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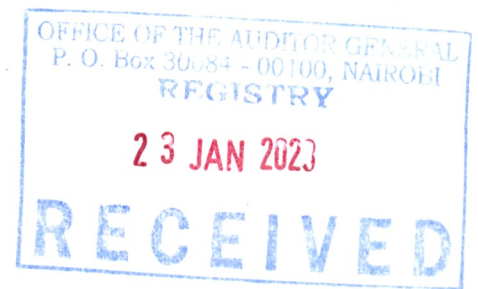
OF

THE AUDITOR-GENERAL

ON

PUBLIC SERVICE COMMISSION

**FOR THE YEAR ENDED
30 JUNE, 2022**



PUBLIC SERVICE COMMISSION

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2022**

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

*Public Service Commission
Annual Report and Financial Statements
For the year ended 30th June 2022*

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1.0 KEY ENTITY INFORMATION AND MANAGEMENT

a) Background Information

The Public Service Commission (PSC) is established under Article 233 of the Constitution of Kenya. The Commission consists of a chairman, vice-chairperson and seven other members appointed by the President with the approval of the National Assembly in accordance with Article 233 of the Constitution. The Commission is assisted by a Secretariat headed by a Secretary who is also the Chief Executive Officer.

b) Key Management

The powers and functions of the Commission as set out under Article 234 as follows:

- a) Subject to the Constitution and legislation:
 - i. Establish and abolish offices in the public service; and
 - ii. Appoint persons to hold or act in those offices, and to confirm appointments;
- b) Exercise disciplinary control over and remove persons holding or acting in those offices;
- c) Promote the values and principles referred to in Articles 10 and 232 throughout the public service;
- d) Investigate, monitor and evaluate the organization, administration and personnel practices of the public service;
- e) Ensure that the public service is efficient and effective;
- f) Develop human resources in the public service;
- g) Review and make recommendations to the national government in respect of conditions of service, code of conduct and qualifications of officers in the public service;
- h) Evaluate and report to the President and Parliament on the extent to which the values and principles referred to in Articles 10 and 232 are complied with in the public service;
- i) Hear and determine appeals in respect of county governments' public service; and
- j) Perform any other functions and exercise any other powers conferred by national legislation.

Other functions and powers include: -

- a) Nomination of persons to the Judicial Service Commission and Salaries Remuneration Commission under Articles 171(2) and 230(2){b} respectively;
- b) Recommendation of persons to be appointed as Principal Secretaries under Article 155 (3) (a);
- c) Receiving and processing of petitions for the removal of the Director of Public Prosecutions and recommending appointment of a tribunal to investigate the complaints under Article 158(2) (3) and (4);
- d) Receiving petitions for the removal of the Registrar and Assistant Registrars of political parties in accordance with Section 37 of the Political Parties Act; and
- e) Protection of public officers against victimization and discrimination while discharging their duties in accordance with Article 236 of the Constitution.

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The Public Service Commission Act, 2017 and Public Service Commission Regulations, 2020 prescribes the manner in which the Commission fulfils its mandate.

b) Vision, Mission and Core Values

Vision: *A Citizen-Centric Public Service*

Mission: *To transform the public service for efficient and effective service delivery.*

Core Values: *Citizen focus; Professionalism; Innovation; and Teamwork*

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibilities were:

Table 1-1: Key Management Personnel with Direct Fiduciary Responsibilities

No.	Designation	Name
1.	Accounting Officer	Dr. Simon K. Rotich, CBS
2.	Deputy Commission Secretary (Corporate Services)	Remmy Nambuchi Mulati, MBS
3.	Director, Administration	Gerald Kuhaka, OGW
4.	Director, Finance, Planning & Resource Mobilization	CPA Maina Njoroge
5.	Ag. Deputy Director, HRM Administration	Caroline Kiget
7.	Deputy Director, Accounts	CPA Dr. Julius O. Moturi
8.	Deputy Director, Supply Chain Management Officer	Patrick Malakwen

(d) Fiduciary Oversight Arrangements

(i) Commission Committees

The Commission Board provides the overall fiduciary oversight through Commission Committees. Section 12 of the Public Service Commission Act, 2017 allows the Commission to establish such committees as may be necessary to carry out of its functions and the exercise of its powers. The Commission has established eight (8) standing committees, each comprising at least two Commissioners and members of the Secretariat to support the committees.

The Commission, also establishes ad hoc committees, as and when need arises. The recommendations from the committees are tabled before the Commission Board for consideration and final decision. The following are the Commission Board Committees and their membership:

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Committee/Members	Role
1.0 Compliance & Quality Assurance Committee	
Dr. Reuben K. Chirchir	Chair
Dr. Joyce K. Nyabuti	Member
2.0 Terms & Conditions of Service Committee	
Dr. Joyce K. Nyabuti	Chair
Ms. Joan A. Otieno	Member
3.0 Human Resource Planning, Establishment & Recruitment Committee	
Mr. Andrew N. Muriuki	Chair
Amb. Salma A. Ahmed	Member
4.0 Finance, Planning, ICT & General-Purpose Committee	
CPA Charity Kisotu	Chair
Dr. Reuben K. Chirchir	Member
Mr. Andrew N. Muriuki	Member
5.0 Capacity & Capability Development Committee	
Dr. Mary C. Mwiandi	Chair
Ms. Joan A. Otieno	Member
6.0 Public Service Performance & Transformation Committee	
Amb. Salma A. Ahmed	Chair
Dr. Joyce Nyabuti	Member
Dr. Reuben Chirchir	Member
7.0 Audit Committee	
Ms. Loise Ruhui (Independent)	Chair
Mr. George Onyango (Independent)	Member
Mr. Andrew N. Muriuki (Commissioner, PSC)	Member
Mr. Caleb Bulili (National Treasury Representative)	Member
8.0 Appeals & Devolution Matters Committee	
Amb. Patrick S. Wamoto	Chair
Amb. Salma A. Ahmed	Member

The Committees' terms of reference are as follows: -

1. Human Resource Planning, Establishment and Recruitment Committee

- i.* Advise the Commission on human resource planning, establishment and recruitment functions;
- ii.* Develop and review recruitment and selection policy in the public service;
- iii.* Develop and review policy guidelines for establishing and abolishing public offices;
- iv.* Develop and review career management framework for the public service;
- v.* Recommend the criteria for appointments in the public service in compliance with the requirements of the Constitution;
- vi.* Consider requests on organization structure and staff establishment from MDAs;
- vii.* Consider requests from MDAs on appointments and promotions and make appropriate recommendations and policies;

- viii. Consider job descriptions and specifications for career progression; and
- ix. Oversee the implementation of job evaluation report for the public service.

2. Terms and Conditions of Service Committee

- i) Consider, review and make recommendations on terms and conditions of service for public officers;
- ii) Review and develop human resource management policies for the public service;
- iii) Recommend human resource management reforms in the public service;
- iv) Develop a human resource master plan for the public service;
- v) Recommend talent management and retention programmes in the service; and
- vi) Manage industrial relations in the service.

3. Human Resource Development Committee

- i) Develop and review human resource development policies and guidelines;
- ii) Oversee institutionalization of induction and fit-for-purpose training and development programmes;
- iii) Develop and manage public service competency framework;
- iv) Collaboration and resource mobilization for training and development; and
- v) Management of internship programmes in the public service

4. Public Service Performance and Transformation Committee

- i) Develop national performance management policy framework for the public service;
- ii) Oversee the institutionalization of performance management framework in the public service;
- iii) Initiate service delivery improvement programmes and strategies;
- iv) Develop strategies for inculcating a public service performance culture; and
- v) Recommend structures and systems for public service transformation.

5. Compliance and Quality Assurance Committee

- i) Develop strategies for promotion of values and principles under Articles 10 and 232 of the Constitution;
- ii) Oversee the preparation of the report to the President and Parliament on the extent to which the values and principles in Articles 10 and 232 are complied with in the public service;
- iii) Consider reports on investigation, monitoring and evaluation, and audit of the organization, administration and personnel practices in the public service;
- iv) Manage the public service Code of Conduct and Ethics; and
- v) Oversee the administration of financial disclosures in the public service.

6. County Appeals and Devolution Matters Committee

- i) Oversee inter-governmental relations in collaboration with relevant government agencies to ensure application of uniform human resource management norms and standards in the service;
- ii) Recommend strategies for capacity building and technical assistance to counties on human resource matters; and
- iii) Consider county appeals and make recommendations to the Commission for determination and decision.

7. Finance, Planning, ICT and General Purpose Committee

- i)* Develop proposals for the formulation, implementation and review of the strategic direction of the commission;
- ii)* Monitor implementation of the Commission's strategic plan and performance contract;
- iii)* Consider the budget proposals for the Commission and make recommendations for approval;
- iv)* Consider the periodic budget performance and financial reports;
- v)* Propose modalities for fiscal resource mobilization;
- vi)* Oversee the formulation, review and implementation of the ICT policies, strategies, processes and systems of the Commission;
- vii)* Oversee the implementation, certification, sustainability and review of the ISO 2015: 9001 processes;
- viii)* Formulate and review proposals on structure and staffing of the Commission Secretariat;
- ix)* Develop proposals for monitoring, reviewing and implementing competitive terms and conditions of service for the Commission;
- x)* Monitor, review and develop capacity building proposals for the Commission;
- xi)* Develop, monitor and review implementation of the Commission's communication strategy; and
- xii)* Monitor, review and propose strategies for development, management and improvement of the Commission's assets, facilities, shared services and work environment.

8. Audit Committee

This is an advisory committee that assists the Commission and the Secretary/CEO with respect to financial reporting, adequacy and effectiveness of Commission's risk management, internal controls, governance processes, and audit affairs. The Committee comprises of two members from the private sector, a representative of the National Treasury, one Commissioner and head of Commission's Internal Audit as the Secretary. The Committee is chaired by a representative of the private sector and its terms of reference are as follows:

- i)* approves the internal audit unit charter;
- ii)* reviews the charter of the internal audit function and recommend to the Commission for approval;
- iii)* reviews the annual audit plan and make recommendations to the Commission for approval;
- iv)* receives and reviews reports from the internal audit/external audit, and make appropriate recommendations to the Commission;
- v)* evaluates the adequacy of management responses to audit queries;
- vi)* monitors the implementation of audit-based recommendations approved by the Commission;
- vii)* reviews audit reports of the Auditor-General that have implications on the Commission and makes recommendations to the Commission;
- viii)* advises the Commission on risk management and ensure that the Commission has in place an institutional risk management policy framework; and
- ix)* initiates special audit/investigation on any allegations, concerns and complaints

During the period, the Committees held quarterly meetings, or as necessary, whose recommendations were considered and approved by the Commission during the Board meetings.

(ii) Internal Oversight Arrangements

The Accounting Officer authorises and approves all activities of the Commission and ensures that all Government regulations and policies are complied with. The Accounting Officer appoints Authority to Incur Expenditure (AIE) holders who certify that all the expenditures of the Commission are incurred for authorised purposes and properly charged. Further, the oversight arrangements are undertaken through the following Committees;

- a) Budget Implementation Committee: Oversees budget implementation process and periodically advises the Accounting Officer on the budget performance;
- b) Ad Hoc Evaluation Committees: For specific procurement matters;
- c) Inspection and Acceptance Committee: Inspects works, goods or services undertaken/ supplied; and
- d) Commission Human Resources Management Advisory Committee: Considers and approves staff development strategies, training needs and projections, and Secretariat's human resource discipline and other terms and conditions of service.

(iii) External Oversight Arrangements

The external oversight arrangements are provided by the following:

- a) The National Assembly Departmental Committee on Administration and National Security offers oversight of the Commission's budget and programmes.
- b) National Treasury allocates funds, approves budgetary reallocations and analyses quarterly reports.
- c) The Office of the Controller of Budget approves Commission's expenditure requests through exchequer approvals and analyses quarterly reports.
- d) The Office of the Auditor General undertakes annual audit of Commission's Financial Statements.

e) PSC Headquarters

Commission House
Harambee Avenue
P.O. Box 30095 - 00100
NAIROBI, KENYA

Contacts

Telephone: (254) 020 2223901-5, 2227471-5
E-mail: psck@publicservice.go.ke
Website: www.publicservice.go.ke

f) Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000-00200
NAIROBI, KENYA

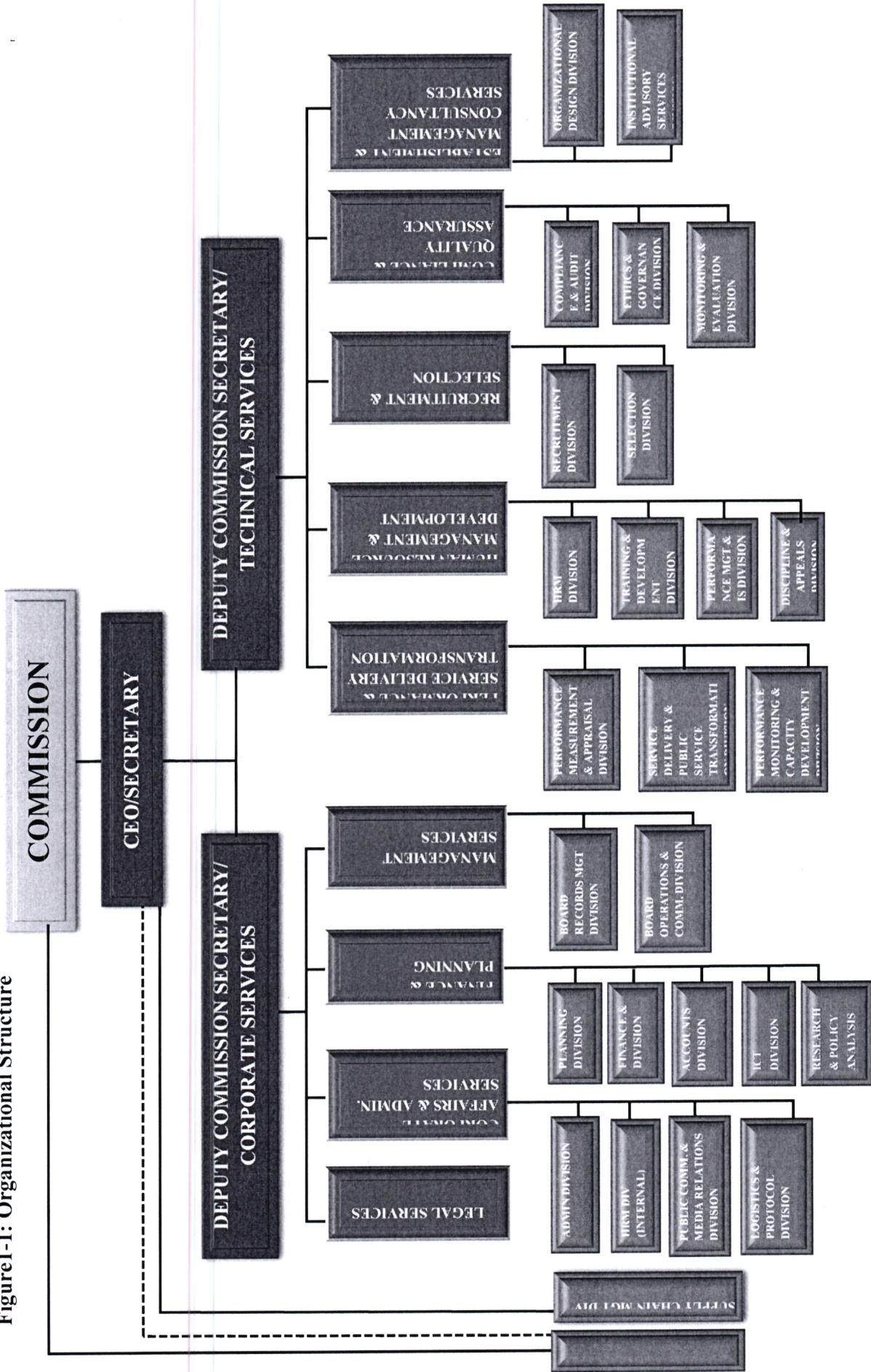
g) Independent Auditors

The Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084-00100
NAIROBI, KENYA

h) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112-00200
NAIROBI, KENYA

Figure 1-1: Organizational Structure



COMMISSIONERS' PROFILES

Amb. Anthony M. Muchiri, CBS, Chairperson



Ambassador Anthony Mwaniki Muchiri was sworn into office as the chairperson of the Public Service Commission on 22nd December 2021.

He is a career public servant, having last served as Kenya's Ambassador to Cuba and concurrently as High Commissioner/Ambassador/PR of Kenya to Jamaica, Barbados, St. Kitts & Nevis, Guyana, Dominican Republic, CARICOM Secretariat since July 2018.

He joined the public service in 1984 in the administration cadre and rose through the ranks as Assistant Inspector (Inspectorate of State Corporations), Assistant Secretary (Ministry of Information & Broadcasting, and Ministry of National Guidance & Political Affairs), Second Secretary (Ministry of Foreign Affairs), and Chef de Cabinet to the Permanent Secretary, Secretary to the Cabinet and Head of the Public Service.

Between 2003 and 2018, he served in various diplomatic missions abroad and Ministry of Foreign Affairs as Counselor and Deputy Chief of Mission (Kenya Mission to the United Nations, Geneva, 2003-2005); Deputy Chief of Mission, Embassy of the Republic of Kenya to the Arab Republic of Egypt (2005-2007); Deputy Director, Administration – Ministry of Foreign Affairs (2007-2010); Ambassador of Kenya to Libya (2010-2014); Ambassador/Advisor, Office of the Principal Secretary, Ministry of Foreign Affairs (2015-2016); and Chargé d' Affaires, Kenya Embassy, Havana, Cuba (2016-2018).

He holds a Global Executive MBA degree from the United States International University, Nairobi; Bachelor of Commerce Degree, Nagpur University, India; and Post Graduate Diploma in International Relations, University of Nairobi.

He has also undertaken numerous professional studies including Advanced Public Administration (Kenya Institute of Administration), Post Graduate Diploma in Diplomatic Studies (University of Oxford, UK), Certificate in Peace making and Preventive Diplomacy, UNITAR-IPA Fellowship Program in Peace making & Preventive Diplomacy, Africa-Egypt Diplomatic Training Program (Institute for Diplomatic Studies, Egypt), and Leaders in Development Managing Political and Economic Change (Harvard University).

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CPA Charity S. Kisotu, CBS, Vice Chairperson



CPA Charity Seleina Kisotu was appointed Vice Chairperson of the Public Service Commission on 10th January 2019. She is the chairperson of the Finance, Planning, ICT and General-Purpose Committee of the Commission.

Prior to her appointment, she was a member of the Board of the Central Bank of Kenya since 2016. She also served at various times as Chairperson of the Insurance Tribunal; Chairperson of the National Social Security Fund Board of Trustees; Chairperson of Kenya Wines Agencies Limited (KWAL); member of Nairobi City County Public Service Board and Chief Accountant

at the National Water Corporation.

As Chairperson of KWAL, she successfully presided over the privatization of the organization which was a special assignment given to her board by the appointing authority. Ms. Kisotu holds a Master of Business Administration (MBA) degree from Moi University. She is a Certified Public Accountant of Kenya (CPAK) and a Certified Secretary (CS).

Dr. Joyce K. Nyabuti, MBS, Commissioner



Dr. Joyce Kemunto Nyabuti joined the Commission on 10th January, 2019 as a Commissioner. She is a Human Resource Management and Development expert of long standing in the Public Service. In her 30 years of public service, she handled numerous high-level management assignments including Public Service Reforms such as Performance Improvement, Quality Assurance Programs and Performance Contracting. She has a passion in management, transformative leadership and organizational Development.

Prior to her appointment, Commissioner Nyabuti was the head of Human Resource Management and Development at the National Intelligence Service. She was also an Instructor at the National Intelligence Academy and editor of the National Intelligence Academy Journal. Among the institutions she has served in are Public Service Commission, Ministry of Cooperative Development, Ministry of Agriculture and Rural Development, and Ministry of Health.

Commissioner Nyabuti holds a doctorate degree (PhD) in Business Administration from Kabarak University, Master of Business Administration (MBA) degree in Human Resource Management from Catholic University of Eastern Africa and Bachelor of Arts (BA) degree from the University of Nairobi. She also holds a Post Graduate Diploma in Human Resource Management, Post Graduate Diploma in Strategic and Security Studies and a Certificate in Human Resource Audit from the Royal Institute of Public

Administration (RIPA), UK. She has attended numerous management and leadership courses and also widely published in her area of specialization and interest. Commissioner Nyabuti is a certified member of the Institute of Human Resource Management.

Dr. Mary C. Mwiandi, MBS, Commissioner



Dr. Mary Ciambaka Mwiandi was appointed Commissioner, on 10th January, 2019. She has had a long public service career as a teacher, lecturer and community leader. She taught at Chuka High School, Meru School and Kajiunduthi Secondary School where she rose to the position of Deputy Principal. Prior to her appointment to the Commission, she served as Chairperson and Senior Lecturer in the Department of History and Archaeology at the University of Nairobi having started her university teaching career as a Tutorial Fellow.

Commissioner Mwiandi was also a part-time lecturer at Strathmore University, United States International University (Africa), and St. Lawrence University's Nairobi Campus. She has published widely in her field of interest and supervised MA and PhD candidates in history and armed conflict and peace studies at the University of Nairobi. She is a recipient of many local and international scholarships and grants from various institutions and research programs.

Commissioner Mwiandi was nominated as a Goodwill Ambassador on peace, cohesion and integration by the National Cohesion and Integration Commission. She was also a member of the Board of Management of Kenya Marine and Fisheries Research Institute (KEMFRI) and various school management boards. Dr. Mwiandi holds a doctorate degree (PhD) in History from Michigan State University, a Master of Arts degree in History from the University of Nairobi, a Post Graduate Diploma in Education from Kenyatta University and a Bachelor of Arts degree from the University of Nairobi.

Dr. Reuben K. Chirchir, MBS, Commissioner



Dr. Reuben Chirchir joined the Commission on 10th January 2019 as a Commissioner. Prior to his appointment, Dr. Chirchir served in various capacities in the public sector as the Chairman of the University Council of South Eastern Kenya University; Secretary and Chief Executive Officer of the Judges and Magistrates Vetting Board; Joint Secretary to the Tribunal appointed by H.E. the President to Investigate the Conduct of a Judge of the Supreme Court of Kenya; Consultant Senior Programme Officer (UNDP) supporting the Task Force on Devolved Government (TFDG), Office of the Deputy Prime Minister and Ministry of Local Government; and Operations Officer, Lake Victoria Environmental Management Programme (EPS) under the Ministry of Environment and Natural Resources.

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Dr. Chirchir holds a Doctorate degree (PhD) in Organizational Leadership, Master of Science (MSc) in Natural Resource Management, Bachelor of Science and Bachelor of Laws degrees. He is also registered with the National Environment Management Authority (NEMA) as a Lead Expert and a member of the Environmental Institute of Kenya (EIK). Commissioner Chirchir is an active and published scholar with interest in governance, policy and leadership studies.

Amb. Patrick S. Wamoto, EBS, Commissioner



Amb. Patrick Simiyu Wamoto is a career diplomat of longstanding. He joined the Ministry of Foreign Affairs as an Assistant Secretary III in 1983, rising through the ranks to the position of acting Permanent Secretary in the Ministry.

Prior to joining the Commission on 10th January, 2019, Amb. Wamoto was Kenya's Ambassador to Thailand. He had also served as High Commissioner of Kenya to South Africa and in various other capacities in Kenya's missions in London, Vienna and Abuja.

He has undertaken various training courses in Management at the Kenya School of Government in Nairobi as well as the German Centre for International Development in Berlin, Germany. Amb. Wamoto is also an Alumnus of the National Defense College, Kenya.

Commissioner Amb. Wamoto holds a Bachelor of Arts degree in Political Science from the University of Nairobi, a Post-Graduate Diploma in Diplomatic Studies from Oxford University, and a Post-Graduate Diploma in Multilateral Diplomacy from the Graduate Institute of International Studies in Geneva. He was awarded Order of the Elder of the Burning Spear (EBS) by His Excellency the President of the Republic of Kenya for his exemplary contribution to Kenya's diplomacy and international relations.

Amb. Salma A. Ahmed, MBS, Commissioner



Amb. Salma Abdulahi Ahmed was appointed as a commissioner in the Public Service Commission on 10th January, 2019 after an illustrious career spanning over 20 years in the civil service, diplomacy, communications, public relations and academia. Prior to her appointment, Commissioner Ahmed was Kenya's ambassador to France, Portugal and Serbia for eight years where she also doubled as the Chair of the East African Community Ambassadors forum and Deputy Dean of the African Group of Ambassadors. As ambassador, she was actively involved in high level global governance issues, peace and conflict resolution and international trade and strengthening Kenya's diplomatic interests. She also served as a lecturer at the University of Nairobi's Department of Political Science and the Institute of Diplomacy and

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International Studies, the National Intelligence Service School, National Defence College and the Foreign Service Academy among other institutions in Kenya and abroad.

Commissioner Ahmed is an innovative thinker and strategist with solid problem-solving skills and deep understanding of organizational systems. She is passionate about transforming society and has been engaged in various social transformation campaigns and programmes among disadvantaged communities and refugee camps all over Kenya. She is skilled in systems analysis, conflict management and resolution, peace building and resource mobilization. Her illustrious career includes a stint as a consultant at United Nations Development Fund for Women (UNIFEM) where she deepened her passion for social transformation issues.

She has also worked as a Communications and Public Relations Manager at the Aga Khan Development Network. Commissioner Ahmed holds a Bachelor of Arts and Masters in International Studies degree from the University of Nairobi, and Postgraduate Diploma in International Relations. She has also attended numerous certificate level courses, seminars and workshops.

Mr. Andrew N. Muriuki, MBS, Commissioner



Mr. Andrew Ndambiri Muriuki was appointed as a commissioner in the Public Service Commission on 10th January 2019. He has over 17 years of progressive experience in sustainable resource planning and management in the public sector, mainly in institutions of higher learning. He also has broad experience in the functional areas of human resource, administration, procurement, finance, supply chain and property management. Prior to joining the Commission, Commissioner Muriuki was the Deputy Registrar (Administration & Finance) at Dedan Kimathi University of Technology, Nyeri.

He also served in various positions at Jomo Kenyatta University of Agriculture and Technology, rising through the ranks from Management Trainee to the position of Senior Assistant Registrar. Commissioner Muriuki has hands-on experience in corporate governance, having been a Member of the National Standards Council of the Kenya Bureau of Standards and the Institute of Directors of Kenya. He has attended numerous professional and career development courses in management, procurement, finance, project planning, labour relations and corporate governance, locally and abroad. Commissioner Muriuki holds a Master of Science degree in Information Systems from the University of Sunderland in the United Kingdom; National Diploma in Business Management from Kenya Institute of Management; and Bachelor of Arts degree from Kenyatta University.

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Ms. Joan A. Otieno, MBS, Commissioner



Commissioner Joan A. Otieno chairs the Staff Pension Scheme as sponsor nominated trustee of the Public Service Commission. She is a Member of Public Service Commission Terms and Conditions of Service Committee and Human Resource Development Committee. She joined the Commission in January 2019 after a distinguished thirty-five years of service (1984 – 2019) as a teacher and school administrator.

As an administrator, she not only participated in curriculum review, design and development but was also involved in preparation of instructional resources at the then Kenya Institute of Education (KIE) now called Kenya Institute of Curriculum Development (KICD). She was instrumental in facilitation and improvement of access and quality education in various public institutions in the country. As a way of giving back to the society, she sits on the board of Community Initiative Support Services (CISS) (2010 – to-date), a non-profit organization that is involved in Poverty eradication, Food security, Healthcare, Environmental conservation, Higher Education and Research in the Lake Region. Commissioner Joan A. Otieno holds a Bachelor of Education (Arts) Degree from Kenyatta University and a Diploma in Education Management from Kenya Education Management Institute (KEMI).

