outputs from the Strategic Plan 2019-24. The allocated funds were applied to activities (planned targets) as outlined in Table 3.1 here below.

### 3.1 Non-Financial Performance Indicating Targets Achieved and Reasons for any Under-performance

Analysis of Performance of Targets implemented for the period under review, shows that out of the 235 planned targets for implementation, a total of 179 planned targets were implemented at different levels. However, 56 targets were not implemented due to various reasons. Out of the 235 targets planned for implementation, 123 (52.4%) were attained as per the set target (fully implemented), 56 (23.8%) were on-going while 56 (23.8%) targets were not achieved as projected.

The underperformance on some of the planned targets for the period was largely attributed to delay in exchequer releases and implementation of austerity measures as directed by the National Treasury, which resulted to non-implementation and postponement of the majority of targets. In addition, the Commission was involved in many key assignments as requested by the new government, of which had not been factored in the Annual Work Plan. It is important to mention that the Commission played a key role in the transition and organization of the new government.

However, targets which were not accomplished in the financial year have been prioritized in the FY 2023/24 Annual Work Plan.

A summary of the performance status is as shown in Table 3.1 as at 30<sup>th</sup> June 2023.

**Table 1.1: Non-Financial Performance as at 30<sup>th</sup> June, 2023**

Budget Programme	Total Planned Targets	Fully Achieved	Ongoing	Not Implemented
P1: General Administration, Planning and Support Services	160	83	39	38
P2: Human Resource Management and Development	47	27	8	12
P3: Governance and National Values	21	10	6	5
P4: Performance and Productivity Management	7	3	3	1
<b>Total</b>	<b>235</b>	<b>123</b>	<b>56</b>	<b>56</b>
<b>Percentage</b>	<b>100</b>	<b>52.3</b>	<b>23.8</b>	<b>23.8</b>

## Key Achievements under each Budget Programme

### 3.1.1 Programme 1: General Administration, Planning and Support Services

- 1) Renewed Group Personal Accident/WIBA & Group Life Insurance covers for staff at a cost of Ksh.10.8 Million
- 2) Paid annual membership subscriptions for 84 staff to various professional bodies, amounting to Ksh 359,044.
- 3) Renewed comprehensive in-patient and outpatient medical insurance for Commissioners and Secretariat staff with effect from October 2022 and February 2023 respectively, at a total cost of Ksh.70 million.
- 4) Implemented the contract on outsourced cleaning services.
- 5) Operationalized digital learning platform;
- 6) Equipped Commission board with 2 Idea Hubs for Video Conferencing Solutions, and 50 Desktop computers for the ICT training centre
- 7) Implemented government policy on official motor vehicle leasing programme.
- 8) Undertook legal audit at the Commission.
- 9) Facilitated 11 officers to access mortgage loans under PSC Mortgage Scheme, totaling Ksh 46 million;
- 10) Trained 82 officers, out of which 81 attended group trainings, workshops and conferences while 1 attended individual trainings.
- 11) Carried out two (2) mock fire drills and training programs (1) for the firemarshals team and staff on the environment, occupational health and safety, and other disaster preparedness.
- 12) Support and maintenance of ICT infrastructure and related equipment.
- 13) Facilitated daily and weekly meetings for Commission Board and Secretariat staff working on various reports and board papers in the board rooms.
- 14) Facilitated 45 job adverts placed in various daily newspapers and MyGov pull-out.
- 15) Repainted the Old Public Service Commission.
- 16) Participated in Agricultural Society of Kenya Shows, Africa Public Service Day, and Constitutional Commissions and Independent Offices exhibitions and symposia.
- 17) Conducted Mid Term Evaluation and review of the Strategic Plan 2019-2024
- 18) Prepared and submitted Programme Based Budget and Sub Sector Reports for the FYs 2023/24-2025/26.
- 19) Conducted stakeholder sensitization workshops on Public Service Commission (County Government Public Services Appeals Procedures) Regulations, 2022.
- 20) Coordinated preparation of PSC and directorates performance contracts (PCs) for 2022/23 FY.
- 21) Paid retention monies to contractors amounting to Kshs. 13,896,683 dating back to 2013/14 FY.

- 22) Improved in-house platforms performance and integration of processes at the Commission
- 23) Digitization of Commission archived records and information.

### **3.1.2 Programme 2: Human Resource Management and Development**

- 1) Reviewed the organizational structures of eighteen (18) public institutions.
- 2) Review staff establishment levels in public institutions and established a total of 5,408 posts in Ministries and State Departments.
- 3) Retained the establishment of 220 Hospitality officers in the Executive Office of the president
- 4) Appointed 95 Hospitality Personnel on 3-years Contract renewable during the tenure of His Excellency the President
- 5) Provided technical support to 9 County Governments and 19 MDAs on HR Matters.
- 6) The total number of new officers appointed was 1,331 which comprised 694 (52%) male and 637 (48%) female. PWDs were 13, constituting 1% of officers recruited;
- 7) Advertised and recruited suitable candidates for positions of Principal Secretary and Chief Administrative Secretary Recommended 250 Principal Secretaries and 112 CAS to the President for appointment; 3 candidates each for appointment to Solicitor General, EACC, CBK and CRA; recommended candidates for appointment to 7 vacant positions of VC, DVC, Principal and Deputy Principal of 5 public universities.
- 8) Promoted a total of 5,443 officers in various Ministries/State to various cadres. Of these, 1,970 (36%) were female, 3,473 (64%) were male and 6 PWDs.
- 9) Developed a Framework for management of re-designations in the civil service.
- 10) Recruited, inducted and placed 3,902 interns across 250 MDAs.
- 11) Managed and tracked the performance of interns in MDAs.
- 12) Issued a Circular on entitlement to terminal benefits on dismissal to the service.
- 13) Managed and administered Public Service Commission Promotional Examinations.
- 14) Conducted an induction programme for the newly recruited Cabinet Secretaries and Principal Secretaries.
- 15) Reviewed Terms and Conditions of Service for the Public Service.
- 16) Provided technical support on the recruitment of TVET trainers in TVET Institutions.