Dr. Simon K. Rotich, CBS, Commission Secretary/CEO



Dr. Simon Kibet Rotich is a career administrator with over thirty years progressive experience, having worked in various capacities in the public service. His deep understanding of Government administration has ensured successful implementation and delivery of services to the people in the areas and positions he has served in. His appointment as Commission Secretary/CEO on 1st August 2019 vested in him the responsibility to drive the Commission Secretariat to enable the Commission deliver its mandate. Dr. Rotich joined the civil service in 1991 as an Assistant Secretary Cadet in the Office of the President, rising steadily through the ranks as District Officer, District Commissioner, Undersecretary, Deputy Secretary, Senior Deputy Secretary, Director of Administration, Deputy Commission

Secretary and finally to his current position as Commission Secretary/CEO. He also served as Chief Executive Officer of the Commission on Implementation of the Constitution.

Dr. Rotich has been a member of various selection panels constituted by the Government to recruit chairpersons and members of Constitutional and Statutory Commissions and Agencies including National Cohesion Integration Commission, Technical Vocational Education Training Authority and Commission on Administrative Justice. Dr. Rotich was conferred an honorary doctorate degree for his selfless service to the public and humanity on Saturday 4th September 2021 by the Breakthrough International Bible

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University. He holds a Master of Public Administration degree from Moi University, a Postgraduate Diploma in Mass Communication from the University of Nairobi and a Bachelor of Arts degree from Kenyatta University. He has attended numerous training, workshops and seminars locally and internationally.

Dr. Rotich is a member of Kenya Association of Public Administration and Management (KAPAM), an affiliate of Africa Association of Public Administration and Management (AAPAM). He is a founder board member of Kapsogut Secondary School and has participated in various community projects impacting communities. In recognition of his contribution to public service, Dr. Rotich was awarded the Order of the Moran of the Burning Spear (MBS), the Order of the Elder of the Burning Spear (EBS) and recently the Chief of the Burning Spear (CBS) by His Excellency the President of the Republic of Kenya.

2.0 STATEMENT BY THE COMMISSION CHAIRPERSON

On behalf of the Commission Board, Management and Staff, it is my pleasure to present the Commission's Financial Statement for the year ended 30th June 2022.

During the 2019/20 financial year, the Commission developed and commenced implementation of its Strategic Plan (2019/2024) with the key focus being transformation of public service and creating a citizen-centric service orientation. The Strategic Plan sets out how the Commission will contribute by providing quality and timely policy advice to the Government and its agencies.

While developing the Strategic Plan, the Commission identified three Key Result Areas (KRAs); efficient public service delivery; ethical and value-based Public Service; and enhanced capacity with five strategic objectives: improve performance and productivity; improve service delivery; improve human resource management service; promote constitutionalism, values and principles; and build the Commission's internal institutional and human capacity.

During the 2021/22 financial year, the Commission continued implementing the Strategic Plan. However, the implementation was adversely affected by the effects of the Covid-19 pandemic during the 2020/21 and 2021/22 financial years due to scaling down of operations. During the reporting period, the Commission undertook a Mid-Term review of the Strategic Plan. The review report showed that there were certain targets that were not implemented during the first half of the Plan's implementation period. This was largely due to the effects of Covid-19 and lack of adequate resources to carry out the planned activities.

To address these challenges, the Commission Board has recommended an introduction of an additional budget programme with two sub-programmes that will facilitate the Commission to bid for additional resources from the budget sector to fill the financing gap, and specifically cater for the targets that were previously not funded. The National Treasury has already approved the Administration of Quasi-Judicial Functions Programme with two attendant sub-programmes: Court Litigation and Regulations and Administration of County Appeals for implementation during the 2023/24 financial year.

The Commission established the Public Service Internship Programme (PSIP) in 2019. The programme is designed to offer opportunity for university graduates to acquire and develop valuable technical and professional skills while gaining work experience in the public service. The demand for this programme has been increasing over the years as evidenced by the growth in the number of applicants. So far over 9,000 interns have successfully gone through the programme. An evaluation of the PSIP indicates that the programme has had a remarkable impact on employability of the interns with several beneficiaries now serving in the public service and private sector. The Commission recognizes the immense support that the National Treasury and the National Assembly have given towards the realization of this programme by allocating the Commission Kshs.1 billion each financial year for monthly intern stipends. However, the programme requires additional resources to expand it by enrolling an increased number of interns each year to meet the emerging demand, as well as to support the operations of the programme.

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Towards transformative leadership in the public service, the Commission is also implementing the Public Service Emerging Leaders Fellowship Programme (PSELF). The fellowship is in its first year of implementation with the first batch of 51 Fellows already enrolled. The Commission requires additional resources to enhance and expand this initiative.

During the year, the Commission Board attended a capacity development course on arbitration in Arusha, Tanzania in June 2022. The training was conducted by the Chartered Institute of Arbitrators and will be critical in enabling the Commission to handle appeals originating from the Counties. The training was made possible with support from the National Treasury.

During the reporting period, the Commission was allocated a total budget of Kshs. 2,391.47m (Kshs. 2,371.17m for recurrent expenditure and Kshs. 19.3m for development expenditure). This is compared to Kshs. 2,196m allocated during the 2020/21 financial year. The Commission received a total of Kshs. 2,293.9m from the exchequer out of the Kshs. 2,391.47m allocated in both recurrent and development budget estimates.

The Commission recorded a total of Kshs. 2,285.4m in recurrent expenditure, of which Kshs. 1,711.8m (74.9%) was on compensation of employees; Kshs. 436.6m (19.1%) on goods and services; Kshs. 80.9m (3.5%) on social security benefits; and Kshs. 56.2m (2.5%) on acquisition of assets. On development expenditure, the Commission utilized Kshs. 6.5m (33.6%) out of a total allocated budget of Kshs. 19.3m. Overall, the Commission absorbed 96.3% of the total budget, as compared to 98.2% recorded during the 2020/21 financial year.

Inadequate funding remains one of the challenges. It is hoped that the National Assembly and the National Treasury will favourably consider the Commission's annual requests for enhanced budget allocations for full implementation of its Strategic Plan and annual work programmes.

On behalf of the Commission I would like to express my gratitude and appreciation for the continued support and cooperation received from the National Treasury, the National Assembly and stakeholders, and development partners towards the realization of the Commission mandate and functions.

I would also like to take this opportunity to thank the Commissioners for their steadfast commitment, support and stewardship of the Commission's activities during the year.

Finally, I would like to acknowledge and thank the Secretariat for its commitment, diligence and hard work.

.....

Amb. Anthony M. Muchiri, CBS
CHAIRPERSON
September 30, 2022

3.0 STATEMENT BY THE COMMISSION SECRETARY/ACCOUNTING OFFICER

The period under review witnessed the change of guard in the top leadership of the Commission following the demise of Commission Chairperson. The Commission also embarked on a mid-term review of its Strategic Plan 2019-2024. The Commission's annual work plan is derived from the Strategic Plan which is in its third year of implementation.

3.1 Statement of Budget Performance for F/Y 2021/2022

The commission had a recurrent budget of Ksh. 2,371.17m out of which Ksh. 1,727.81m was for employee compensation and pension. Ksh. 1,711.8m (99.07%) was spent on salaries for the secretariat and stipend for internship programme. Ksh.436.59m (86.60%) was spent on utilities, communication, foreign travel, hospitality and other operations. Ksh.80.85m (98.73%) was expenditure for medical and retirement benefits while Ksh.56.80m (96.31%) was used on acquisition of assets which includes mortgage scheme and car loans. Under development, the allocated budget was Ksh. 19.3m, of which Ksh. 6.49m (33.62%) was utilized during the year. Table 3-1 presents a summary of budget performance for recurrent and development budgets for the financial year while Figure 3-1 shows expenditures by economic classification.

Table 3-1: Summary Budget Performance for F/Y 2021/2022

Items	Approved Estimates	Actual Expenditure	Overall Absorption Rate%
	2021/22	2021/22	
	Kshs, M	Kshs, M	
RECURRENT			
Compensation of Employees	1,727.81	1,711.80	99.07
Use of Goods and Services	504.12	436.59	86.60
Social Benefits	81.89	80.85	98.73
Acquisition of Assets	58.35	56.80	96.31
A-I-A	(1.00)	(0.58)	58.79
Net Recurrent	2,371.17	2,285.46	96.27
DEVELOPMENT			
Acquisition of Non-Financial Assets	19.3	6.49	33.62
Development	19.3	6.49	33.62
TOTAL	2,390.47	2,291.95	95.84

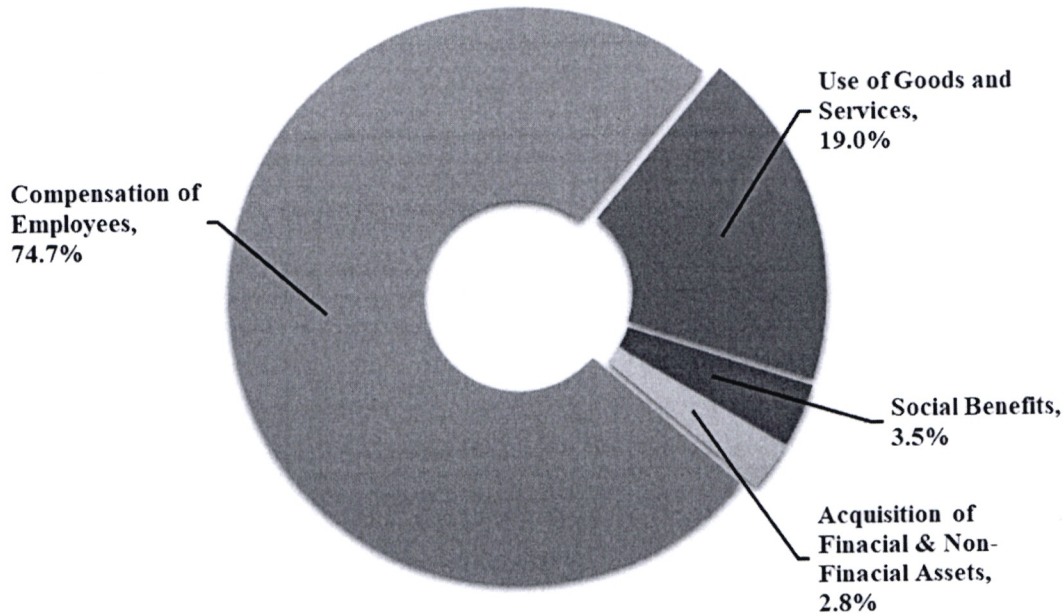


Figure 3-1: Budget Performance by Economic Classifications

During the year, the Commission implemented four programmes. The General Administration, Planning & Support Services Programme was allocated Kshs.792.09m and spent Kshs.754.54m translating to an absorption rate of 95.29 per cent.

The Human Resource Management & Development Programme was allocated Kshs.1,419.26 million, and spent Kshs.1,365.79million translating to an absorption rate of 96.23 per cent. The Governance and National Values Programme was allocated Kshs. 145.69m and spent Kshs. 137.74m translating into an absorption rate of 94.54 per cent. The Performance and Productivity Management Programme was allocated Kshs. 34.43million and spent Kshs. 33.86 million resulting in an absorption rate of 98.36 per cent. Table 3-2 and Figure 3-2 below presents budget performance by programmes.

Table 3-2: Summary Budget Performance for F/Y 2021/2022 by Programmes

Programmed/Sub-programme	Approved Estimates	Actual Expenditure	Budget Utilization Difference	Overall Absorption Rate%
	2021/22	2021/22	2021/22	
	Kshs	Kshs	Kshs	
Programme 1: General Administration, Planning and Support Services	792.09	754.54	37.56	95.29
Programme 2: Human Resource Management and Development	1,419.26	1,365.79	53.47	96.23
Programme 3: Governance and National Values	145.69	137.74	7.95	94.54

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Programmed/Sub-programme	Approved Estimates	Actual Expenditure	Budget Utilization Difference	Overall Absorption Rate%
Programme 4: Performance and Productivity Management	34.43	33.86	0.57	98.36
Total Expenditure Vote	2,390.47	2,291.95	99.65	95.84

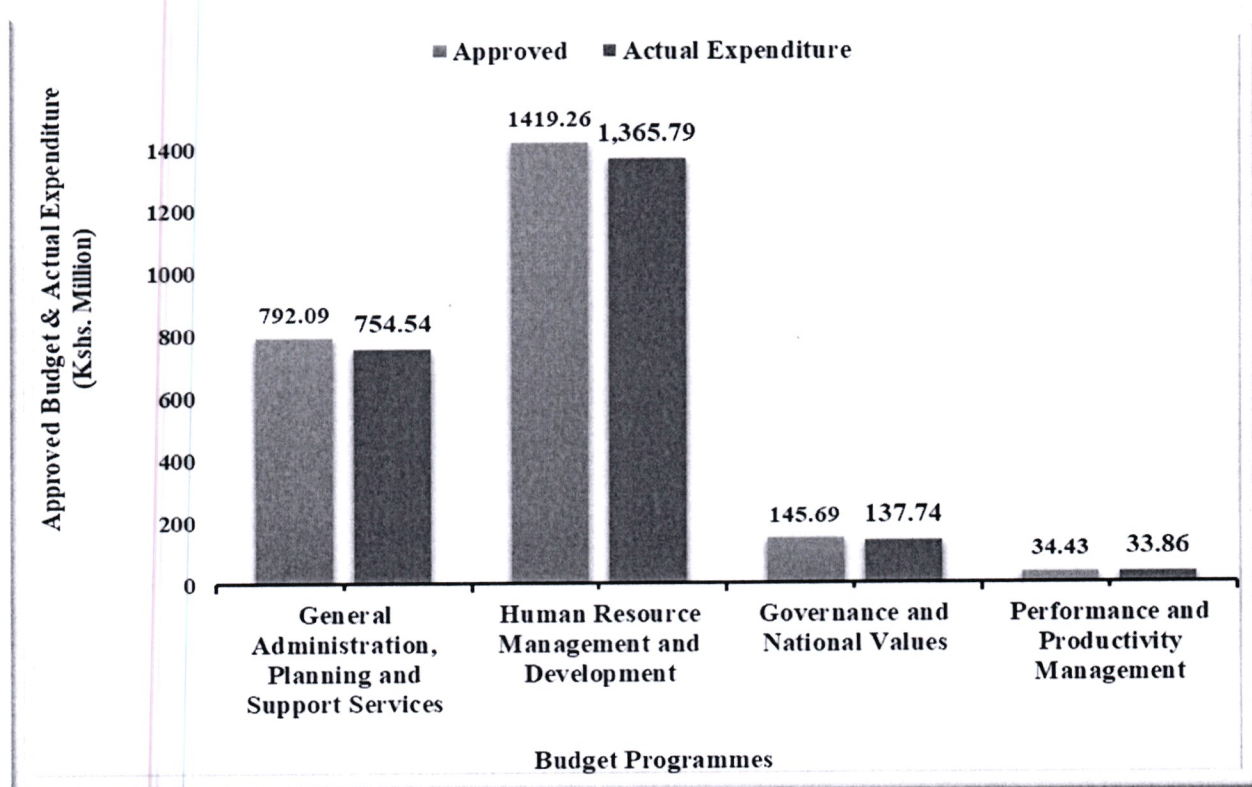


Figure 3-2: Budget Performance for the Financial Year 2021/22

3.2 Budget Performance 2019/20 to 2021/22 Financial Years

The Commission's total recurrent and development budget absorption rates for Financial Years 2019/20; 2020/21 and 2021/22 were 94%; 98.2% and 96.3% respectively. The absorption trend over the years demonstrates the timely implementation of planned programmes. However, the under absorption in FY 2021/22 was largely due to lack of exchequer provision. The comparative budget performance for the Medium Term (2019/20 to 2021/22) by economic classification is shown in Table 3-3 while Figures 3-3 to 3-6 shows trends in budget performance by economic classification.

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Table 3-3: Summary of Budget Performance 2019/20 to 2021/22

Items	Approved Allocations			Actual Expenditures			Absorption %		
	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
1.RECURRENT	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.			
Compensation of Employees	1,663.1	1,660.7	1,727.8	1,578.2	1,622.5	1,711.80	95	97.7	99.07
Use of Goods and Services	607.9	442.9	504.12	560.4	440.6	436.59	92	99.5	86.60
Social Benefits	75.1	71.3	81.89	75.1	71.3	80.85	100	100	98.73
Acquisition of Assets	7	1.8	57.76	6.9	1.8	56.20	99	100	96.31
Net Recurrent	2,353.1	2,176.7	2,371.17	2,220.6	2,136.2	2,285.44	94	98.1	96.34
2.DEVELOPMENT									
Acquisition of Non-Financial Assets	22.5	19.3	19.3	22.5	19.3	6.49	100	100	33.6
Development	22.5	19.3	19.3	22.5	19.3	6.49	100	100	33.6
TOTAL	2,375.6	2,196.0	2,390.47	2,243.2	2,155.5	2,291.95	94	98.2	96.3

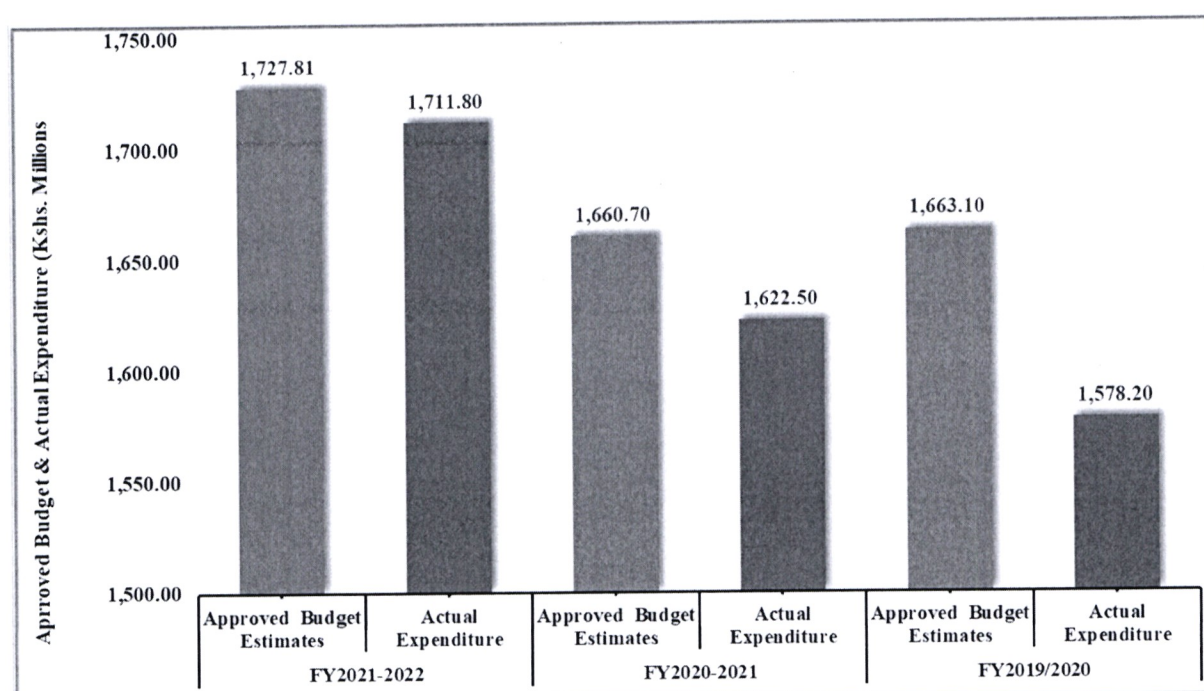


Figure 3-3: Trend Analysis of Compensation of Employees for 2019/20-2021/22 Financial Years

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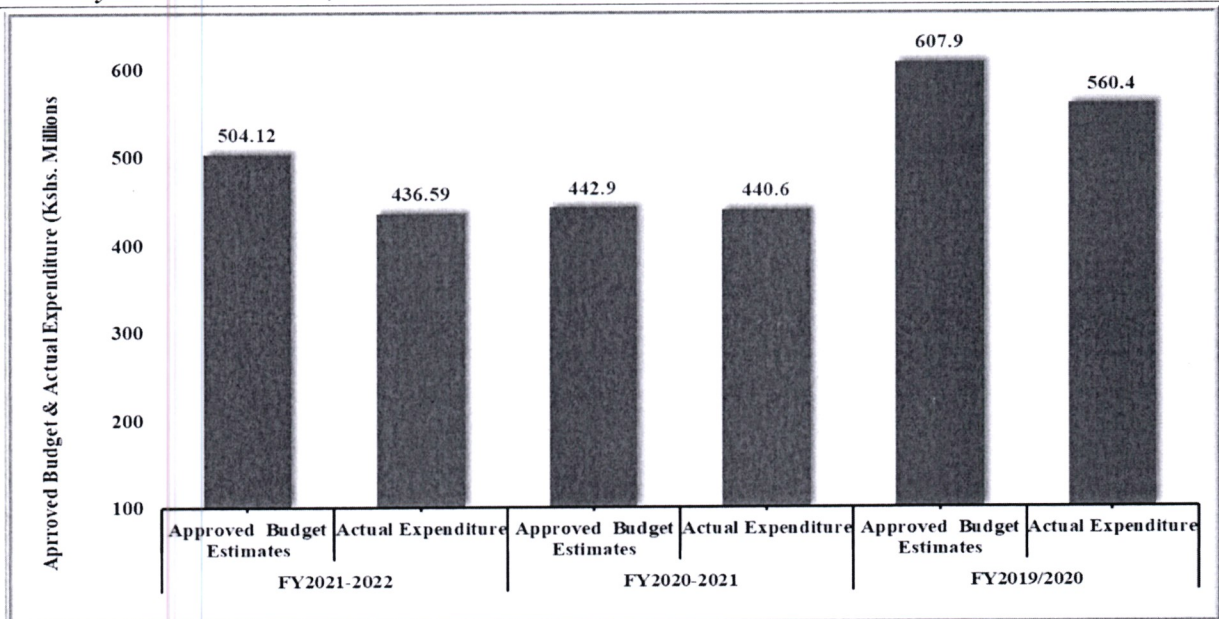


Figure 3- 4: Trend Analysis of Use of Goods and Services for 2019/20-2021/22 Financial Years

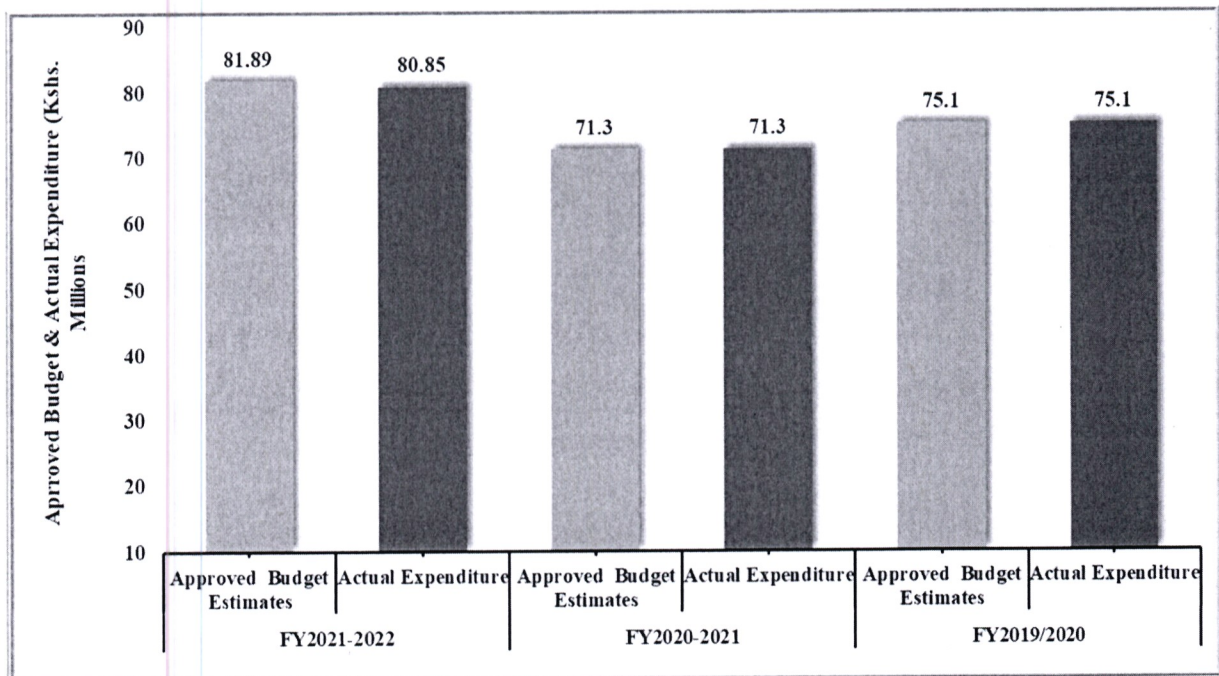


Figure 3-5: Trend Analysis of Social Security Benefits for 2019/20-2021/22 Financial Years

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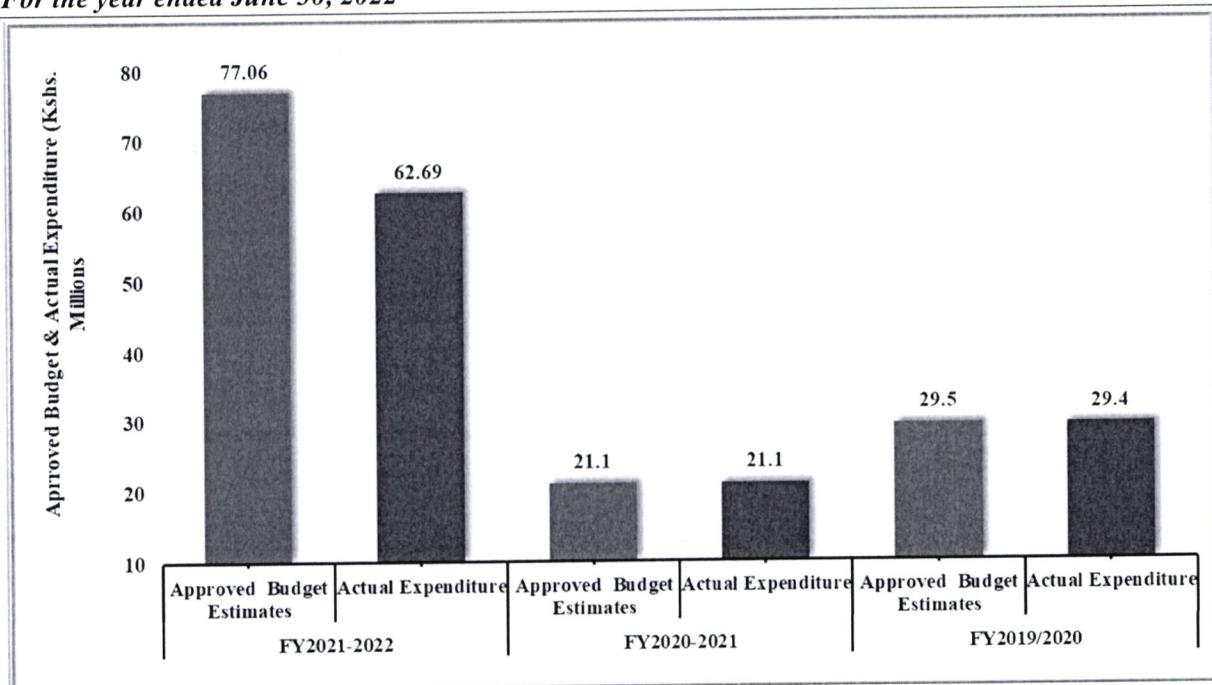


Figure 3-6: Trend Analysis of Acquisition of Assets for 2019/20-2021/22 Financial Years

3.3 Key Achievements

During the period under review, the Commission registered a number of key milestones under six strategic result areas: namely recruitment and selection; human resource technical support and advisory services; establishment and organizational design; policy formulation; and accountability and performance reporting. Some of the achievements include:

- i) Promotion of 409 officers to various cadres within the service;
- ii) Recruitment of 2,734 officers;
- iii) Interviewed and recommended six candidates to the President for appointment to the two vacant posts for member Ethics and Anti- Corruption Commission;
- iv) Recommended five (5) candidates for appointment as Vice Chancellor and a total of twelve (12) candidates for appointment as Deputy Vice Chancellor;
- v) Established Three pilot sites for Remote Interview Centres (Embu, Kisumu and Mombasa) and deployment of IT equipment;
- vi) Reviewed organizational structures for: Office of the Attorney General & Department of Justice; Ministry of Defence; Ministry of Petroleum & Mining; State Department for Interior and Citizen Services and Ministry of Health;
- vii) Reviewed optimal staffing levels for: Ministry of Defence from 3,480 to 3,241; Ministry of Petroleum & Mining from 1,363 to 846; Ministry of Health from 2,450 to 2,138; State Department for Interior from 30,758 to 29,110; Office of the Attorney General & Department of Justice from 1,672 to 1,492;
- viii) Audit of 48 MDAs on compliance with policies on administration, organization and personnel practices for the public service;
- ix) Recruitment of 3,700 interns, drawn from the 290 constituencies in Kenya, for Cohort IV under the PSIP programme and deployment to Ministries, Departments and Agencies.