### **3.1.3 Programme 3: Governance and National Values**

- 1) Audited 48 ministries and state departments and prepared a report which was tabled before the Commission Board and the findings of the report were communicated to state departments.
- 2) Prepared and submitted to the president and parliament an evaluation on the status of the public service compliance with the values and principles in Articles 10 and 232 of the constitution as per Article 234(h) of the constitution.
- 3) Prepared quarterly monitoring and evaluation reports on compliance with HR, Administrative, and organizational policies in MDAs, and findings of the reports were communicated to ministries and state departments.
- 4) Undertook payroll audits in selected State Departments.
- 5) Prepared report on the declaration of income assets and liabilities and the findings of the report implemented.

### **3.1.4 Programme 4: Performance and Productivity Management**

- 1) Prepared and submitted to the President and Parliament a report of Operations of the Commission in accordance with Article 154 of the Constitution and Section 90 of the Public Service Commission Act, 2017.
- 2) Developed and disseminated performance contracting guidelines to MDAs for implementation.

## **4.0 PROJECT INFORMATION**

During the year, the Commission was allocated **Kshs. 26.3m** for Development Vote. An amount of **Kshs. 19,979,094** was utilized to complete the on-going construction project of additional offices on the 5<sup>th</sup> floor (roof top) of the existing old office block. This project was completed and handed over to the Commission during the period under review.

## **5.0 INFORMATION ON REALLOCATIONS, PENDING PAYMENTS AND ANY LIABILITIES INCURRED**

The Commission does not have any pending payments with an age of over ninety days. However, at the close of FY 2022/23 on 30<sup>th</sup> June 2023, the Commission had pending bills amounting to **Kshs. 34,190,959.95** due to lack of exchequer provision.

In conclusion, the Commission would like to convey its thanks and appreciation to the Hon. Chairman and Hon. Members of the Committee for the invitation to appear before the Committee, and continued support accorded the Commission so far.

Thank you very much.

**AMB. ANTHONY M. MWANIKI**  
**CHAIRPERSON**

**9<sup>th</sup> August, 2023**

APPENDIX 1: RECURRENT EXCHEQUER RECEIPTS FOR FY 2022/23



REPUBLIC OF KENYA  
THE NATIONAL TREASURY

Telegraphic Address: 22921  
Finance  
NO. 310833  
When Replying Please Quote  
Ref. No. RE: 202/34/22/23

THE NATIONAL TREASURY  
P O BOX 30007 - 00100 FAX  
NAIROBI Telephone:2252299

30<sup>th</sup> June, 2023

Head of Accounting Unit  
Public Service Commission  
Nairobi.

**RECURRENT EXCHEQUER ISSUE NOTIFICATION**

Please note the following amount was issued from the Exchequer Account  
30<sup>th</sup> June, 2023 and placed to the credit of your account with the Central Bank of Kenya.

	Kshs.
R 2071 Public Service Commission	79,464,981.40

2. You should forthwith record the above issue in your Vote Account by debiting your Ministry/Departments Cash Account and crediting "Recurrent Exchequer Account" with the amount shown above.
3. The total issues from the Recurrent Exchequer during the Current Financial Year Including the above amount is now Kshs. 2,344,945,471.95

  
**GK KANGOGO**  
FOR: PRINCIPAL SECRETARY/ NATIONAL TREASURY

C. C: The Controller of Budget,  
Office of the Controller of Budget  
P.O. Box 35616-00100  
NAIROBI.



ISO 9001:2008  
Certified.

APPENDIX 2: DEVELOPMENT EXCHEQUER RECEIPTS FOR FY 2022/23



REPUBLIC OF KENYA  
THE NATIONAL TREASURY

Telegraphic Address: 22921  
Finance  
FAX NO. 310833  
Telephone: 2252299  
When Replying Please Quote  
Ref. No. DE/133/18/22/23



THE NATIONAL TREASURY  
P.O. BOX 50007 - 00100  
NAIROBI

30<sup>th</sup> June, 2023

Head of Accounting Unit  
Public Service Commission  
Nairobi.

**DEVELOPMENT EXCHEQUER ISSUE NOTIFICATION**

Please note the following amount was issued from the Exchequer Account on 30<sup>th</sup> June, 2023 and placed to the credit of your account with the Central Bank of Kenya.

	Kshs.
D 2071 Public Service Commission	12,420,556.00

2. You should forthwith record the above issue in your Vote Account by debiting your Ministry/Departments Cash Account and crediting "Development Exchequer Account" with the amount shown above.
3. The total issues from the Development Exchequer during the Current Financial Year including the above amount is now Kshs. 19,979,094.00

  
**G.K. KANGOGO**  
FOR: PRINCIPAL SECRETARY/ NATIONAL TREASURY

C. C. The Controller of Budget,  
Office of the Controller of Budget  
P.O. Box 35616-00100  
NAIROBI.



**APPENDIX 3: APPROPRIATIONS IN AID (AIA) FOR THE FY 2022/23**

Receipt Description	Activity	Receipt Amount
PROFICIENCY EXAMS FOR CLERICAL OFFICERS	Sale of Goods & Fees	7,823,463.00
ADMINISTRATIVE OFFICERS EXAMINATION FEES	Sale of Goods & Fees	6,815,932.00
TRAINING LEVY	DEDUCTION FROM PSC officer	48,050.65
<b>TOTAL</b>		<b>14,687,445.65</b>