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- x) Launching, inauguration and on-boarding of the 1st Cohort of 51 fellows into the Public Service Emerging Leaders Fellowship (PSELF) Programme;
- xi) Training of 380 mentors and coaches in MDAs under the Public Service Internship Programme (PSIP).

3.4 Emerging Issues

The Commission faces the following challenges in the execution of its mandate:

Financial and budget constraints: Limited budgetary allocations impair the Commission's capacity to deliver on its functions.

Human resource limitations: the expected optimal staff establishment of 388 against the current staff in-post of 240 is inconsistent with the commission's organizational goals of becoming an effective public institution. The Commission will engage the National Treasury for additional resources to hire appropriately skilled personnel to drive currently under-resourced functions.

Mandate encroachment: The Commission continues to grapple with instances of mandate encroachment by other government agencies. In some instances, budgets that should ideally follow Commission's functions are allocated to other external institutions. The net effect is the commission's inability to perform some of its statutory roles.

3.4.1 Opportunities

Notwithstanding the challenges, the Commission anticipates existing and emerging opportunities mitigating challenges.

Resource Mobilization: The Commission has developed a resource mobilization strategy which seeks to mobilize financial resources, human capital, productive assets and social capital aimed at driving its operations.

Commission restructuring: The Commission is undertaking a review of its structure with a view to establishing itself as a fit-for-purpose organization with the right operational units to execute its mandate.

Court rulings on scope of Commission Mandate: The ruling by the Employment and Labour Relations court in Nairobi in relation to PSC scope of mandate presents an opportunity to restructure the commission to better deliver on the breadth of its functions and mandate.

3.4.2 Key Risk Management Strategies

Risk management is essentially a management tool to help ensure that an organisation has the right controls in place to protect itself against adverse results.

3.5 Implementation Challenges and Recommended way forward

During the financial year Commission encountered various challenges as highlighted below;

(a) Budget Constraints

The lack of funding by the National Treasury for the transactions that had been processed within the last quarter resulted in huge pending bills (**Annex 1: Pending bill analysis**) which is going to have a big impact on the budget and programmes for the next financial year.

(b) Human resource challenges

The commission is operating on lean human resource thus unable to meet its targets fully. There is need to restructure and hire more staff in the near future.

(c) Demise of chairperson

The death of the chairperson to some extent derailed the functions of the commission. However, with the appointment of a new Chairperson, the operations started progressing smoothly.

The way forward to the above challenges will be but not limited to:

- i) Mainstreaming risk management components in key programmes to mitigate against unforeseen circumstances. The commission has appointed risk champions to identify the various risks in their offices and come up with ways of mitigating them.
- ii) The Commission will continue to engage the National Treasury and parliament for enhanced funding. Through the resource mobilization initiatives, the Commission will continue to explore opportunities for engagement with development partners for technical, financial support and collaboration towards the achievement of the programmes and objectives.



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Dr. Simon K. Rotich, CBS
Secretary/CEO
Public Service Commission

4.0 STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY2021/22

4.1 Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of the Commission under Strategic Plan (2019/2024) are to:

- i) Improve performance and productivity;
- ii) Improve service delivery;
- iii) Improve human resource management practices;
- iv) Promote constitutionalism, values and principles; and
- v) Build Commission's internal capacity.

4.2 Progress on Attainment of Strategic Development Objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Table 4-1 provides the progress on attaining the stated objectives.

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Table 4-1: Progress on Milestones of Strategic Development Objectives

Commission Budget Program	Objective	Outcome	Indicators	Performance
Human Resource Management and Development	To improve human resource management practices;	Skilled and experienced interns to match labour market demands	No. of Youth recruited for internship	Recruited 3,700 interns under the Public Service Internship Programme (PSIP) and deployed to 220 Public Institutions in the public service
		Youth Leadership empowerment and development	No. of fellows recruited	51 fellows recruited into the Public Service Emerging Leaders Fellowship (PSELF) Programme
		HR Policies aligned and harmonized with relevant legislations	No. of policies developed/ reviewed and issued	<ul style="list-style-type: none"> i. Gazetted and issued Public Service Commission (Performance Management) Regulations, 2021 to MDAs ii. Reviewed and enacted the Public Service Commission (County Appeals Procedures) Regulations 2022. iii. Issued Circulars on:- <ul style="list-style-type: none"> • payment of pension benefits issued to the service • Management of Secondment and transfer of Pensionable Service • Management of Staff Establishment Data in Ministries, Departments and Agencies (MDAs)
		Timely provision of human capital needs in MDAs	% of HR Master Plan developed	75 % of the HR Master plan developed in 2021/22 FY
		Optimal Staffing in MDAs, Constitutional Commissions & offices and Public universities	No. of officers recruited in MDAs	<ul style="list-style-type: none"> • Recruited a total of 2,771 persons to new entry positions in MDAs out of which 1,594 (58%) were male while 1,177 (42%) were female; • PWDs were 81, constituting 2.9% of officers recruited.
			No. of Candidates recommended	Recommended 3 nominees for two (2) Constitutional Commissions and offices for appointment
			No. of Senior Management Staff recruited	Advertised and conducted interviews for 18 vacant positions at senior management levels for 12 public universities

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Commission Budget Program	Objective	Outcome	Indicators	Performance
			No. of officers re-designated	Re-designated a total of 221 officers in 19 MDAs to ensure public servants are placed in the right positions to deliver maximum output and enhance efficiency in delivery of public services
		Succession management gaps addressed in MDAs	No. of Officers promoted in MDAs	Promoted 4,619 officers in Ministries and State Departments under succession management programme
		PSC (Performance Management) Regulations, 2021 disseminated to MDAs and staff sensitized	No. of Public Institutions sensitized	Held a 2-day webinar and over 1,000 officers from 450 public institutions were sensitized
	To improve service delivery	Fit for purpose structures	No. of MDAs Organizational structures reviewed	Reviewed organizational structures for 9 MDAs
		Optimal Staffing levels for efficient delivery of public services	No. of posts established/ Abolished	Reviewed Authorized staff establishments for 9 MDAs from 43,048 to 39,808 posts and 3,425 posts were abolished and 185 posts created
		Improved terms and conditions of service	terms and conditions of service recommendations implemented	Various reports of T&C Committee on review of terms and conditions of service tabled to the Board, decisions made and communicated to the respective MDAs
	To develop human resource capacity in the public service	Capacity enhanced	No. of Line managers/ supervisors trained	Equipped over 380-line managers in MDAs with coaching, mentoring and counselling skills
		Technical assistance on HR matters offered to	No. of counties supported	<ul style="list-style-type: none"> Supported 17 County Governments on Capacity Building on Terms and Conditions of Service for staff in county public

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Commission Budget Program	Objective	Outcome	Indicators	Performance
		countries and MDAs	No. of MDAs supported	Service <ul style="list-style-type: none"> • 12 Public Institutions supported on recruitment and selection process • 7 public institutions supported in developing/reviewing of HR policies and instruments
Governance and National Values	Promote Constitutionalism, Values and Principles	Ethical and Value-Based Public Service	No. of Programmes implemented	Implemented the following: <ol style="list-style-type: none"> Partnered with Kenya Revenue Authority, EACC, Directorate of Criminal Investigation and Asset Recovery Agency among other agencies to promote ethics and integrity in the public service. Provided information on the Declaration of Income, Assets and Liabilities for 60 officers who were under investigation Developed and disseminated IEC materials on Values and Principles. Mainstreamed values and principles in the induction and in-service training programs. Sensitized over 600 public officers on the evaluation of values and principles and the Declaration of Income, Assets and Liabilities. Administered two-year declaration of Incomes Assets and Liabilities to 262 No. of MDAs out of 284 target institutions and a total of 203,768 public Officers complied out of 206,517 public officers on payroll as at 31st October, 2022 translating to 98.7 % compliance rate Published the Values & Principles report for FY 2020/21 through the Kenya Gazette and MyGov newspaper supplement. Values Report translated into Kiswahili and 100 copies printed and disseminated
		Statutory Report on compliance with	Statutory Report prepared and	FY 2020/21 Annual Report to the President and Parliament on status of the Public Service Compliance with the Values

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Commission Budget Program	Objective	Outcome	Indicators	Performance
		constitutional values and principles	submitted	and Principles in Articles 10 and 232 of the Constitution in fulfillment of Article 232 (h) of the Constitution in December 2021
		Compliance Audits of MDAs on organization, administration and personnel practices undertaken	No. of MDAs audited	Prepared Compliance Audit report for 48 MDAs prepared and decisions on findings communicated to MDAs for implementation
		Workplace investigations undertaken	No. of Cases investigated	Carried out investigations received from 5 MDAs on HR complaints related matters and recommendations communicated to the relevant authorized officers in MDAs
General Administration, Planning and Support services	Build Commission's Internal Capacity	Enhanced skills & competencies for staff	No. of staff trained	<ul style="list-style-type: none"> • 3 Officers attended individual trainings • 110 officers attended various group trainings
		Optimal Staffing levels	No. of Staff Seconded	15 Officers were seconded to the Commission from MDAs
			No. of Staff re-designated	2 Officers were re-designated from Clerical cadre to human resource and ICT respectively. This is aimed alleviating succession management gaps in the Directorates
			No. of staff recruited	Appointed 17 new officers to fill vacant positions left vacant due to retirements, expiry of contracts and advancement of careers
			No. of Public complaints resolved	1,180 public complaints were lodged and 916 complaints were resolved translating to
	Public Complaints from the Ombudsman (CAJ) received and resolved	Statutory reports on operation of the Commission	Statutory report prepared and submitted	Prepare and submit the Commission's 2020/21 FY Annual Report to the President and Parliament
	Additional Offices constructed	% Completion	% Completion	62% completion rate for construction of Office Block 5 th Floor old Commission building

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Commission Budget Program	Objective	Outcome	Indicators	Performance
		Requests received from MDAs processed and decisions communicated	No. of Board meetings held No. of Items tabled	Held a total of 42 meetings out of which 1884 items were tabled and decisions communicated
Performance and Productivity Management	Improving Performance and Productivity	Efficient and effective delivery of public services in MDAs	No. of MDAs business reviewed	<ul style="list-style-type: none"> • Reviewed “As-Is Processes” and discussed steps for improvement • Mapped out “To-Be” Pension Processes, reviewed legislation and policy on Pension Management and proposed a structure for pension units in MDAs • A report on Pension process in State Departments that entails “to be processes was drafted and presented to commission board for decision

5.0 ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The vision of the Public Service Commission is to have a citizen centric public service with a mission of transforming the public service for efficient and effective service delivery. This vision and mission are delivered through a strategy, which is founded on three key pillars namely: efficient public service delivery; ethical and values-based public service; and enhanced Commission capacity to deliver on its mandate. Corporate Social Responsibility and Sustainability reporting cuts across all the three pillars as highlighted below:

(a) Sustainability Strategy and Profile

Organizational sustainability strategy and profile can be analysed in two dimensions:

(1) Economic dimension of corporate sustainability

This creates an enabling environment for the Commission to deliver on its core mandate by dispensing public services which impact on citizens, transforming their lives and achieving value for money from services rendered. Therefore, obtaining economic success rather than concentrating on aspects that show financial results only, can lead to good financial and sustainability results for the organization in the long-run. To ensure, this was realized, the Commission implemented the following: -

- i). **Innovation and technology-** the Commission embraced ICT through automation of recruitment processes, where all applications for vacant posts were done online, conducting of interview virtually and holding a number of Commission's meetings and stakeholder engagements virtually. Advertising jobs and accepting applications online has seen the elimination of all physical applications that numbered in the millions every year contributing to less impact on the environment. This has also enabled more people to access the adverts and made it cheaper for the applicants to lodge their applications; more so in cases where physical delivery of applications was expensive, cumbersome and unreliable.*

Manual applications had to go through data capture, manual long-listing as well a manual shortlisting process which was very tedious, time consuming and required a lot of manpower. Today, shortlisting is done on a platform and what used to take weeks now takes minutes and candidates notified instantly. Virtual interviews have enabled candidates attend interviews from anywhere around the world, eliminating the cost and time taken to travel and attend interviews. The Commission has enhanced its capacity managing to conduct over 4-fold the numbers of interviews a day from the previous number by overcoming physical constraints such as number of boardrooms, availability of candidates as well as saving time.

This initiative towards complete online services is geared towards enabling the Commission to become more citizen-centric in service delivery to the public.

- ii). **Review of Business Processes:** The Commission undertook a continuous business process review of its operations to enhance service delivery to the public.*

iii). Collaborations: The Commission collaborated with World Bank on the implementation of the Governance for Enabling Service Delivery in Kenya (GESDEK) Programme to facilitate a public financial system that promotes transparency, accountability, equity, fiscal discipline and efficiency in the management and use of public resources for improved service delivery and economic development. The Commission is also working with the Emerging Leaders Foundation (Africa), Emerging Public Leaders - Global and Chandler Institute (South Korea) to run the Public Service Emerging Leaders Fellowship Programme. It also worked with ABSA Bank Kenya to provide Personal Financial Management training during the induction programme for cohort 3 interns of the Public Service Internship Programme, including making a financial contribution. The Commission is a member of the caucus of the Constitutional Commissions and Independent Offices CC&IOs. During the period, the Commission participated in CC&IOs 10th Anniversary themed: *Celebrating a Decade of Promoting Constitutionalism and Observance of Democratic Values and Principles by Constitutional Commissions and Independent Offices.*



Commission Secretary Dr. Simon Rotich (left) Receiving the Constitutional Commissions and Independent Offices 10th Anniversary compendium from Chief Justice Martha Koome at the Kenyatta International Conference Center on 13th April 2022 as NLC Chairperson Gershom Otachi and CAJ Chairperson Florence Kajuju look on

(2) Social Dimension of Corporate Sustainability:

The central role of social dimension of corporate sustainability is on influencing positively all present and future relationships with organizational stakeholders through fulfilment of their needs. The important aspects for social sustainability include corporate governance, motivation and incentives, and health and safety. Aligned to this, the Commission embraced transparency and accountability by providing equal opportunity while discharging its mandate and dealing with its stakeholders by publishing information relating to advertisement of job opportunities in the public service and

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conducting media campaigns to reach remote citizens, observing Constitutional provisions during recruitment, using data obtained from feedback from the Commission's citizen service delivery call centre to make informed decisions and abiding by relevant laws and policies while transacting its business.

(b) Environmental Performance /Climate change/Mitigation of Natural Disasters

The Commission remains committed to ensuring that the environment is preserved and enhanced in the day-to-day activities in order to sustain a friendly and conducive work environment both internally and within the immediate neighborhood for the shared environment. In an effort to conserve energy and water, the Commission ensures all the lighting and water points are switched off during non-working hours. Use of pool water dispensers in the Commission offices as opposed to water bottles enhanced reduction in plastic waste that is released to the environment.

In addition, the Commission has continued to pursue and implement paperless transactions in its processes. Most significant is the online recruitment and selection module that ensures all applications are received in soft copy; an automation of proceedings of all Commission Board meetings leading to substantial reduction in paper work. This has enhanced efficiency and reduced use of paper and attendant costs. To ensure sustainability of office business, the Commission has in place a standby generator (350KVA) to mitigate against any disruptions in electric power supply and ensure uninterrupted continuity of business transactions and service delivery in furtherance of an environment that is supportive to sustainable performance.

To address the sustainability and enhancement of the physical work place and environment, the Commission complied with applicable statutory requirements by carrying out annual work audits in compliance with the provisions of the Occupational, Health and Safety Act, 2007, and the Environmental Management and Coordination Act, 1999.

(c) Employee Welfare

One of the main roles of the Commission is to recruit staff for the civil service. In undertaking this role, the Commission ensures that it adheres to the gender and other affirmative action's provisions in the constitution. It also ensures that there is representation of People with Disabilities (PWDs).

As at June 30, 2022, the Commission had a staff complement of 227, 51 percent male and 49 per cent female. This included were 6 PWDs. To enhance the Commission's capacity to deliver on its mandate, a

number of key programmes and activities were implemented focussing on internal staff welfare and performance. The Commission continued to implement the internal Staff Performance Appraisal System (SPAS) in order to establish performance management culture within the Commission.

In order to attract and retain staff, the Commission implemented the following programmes:

- i).* implemented a defined contributory pension scheme ;
- ii).* outsourced group medical, Group Personal Accident (GPA) and Work Injury Benefits Act (WIBA) insurance covers;

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- iii). implemented staff mortgage and car loan facility;
- iv). A health and fitness gymnasium to promote healthy lifestyle and work-life balance to staff:
and
- v). Continued with the construction of additional offices on the 5th floor of the Commission House. The additional office space is aimed at providing staff with a conducive work environment to ease the current pressure arising from employment of additional officers.

Further, the Commission carried out staff awareness programs on occupational safety and health, sustainable work environment and annual work-place safety inspection and audit in compliance with the provisions of the Occupational Safety and Health Act (2007) and Environmental Management and Coordination Act (1999) and undertook the following Work-Place Audits and Safety Measures: -

- i). Annual Occupational Safety and Health Audit at the Public Service Commission in compliance with Section 11(1) of the Occupational Safety and Health Act (OSHA), 2007;
- ii). Annual Environmental Audit at the Public Service Commission in compliance with the Environmental Management & Coordination Act (EMCA), 1999;
- iii). Baseline Work Place Risk Assessment at the Public Service Commission in compliance with Section 6 (3) of the Occupational Safety and Health Act (OSHA), 2007;
- iv). Mock fire drill to test the serviceability of firefighting facilities and assess level of staff preparedness in case of fire disasters. The fire drill was coordinated by Fire Officers from State Department of Public Works.

(d) Operational practices

Responsible Supply chain and supplier relations

Public Service Commission being a public entity is guided by article 227 of the constitution of Kenya 2010 which requires public procurement to be set up in a manner that is fair, equitable, transparent, competitive, and cost effective.

The public procurement and asset disposal act, 2015 provides the legal guidelines on how to carry out public procurement process, to this extend PSC maintains good business practice by engaging the providers of goods and services through open tendering procedures and framework contracting that ensures that there is competition and efficient service delivery.

The Commission honours its obligations by ensuring that the suppliers of goods and services are paid promptly and in adherence to the contractual agreements. Contracts are entered into with suppliers who meet the threshold of ethical procurement, in good standing and are not debarred from participating in public procurement.

The Commission to ensure accountability by publishing all contracts awarded on the Public Procurement Information Portal (PIIP) and access to government procurement opportunities by reserving at least 30% of the procurement budget to the special groups i.e. youth, women and persons living with disability.

(e) Community Engagements

The Commission participated in tree planting at the Ngong forest reserve in observing the Africa Public Service Day that is marked on 23rd June each year.



Commissioner Amb. Salma Ahmed planting a tree assisted by a forest officer at the Ngong Forest Reserve during the Africa Public Service Day

6.0 STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the Public Service Commission is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the Public Service Commission accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Commission's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the Public Service Commission further confirms the completeness of the accounting records maintained for the Commission, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Commission confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements were approved on 30/09/ 2022 and signed by:



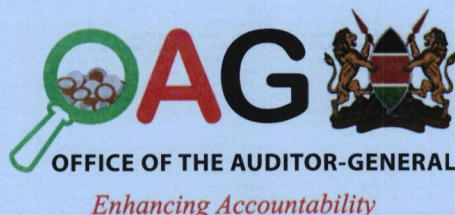
**Secretary/CEO
Dr. Simon K. Rotich, CBS
Public Service Commission**



**Head of Accounting Unit
Dr. Julius Ongera Moturi
ICPAK Member Number: 5458**

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON PUBLIC SERVICE COMMISSION FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Public Service Commission set out on pages 1 to 22, which comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and

a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Public Service Commission as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Expenditure on Leave Commutation

The statement of receipts and payments and as disclosed under Note 4 to the financial statements reflects compensation to employees amount totalling Kshs.1,711,821,368. The expenditure includes an amount of Kshs.22,214,479 in respect of personal allowances paid as part of salaries, out of which, Kshs.8,548,038 was paid as leave commutation for officers who were unable to proceed on leave due to exigencies of service. However, the authority, justification and approval or basis of paying leave commutation was not provided for audit.

In the circumstances, the accuracy and validity of the leave commutation expenditure of Kshs.8,548,038 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Pending Bills

Note 16.2 to the financial statements reflects pending bills amounting to Kshs.58,733,175 that were not settled in the year under review but were carried forward to the 2022/2023 financial year. However, Management did not provide an explanation for the failure to settle the bills. The Commission is therefore at risk of incurring significant interest costs and penalties with the continued delay in payment.

Failure to settle bills during the year in which they relate to distorts the financial statements and adversely affects the budgetary provisions of the subsequent year as they form a first charge.

2. Unresolved Prior Year Matters

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Other Matter and Report on Lawfulness and Effectiveness in Use of Public Resources. Although, the Management has indicated that some of the issues have been responded to, the matters have remained unresolved.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Submission of Financial Statements for Staff Car Loan and Mortgage Scheme

The statement of receipts and payments and Note 7 to the financial statements reflect acquisition of assets amount of Kshs.62,690,874 which includes a domestic lending and on-lending amount of Kshs.48,000,000 transferred during the year under review. Available information indicates that the domestic lending and on-lending amount was in respect of the Staff Car Loan and Mortgage Scheme established in the year 2018 and which is managed and administered by a local bank. Since inception, a total of Kshs.355,000,000 has been disbursed by the Commission to the Car and Mortgage Scheme Fund. However, the Fund administrator has not prepared separate financial statements for the Fund since its inception. This is contrary to Section 84(1) and (3) of the Public Finance Management Act, 2012 which provides that an administrator of a national public fund established under the Constitution or an Act of Parliament shall prepare financial statements for the fund for each financial year in a form prescribed by the Accounting Standards Board and not later than three months after the end of each financial year, submit the financial statements to the Auditor-General.

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

2. Compensation of Employees

The statement of receipts and payments and as disclosed under Note 4 to the financial statements reflects compensation to employees amount totalling Kshs.1,711,821,368.

Review of the expenditure records and human resource records revealed the following anomalies:

2.1 Irregular Recruitment of Staff

During the year under review, the Commission appointed a Director-Finance, Planning and Resource Mobilization without any advertisement of the vacant position for fair competition. This is contrary to Article 232(1)(g) of the Constitution of Kenya, 2010, which states that the values and principles of public service include fair competition and merit as the basis of appointments and promotions; representation of Kenya's diverse communities; and affording adequate and equal opportunities for appointment, training and advancement, at all levels of the public service, of men and women, the members of all ethnic groups and persons with disabilities.

Further, the service contract for the senior driver was not provided for audit.

2.2 Retention of Retired Officers in Service

Review of human resource records revealed that the Commission has three officers in service who were appointed and continued to be retained past the approved retirement age of sixty (60) years. This is contrary to Section 80 (1) (a) and (b) of the Public Commission Act, 2017 which states that where a public officer has attained the mandatory retirement age as may be prescribed in regulations - the public officer shall retire from the service with effect from the date of attaining the mandatory retirement age; and the Commission or other appointing authority shall not extend the service of such retired public officer beyond the mandatory retirement age.

Further, the Public Service Commission (PSC) Circular Ref. No: PSC/ADM/13(7) dated 19 November, 2020 stopped the approval of any extension of service to the officers who have attained mandatory retirement age.

In the circumstances, the Commission was in breach of the law and its guidelines.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis of the Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Commission's ability to continue to sustain its services, disclosing as applicable, matters related to sustainability of services and using applicable basis of accounting unless Management is aware of the intention to terminate the Commission or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.


As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Commission to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Commission to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 January, 2023


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8.0 STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED JUNE 30, 2022

Description	Note	2021/2022	2020/2021
		Kshs	Kshs
Receipts			
Exchequer Releases	1	2,293,923,211	2,181,733,653
Proceeds from Sale of Assets		-	1,530,515
Other Receipts – Training Levy	3	587,912	866,578
Total Receipts		2,294,511,122	2,184,130,746
Payments			
Compensation of Employees	4	1,711,821,368	1,621,458,253
Use of Goods and Services	5	436,591,778	384,787,958
Social Security Benefits	6	80,845,917	71,333,558
Acquisition of Assets	7	62,690,874	76,003,370
Total Payments		2,291,949,936	2,153,583,139
Surplus/Deficit		2,561,186	30,547,607

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The financial statements were approved on 30/09/2022 and signed by:


Secretary/CEO
Dr. Simon K. Rotich, CBS
Public Service Commission


Head of Accounting Unit
Dr. Julius Ongera Moturi
ICPAK Member Number: 5458

*Public Service Commission
Annual Report and Financial Statements
For the year ended June 30, 2022*

9.0 STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2022

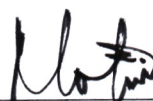
Description	Note	2021/2022	2020/2021
Financial Assets			
Cash and cash equivalents			
Bank balances	8A	10,136,330	44,161,530
Cash balances	8B	35,093	301,963
Total cash and cash equivalents		10,171,423	44,463,493
Imprests and advances	9	998,252	812,841
Total financial assets		11,169,675	45,276,334
Financial liabilities			
Third party deposits and retention	10	9,936,785	13,896,633
Net financial assets		1,232,891	31,379,702
Represented by			
Fund balance b/fwd.	11	31,379,701	1,500,798
Prior year adjustment	12	-32,707,995	-668,703
Surplus/Deficit for the year		2,561,186	30,547,607
Net financial position		1,232,891	31,379,702

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The financial statements were approved on 30/09/ 2022 and signed by:



Secretary/CEO
Dr. Simon K. Rotich, CBS
Public Service Commission



Head of Accounting Unit
Dr. Julius Ongera Moturi
ICPAK Member Number: 5458

10.0 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2022

Description	Notes	2021/2022	2020/2021
		Kshs	Kshs
Receipts for Operating Income			
Exchequer releases	1	2,293,923,211	2,181,733,653
Other receipts		-	866,578
Payments for Operating Expenses			
Compensation of employees	4	-1,711,821,368	-1,621,458,253
Use of goods and services	5	-436,591,778	-384,787,958
Social security benefits	6	-80,845,917	-71,333,558
Adjusted For:			
Adjustments during the year			
Decrease/(Increase) in accounts receivable	13	-185,411	-46,469
Increase/(Decrease) in deposits and retention	14	-3,959,848	-386,335
Prior year adjustments	12	-32,707,995	-668,703
Net Cash Flow from Operating Activities		27,810,894	104,784,563
Cash flow From Investing Activities			
Proceeds from Training Levy	3	587,912	1,530,515
Acquisition of assets	7	-62,690,874	-76,003,370
Net Cash Flows from Investing Activities		-62,102,962	-74,472,855
Net increase in cash and cash equivalent		-34,292,070	30,311,708
Cash & Cash Equivalent at Start of The Year		44,463,493	14,151,786
Cash & Cash Equivalent at End of The Year		10,171,423	44,463,493

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The financial statements were approved on 30/09 2022 and signed by:



Secretary/CEO
Dr. Simon K. Rotich, CBS
Public Service Commission



Head of Accounting Unit
Dr. Julius Ongera Moturi
ICPAK Member Number: 5458

*Public Service Commission
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11.0 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR FY 2021/22

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Exchequer releases	2,389,471,009		2,389,471,009	2,293,923,211	95,547,798	96.00
Proceeds from sale of assets	1,000,000		1,000,000	587,912	412,088.20	58.79
Other receipts	-		-	-	-	-
Total Receipts	2,390,471,009		2,390,471,009	2,294,511,122	95,959,886	95.99
Payments						
Compensation of employees	1,736,510,000	(8,700,039)	1,727,809,961	1,711,821,368	15,988,593	99.07
Use of goods and services	500,905,000	3,214,148	504,119,148	436,591,778	67,527,370	86.60
Social security benefits	76,400,000	5,485,891	81,885,891	80,845,917	1,039,974	98.73
Acquisition of assets	76,656,009	-	76,656,009	62,690,875	13,965,134	81.78
Other payments	-	-	-	-	-	-
Total Payments	2,390,471,009	-	2,390,471,009	2,291,949,937	98,521,071	95.88
Surplus/ Deficit				2,561,185		

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Notes:

Variance analysis: The budget utilization for Use of goods and services was 86.60% which is below the threshold, this was as a result of no exchequer issues for the payments processed. At the closure of the financial year 2021-2022 the Commission had processed payments for the merchants and other service providers and placed for exchequer to be issued, this did not materialize and were cancelled from the system and accounted as pending bills as per Annex 1.

The budget utilization for acquisition of assets as indicated above is 80.73% which is below the threshold, the under utilization was caused by delay in submission of certificate of work done by the contractor for the additional offices old commission house fifth floor, thus could not utilize the budget of Kshs.19.3m for Development Vote D2071.

(a) **Re-allocations within the year:** The changes in the budget was as a result of reallocation of Ksh.8,700,039 from the item Compensation for employees to Use of goods & services and Social security. This was done as per re-allocations within the budget or other causes as per IPSAS 1.7.23.

The financial statements were approved on 30/01/2022 and signed by:



Secretary/CEO
Dr. Simon K. Rotich, CBS
Public Service Commission



Head of Accounting Unit
Dr. Julius Ongera Moturi
ICPAK Member Number: 5458

Public Service Commission
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(a) Summary Statement of Appropriation: Recurrent for FY2021/22

Receipt/ Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Exchequer releases	2,370,171,009		2,370,171,009	2,287,434,452	82,736,557	96.43
Proceeds from sale of assets	1,000,000	-	1,000,000	587,912	412,088	58.79
Other receipts						
Total Receipts	2,371,171,009		2,371,171,009	2,288,022,363	82,324,469	96.49
Payments						
Compensation of employees	1,736,510,000	(8,700,039)	1,727,809,961	1,711,821,368	15,988,593	99.07
Use of goods and services	500,905,000	3,214,148	504,119,148	436,591,778	67,527,370	86.60
Social security benefits	76,400,000	5,485,891	81,885,891	80,845,917	1,039,974	98.73
Acquisition of assets	57,356,009	-	57,356,009	56,202,116	1,153,893	97.99
Other payments	-	-	-	-	-	-
Total Payments	2,371,171,009	-	2,371,171,009	2,285,461,178	85,709,830	96.39
Surplus/Deficit				2,561,185	-2,561,185	

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For the year ended June 30, 2022*

Notes:

- (a) **Variance analysis:** The budget utilization for Use of goods and services was 86.60% which is below the threshold; this was as a result of no exchequer issues for the payments processed. At the closure of the financial year 2021-2022 the Commission had processed payments for the merchants and other service providers and placed for exchequer to be issued, this did not materialize and were cancelled from the system and accounted as pending bills as per the annex number 1.
- (b) **Reallocations within the year:** The changes in the budget was as a result of reallocation of Ksh.8,700,039 from the item Compensation for employees to Use of goods & services and Social security. This was done as per reallocations within the budget or other causes as per IPSAS 1.7.23.

The entity financial statements were approved on 30/09 2022 and signed by:



Secretary/CEO
Dr. Simon K. Rotich, CBS
Public Service Commission



Head of Accounting Unit
Dr. Julius Ongera Moturi
ICPAK Member Number: 5458

**Public Service Commission
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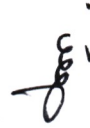
(b) Summary Statement of Appropriation: Development for FY2021/22

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts						
Exchequer releases	19,300,000		19,300,000	6,488,759	12,811,241	33.62
Other receipts						
Total Receipts	19,300,000		19,300,000	6,488,759	12,811,241	33.62
Payments						
Acquisition of assets	19,300,000		19,300,000	6,488,759	12,811,241	33.62
Total Payments	19,300,000		19,300,000	6,488,759	12,811,241	33.62
Surplus/Deficit						

(a) **Variance analysis:** The budget utilization as indicated above is 33.62% which is below the threshold, the underutilization was caused by delay in submission of certificate of work done by the contractor for the additional offices old commission house fifth floor, thus could not utilize the budget of Ksh. 19.3M

(b) **Reallocations within the year:** There was no budget reallocation during the year under the Development vote.

The financial statements were approved on 30/09/2022 and signed by:



**Secretary/CEO
Dr. Simon K. Rotich, CBS
Public Service Commission**



**Head of Accounting Unit
Dr. Julius Ongera Moturi
ICPAK Member Number: 5458**

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(c) Budget Execution by Programmes and Sub-Programmes for FY2021/22

Programme/Sub-programme	Final Budget 2021/2022 Kshs	Indicators	Outcomes	Actual on comparable basis 2021/2022 Kshs	Budget utilization difference Kshs
Programme 1	792,094,422	Build Commission's internal capacity	Enhanced Commission's Capacity	763,524,536	28,569,886
Sub-programme 1	737,308,953			709,016,338	28,292,615
Sub-programme 2	54,785,469			54,508,198	277,271
Programme 2	1,419,259,243	Improved human resource management practices	Improved service delivery for attainment of national development goals	1,357,539,504	61,719,739
Sub-programme 1	57,788,813			56,643,926	1,144,887
Sub-programme 2	194,059,128			164,045,709	30,013,259
Sub-programme 3	1,167,411,302			1,136,849,708	30,561,594
Programme 3	145,691,191	Promote constitutionalism, values and principles of public service	Ethical and Value-Based Public Service	137,185,035	8,506,156
Sub-programme 1	92,104,745			89,482,896	2,621,849
Sub-programme 2	53,586,446			47,702,139	5,884,307
Programme 4	34,426,153	Improved performance, productivity and service delivery	Improved Performance and Productivity in the public service	33,700,563	725,590
Sub-programme 1	34,426,153			33,700,563	725,590
Total	2,390,471,009			2,291,949,637	99,521,372

12.0 NOTES TO THE FINANCIAL STATEMENTS

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the Public Service Commission. The financial statements encompass the reporting entity as specified under Section 81 of the PFM Act 2012.

3. Reporting Currency

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by Public Service Commission for all the years presented.

a) Recognition of Receipts

The Public Service Commission recognizes all receipts from the various sources when the event occurs, and the related cash has been received by the Public Service Commission.

(i) Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving Public Service Commission.

(ii) External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners. Grants and loans shall be recognized in the books of accounts when cash is received. Cash is

considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2022, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

(iii) Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

The Entity recognises all payments when the event occurs, and the related cash has been paid out by the Public Service Commission.

i) Compensation of Employees

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

ii) Use of Goods and Services

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

iii) Interest on Borrowing

Borrowing costs that include interest are recognized as payment in the period in which they are paid for.

iv) Principal on borrowing

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

Significant Accounting Policies (Continued)

v) Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained and a summary provided for purposes of consolidation. This summary is disclosed in Annexure 2 to the financial statements.

vi) In-kind contributions

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Public Service Commission includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

vii) Third Party Payments

Included in the receipts and payments, are payments made on its behalf to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties in the statement of receipts and payments as proceeds from foreign borrowings.

c) Cash and Cash Equivalents

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

d) Restriction on Cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2022, this amounted to Kshs 9,936,784.65 compared to Kshs 13,896,633 in prior period as indicated in Note 10. There were no other restrictions on cash during the year.

e) Imprests and advances

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or Authority to Incur Expenditure (AIE) holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

f) Third party deposits and retention

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted for National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

g) Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

h) Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits and retentions, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament in June 2021 for the period 1st July 2021 to 30th June 2022 as required by Law. There were no supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements. Government Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers.

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Significant Accounting Policies (Continued)

i) Comparative Figures

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

j) Subsequent Events

There have been no events after the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

k) Prior Period Adjustment

During the year, errors that have been corrected are disclosed under Note 11 explaining the nature and amounts.

l) Related Party Transactions

Related party means parties are related if one party has the ability to:

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party entity and another entity are subject to common control.
- c) Relates party transaction is a transfer of resources of obligations between related parties regardless of whether a price is charged.

m) Contingent Liabilities

A contingent liability is:

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

- a) A present obligation that arises from past events but is not recognized because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/support, insurance, Public Private Partnerships, The Public Service Commission does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

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Significant Accounting Policies (Continued)

Notes to the Financial Statements:

1. Exchequer releases

Description	2021/2022	2020/2021
	Kshs	Kshs
Total Exchequer releases for quarter 1	462,390,295	608,664,786
Total Exchequer releases for quarter 2	601,880,440	545,542,142
Total Exchequer releases for quarter 3	514,637,695	350,865,167
Total Exchequer releases for quarter 4	715,014,780	676,661,558
Total	2,293,923,211	2,181,733,653

2. Transfers from other Government Entities

Description	2021/2022	2020/2021
	Kshs	Kshs
	-	-
	-	-
	-	-

3. Proceeds from Sale of Assets

Description	2021/2022	2020/2021
	Kshs	Kshs
Receipts from Training Levy	587,912	1,530,515
Disposal and Sales of Non-Produced Assets	-	-
Total	587,912	1,530,515

Notes to the Financial Statements:

4. Compensation to Employees

Description	2021/2022	2020/2021
	Kshs	Kshs
Basic salaries of permanent employees	706,627,258	643,062,291
Basic wages of temporary employees (Interns)	982,979,631	959,596,898
Personal allowances paid as part of salary	22,214,479	17,570,497
Personal allowances paid as reimbursements	-	1,228,568
Total	1,711,821,368	1,621,458,253

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The significant change as compared to the previous period is attributed to increase in the number of interns under the public internship programme, officers promoted under succession management, annual increment and some new officers hired during the financial year.

5. Use of Goods and Services

Description	2021/2022	2020/2021
	Kshs	Kshs
Utilities, supplies and services	9,246,788	9,770,205
Communication, supplies and services	32,147,918	21,488,515
Domestic travel and subsistence	54,375,684	34,068,757
Foreign travel and subsistence	2,423,599	4,170,462
Printing, advertising and information supplies & services	81,346,189	85,369,732
Rentals of produced assets	10,994,752	10,262,497
Training expenses	49,144,060	28,184,872
Hospitality supplies and services	67,405,089	51,300,652
Insurance costs	75,986,931	73,335,365
Specialized materials and services	3,928,147	3,634,420
Office and general supplies and services	9,817,348	10,936,325
Fuel Oil and Lubricants	8,944,927	6,066,301
Other operating expenses	19,659,387	30,357,003
Routine maintenance – vehicles and other transport equip.	4,984,316	6,575,112
Routine maintenance – other assets	6,186,644	9,028,821
Exchange rate losses		
Total	436,591,778	384,787,958

Notes to the Financial Statements (Continued)

6. Social Security Benefits

Description	2021/2022	2020/2021
	Kshs	Kshs
Government pension and retirement benefits	80,845,917	71,333,558
Total	80,845,917	71,333,558

The social security benefits in its terms relates to gratuity payments for staff on contract upon lapse of their contractual period and 20% (employer contribution) pension for officers under the contributory retirement benefit scheme.

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7. Acquisition of Assets

Non-Financial Assets	2021/2022	2020/2021
	Kshs	Kshs
Refurbishment of Buildings	572,520	486,891
Construction and Civil Works	6,488,758	19,279,998
Overhaul of Vehicles and other Transport Equipment	201,953	301,510
Purchase of Household Furniture and Institutional Equipment	120,865	331,283
Purchase of Office Furniture and General Equipment	2,311,003	228,689
Purchase of Specialized Plant, Equipment and Machinery	4,620,775	-
Purchase of ICT Equipment, Software and other ICT Assets	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	375,000	374,999
Acquisition of Intangible Assets	-	-
Sub-total	14,690,874	21,003,370
Financial Assets		
Domestic Lending and On-lending – Car loan and Mortgage	48,000,000	55,000,000
Sub-total	48,000,000	55,000,000
Total	62,690,874	76,003,370

The finance assets acquired refers to the staff car loan scheme and mortgage managed and administered by the Kenya Commercial Bank. The funding to the scheme is reducing gradually as the scheme transition to a revolving fund.

8. Cash and Bank Accounts

8A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Type of Account	2021/2022	2020/2021
			Kshs	Kshs
Central Bank of Kenya, 1000181297, Recurrent Kshs.	Kshs.	Recurrent	199,545.00	30,264,896.55
Central Bank of Kenya, 1000182199, Development Kshs.	Kshs	Development	-	0.60
Central Bank of Kenya, 1000182113, Deposit Kshs.	Kshs	Deposit	9,936,785.00	13,896,632.75
Central Bank of Kenya, 1000182547, CBK 165 Kshs.	Kshs	-	-	-
Total			10,136,330.00	44,161,529.90

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Notes to the Financial Statements (Continued)

8B: Cash on hand

Description	2021/2022	2020/2021
	Kshs	Kshs
Cash in hand – Held in domestic currency	35,093.00	301,963.00
Cash in hand – Held in foreign currency	-	-
Total	35,093.00	301,963.00

Detailed Cash is as follows:

Description	2021/2022	2020/2021
	Kshs	Kshs
Location 1	35,093.00	301,963.00
Other Locations	-	-
Total	35,093.00	301,963.00

9. Imprests and Advances

Description	2021/2022	2020/2021
	Kshs	Kshs
Government Imprests	-	-
Salary advances	998,252.00	812,841.10
Clearance accounts	-	-
Total	998,252.00	812,841.10

Breakdown of salary advances as at June 30, 2022

Name of Officer or Institution	Date Advance Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Moses Eliya Isika	September 2021	137,923.20	114,936	22,987.20
Caroline Cheptoo Kiget	December 2021	449,422.80	262,163.30	187,259.50
Dr. Julius Moturi	October 2021	420,865.20	280,576.20	140,289.00
Faith Anjili Okuku	November 2021	330,679.20	192,896.20	137,783.00
Bernard Owich Ombija	January 2022	125,000.00	62,500.20	62,499.80
Gilbert Nyandiga	August 2021	200,000.00	184,003.50	15,996.50
Pariken Sankei	September 2021	270,000.00	202,500.15	67,499.85
Joseph Karanja Kiragu	February 2022	120,000.00	40,000.00	80,000.00
Robert Mutavi Ndeto	September 2021	330,679.20	248,009.40	82,669.80
Anne Wandia Njoroge	December 2021	210,433.00	122,752.70	87,679.90
Daniel Inyani Kaunda	May 2022	123,884.00	10,296.15	113,587.85
Total		2,718,886.20	1,720,633.80	998,252.40

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Notes to the Financial Statements (Continued)

10. Third Party Deposits and Retention:

Description	2021/2022	2020/2021
	Kshs	Kshs
Retention	9,936,785.00	13,896,632.75
Total	9,936,785.00	13,896,632.75

This relates the amounts held in deposit bank account and is restricted for refunding third party for services rendered during the financial year or subsequent comparable years. Only released upon issuance of certificate by the State Department for Public Works.

11. Fund Balance Brought Forward:

Description	2021/2022	2020/2021
	Kshs	Kshs
Bank Accounts	44,161,530.00	14,002,412.00
Cash in hand	301,963.00	149,373.00
Accounts Receivables	812,841.00	859,310.00
Accounts Payables	-13,896,633.00	-13,510,298.00
Total	31,379,701.00	1,500,798.00

These are bank balances brought down from the audited financial statements for financial year 2020/2021 as compared to the previous year.

12. Prior Year Adjustments

Description of the error	Balance b/f FY 2020/2021 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f FY 2020/2021
	Kshs	Kshs	Kshs
Bank Account Balances	-	-30,441,484	-492,115
Cash in Hand	-	-35,094	-
Accounts Payables	-	389	-176,588
Receivables			
Others: Use of goods and services	-	-2,231,806	-
		-32,707,995	-668,703

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Notes to the Financial Statements (Continued)

The figures in the table relates to the bank balances brought forward and formed part of opening balances for the financial year but returned to the National Treasury within the first quarter f/y 2021/2022. Ksh. 2,231,806 under use of goods and services refers to system error that was discovered as a double posting to the general ledger during auto post.

13. (Increase)/Decrease in Advances and Imprests

Description	2021/2022	2020/2021
	Kshs	Kshs
Receivables as at 1 st July 2021 (A)	812,841.10	859,310.00
Receivables as at 30 th June 2022 (B)	998,252.00	812,841.10
(Increase)/Decrease in Receivables (C=(B-A))	(185,411.00)	(46,468.90)

14. Increase/(Decrease) in Retention and Third-Party Deposits

Description	2021/2022	2020/2021
	Kshs	Kshs
Payables as at 1 st July 2021	13,896,632.75	13,510,298.00
Payables as at 30 th June 2022	9,936,785.00	13,896,632.75
Increase/ (Decrease) In Payables	(3,959,848.00)	386,334.75

15. Related Party Disclosures

The following comprise of related parties to the Public Service Commission.

- i) Key management personnel that include the CEO and directors.

16 Other Important Disclosures

16.1 Related party transactions:

Description	2021/2022	2020/2021
	Kshs	Kshs
Key Management Compensation	77,643,156.65	61,882,898.00
Total	77,643,156.65	61,882,898.00

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Notes to the Financial Statements (Continued)

16.2 Pending Accounts Payable (See Annex 1)

	Balance b/f FY 2020/21	Additions for the period	Paid during the year	Balance c/f FY 2021/22
Description	Kshs	Kshs	Kshs	Kshs
Construction of Buildings		-	-	138,744.40
Supply of Goods		-	-	5,859,090.00
Supply of Services		-	-	52,735,340.40
Total		-	-	58,733,174.80

16.3 External Assistance

	2021/2022	2021/2022
Description	Kshs	Kshs
External Assistance received in Cash	-	-
External Assistance received as Loans and Grants	10,348,208.00-	-
External Assistance received In Kind - as payment by Third Parties	12,216,000.00	44,031,178.80
Total	22,564,208.00	44,031,178.80

During the financial year the Commission received External Assistance totaling Ksh 10,348,208 from the National Treasury in form of AIE No. B092862 which was meant to facilitate the Commission Board attend customized course on Arbitration, Mediation and conciliation in Arusha, Tanzania.

The funds received as external assistance – PFMR Ksh. 12,216,000.00 was utilized on reviewing organizational structure for MDAs, Masterplan both activities were done on working retreats held in Naivasha and BPR training in Embu.

a) Purpose and use of external assistance

Description	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Subsidies	-	12,847,000.00
Acquisition of Assets	-	23,671,633.80
Other Payments	22,564,208.00	7,512,545.00
Total	22,564,208.00	44,031,178.80


The assistance received has been grouped as indicated in the table for the purpose of classification and in accordance to the best accounting practices.

Notes to the Financial Statements (Continued)

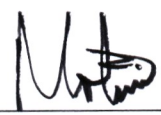
16.4 Progress on follow up of Prior Years Auditor-General’s recommendations

The following is the summary of issues raised by the Auditor-General during the prior year and management comments that were provided.

Reference No. on the external audit Report		Issue / Observations from Auditor	Management comments	Status:	Timeframe:
1.		Delay in exchequer release	Exchequer issued passed 30 th June 2021 was beyond the control of the management	Resolved	N/A
2.		Accounts Payable	The firms whose funds are held in the deposit account were contacted and have started bringing certificates issued by state Department of Public works thus the figure is reducing	Resolved	N/A



**Secretary/CEO
Dr. Simon K. Rotich, CBS
Public Service Commission**



**Head of Accounting Unit
Dr. Julius Ongera Moturi
ICPAK Member Number: 5458**

13.0 ANNEXES

Annex 1: Analysis of Pending Accounts Payable

S/N	Supplier of Goods or Services	Original Amount	Date contracted	Amount paid to date	Outstanding Balance	Outstanding Balance 2020/21	Comments
		a	b	c	d=a-c		
Construction of Buildings							
1.	Vanguard Engineering Limited	124,504.40	09/09/2021	-	124,504.40	-	
2.	Firewall Africa Company Limited	14,240.00	09/09/2021	-	14,240.00	-	
	Sub-Total	138,744.40		-	138,744.40	-	
Supply of goods							
3.	Miles Enterprises	985,900.00	18/11/2021	-	985,900.00	-	PAID
4.	Telecommunication Kenya Limited	334,200.00	31/05/2022	-	334,200.00	-	PAID
5.	Conference Caterers	1,457,300.00	20/04/2022	-	1,457,300.00	-	PAID
6.	Rebena Service	932,400.00	18/11/2021	-	932,400.00	-	PAID
7.	Campell Agencies	394,550.00	22/06/2022	-	394,550.00	-	PAID
8.	Borwick Company Limited	288,000.00	04/04/2022	-	288,000.00	-	PAID
9.	Alicon Systems Limited	846,000.00	12/11/2021	-	846,000.00	-	PAID
10.	Safaricom Kenya Limited	359,940.00	18/11/2021	-	359,940.00	-	
11.	Dawambu Supplies	260,800.00	22/06/2022	-	260,800.00	-	PAID
	Sub-Total	5,859,090.00		-	5,859,090.00	-	
Supply of Services							
12.	Toyota Kenya Limited	118,286.00	21/03/2022	-	118,286.00	-	
13.	Peacock Pure Supplies	480,000.00	06/12/2021	-	480,000.00	-	PAID
14.	Fanvicks Merchants	885,000.00	25/06/2022	-	885,000.00	-	PAID
15.	Geoearth Investments	1,925,000.00	02/12/2021	-	1,925,000.00	-	PAID

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S/N	Supplier of Goods or Services	Original Amount	Date contracted	Amount paid to date	Outstanding Balance	Outstanding Balance 2020/21	Comments
		a	b	c	d=a-c	2020/21	
16.	Tialiani Enterprises	1,475,000.00	08/06/2022	-	1,475,000.00	-	PAID
17.	Longrock Tours and Travel Limited	890,205.00	06/04/2022	-	890,205.00	-	PAID
18.	Kenya Broadcasting Corporation	2,302,203.00	15/06/2022	-	2,302,203.00	-	PAID
19.	Tom Autocare Limited	269,700.00	17/06/2022	-	269,700.00	-	
20.	Smart Data Consultants	509,008.00	20/04/2022	-	509,008.00	-	
21.	Chriso Auto Garage	200,912.00	15/06/2022	-	200,912.00	-	
22.	Chriso Auto Garage	16,240.00	27/06/2022	-	16,240.00	-	PAID
23.	Burchs Resort Limited	832,000.00	27/06/2022	-	832,000.00	-	PAID
24.	Leache Supplies Limited	302,400.00	28/06/2022	-	302,400.00	-	PAID
25.	Lake Naivasha Resort	370,600	12/05/2022	-	370,600.00	-	
26.	Chriso Auto Garage	470,554.00	16/05/2022	-	470,554.00	-	
27.	MFI Document Solutions Limited	953,213.90	24/06/2022	-	953,213.90	-	
28.	Lenali General Supplies Limited	97,000.00	20/06/2022	-	97,000.00	-	PAID
29.	Fleetwood Technologies	1,500,000.00	20/06/2022	-	1,500,000.00	-	
30.	Lenali General Supplies Limited	2,950,000.00	24/06/2022	-	2,950,000.00	-	PAID
31.	Lenali General Supplies Limited	2,950,000.00	20/06/2022	-	2,950,000.00	-	PAID
32.	Danita Limited	400,000.00	29/03/2022	-	400,000.00	-	PAID
33.	Negotium Enterprises	545,000.00	29/03/2022	-	545,000.00	-	
34.	Porters Services Limited	338,000.00	26/06/2022	-	338,000.00	-	
35.	Porters Services Limited	297,000.00	30/05/2022	-	297,000.00	-	
36.	First Choice General Supplies Limited	2,950,000.00	20/06/2022	-	2,950,000.00	-	
37.	Conference Caterers	1,284,548.00	31/05/2022	-	1,284,548.00	-	PAID
38.	Emperio Enterprises	498,000.00	26/05/2022	-	498,000.00	-	

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S/N	Supplier of Goods or Services	Original Amount	Date contracted	Amount paid to date	Outstanding Balance	Outstanding Balance	Comments
		a	b	c	2021/22	2020/21	
					d=a-c		
39.	Gisal Harlem Holding Limited	734,768.85	28/06/2022	-	734,768.85	-	
40.	CFAO Motors Kenya Limited	17,055.00	22/06/2022	-	17,055.00	-	
41.	CFAO Motors Kenya Limited	78,106.00	22/06/2022	-	78,106.00	-	
42.	DT Dobie and Company Limited	288,000.00	31/05/2022	-	288,000.00	-	PAID
43.	Savo Investments	1,125,000.00	13/06/2022	-	1,125,000.00	-	PAID
44.	Kos General Supplies	682,500.00	09/06/2022	-	682,500.00	-	PAID
45.	Chartered Institute of Arbitrators	840,000.00	29/06/2022	-	840,000.00	-	PAID
46.	CFAO Motors Kenya Limited	96,986.00	22/06/2022	-	96,986.00	-	
47.	CFAO Motors Kenya Limited	47,293.00	22/06/2022	-	47,293.00	-	
48.	CFAO Motors Kenya Limited	473,843.00	25/01/2022	-	473,843.00	-	
49.	Kamjoe Printers and Stationers	526,000.00	17/06/2022	-	526,000.00	-	PAID
50.	Nation Media Group Limited	1,004,400.00	01/04/2022	-	1,004,400.00	-	
51.	Richan ECO Consult Limited	870,000.00	24/06/2022	-	870,000.00	-	
52.	Longrock Tours and Travel Limited	404,065.00	08/06/2022	-	404,065.00	-	PAID
53.	Photic Global Investments and Logistics	1,232,548.00	15/05/2022	-	1,232,548.00	-	PAID
54.	Pamtech Supplies	631,000.00	24/06/2022	-	631,000.00	-	
55.	Burchs Resort Limited	1,468,000.00	09/05/2022	-	1,468,000.00	-	PAID
56.	Fastwise Graphics	399,400.00	20/06/2022	-	399,400.00	-	PAID
57.	Carrosel Cleaning Services Limited	1,415,200.00	23/05/2022	-	1,415,200.00	-	
58.	Suppertech Designers	930,000.00	08/06/2022	-	930,000.00	-	PAID
59.	Thamu Services Limited	1,450,000.00	27/05/2022	-	1,450,000.00	-	
61.	State Department for Broadcasting and Telecommunication	5,224,522.00	15/06/2022	-	5,224,522.00	-	PAID
62.	Centre Press Media	248,400.00	29/03/2022	-	248,400.00	-	

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S/N	Supplier of Goods or Services	Original Amount	Date contracted	Amount paid to date	Outstanding Balance	Outstanding Balance	Comments
		a	b	c	2021/22	2020/21	
					d=a-c		
63.	Conference Caterers	2,930,176.00	20/04/2022	-	2,930,176.00	-	PAID
64.	Jaccytech Agencies	491,400.00	11/11/2021	-	491,400.00	-	PAID
65.	Dexter Systems and Networks Limited	1,163,300.00	14/04/2022	-	1,163,300.00	-	
66.	Kiarie Mwaura	174,000.00	27/06/2022	-	174,000.00	-	PAID
67.	Boostline Technologies Limited	351,000.00	22/06/2022	-	351,000.00	-	PAID
68.	Government Advertising Agencies	759,444.25	30/06/2022	-	759,444.25	-	PAID
69.	Nation Media Group Limited	290,000.00	06/04/2022	-	290,000.00	-	
70.	Standard Group Limited	510,837.40	30/06/2022	-	510,837.40	-	
71.	Toyota Kenya Limited	68,226.00	30/06/2022	-	68,226.00	-	
	Sub-Total	52,735,340.40			52,735,340.40		
	GRAND TOTAL	58,733,174.80			58,733,174.80		

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Notes to the Financial Statements (Continued)

Annex 2 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) 2021/22
Land	-	-	-	-	-
Buildings and structures	360,882,840.30	7,061,278	-	-	367,944,118.30
Transport equipment	196,685,123.00	201,953	-	-	196,887,076.00
Office equipment, furniture and fittings	75,192,816.00	2,431,868	-	-	77,624,684.00
ICT Equipment	171,140,192.50	-	-	-	171,140,192.50
Machinery and equipment	3,627,629.00	4,995,775	-	-	8,623,404.00
Intangible assets	6,222,379.45	-	-	-	6,222,379.45
Work in progress	-	-	-	-	-
Total	813,750,980.25	14,690,874	-	-	828,441,854.25