



REPORT

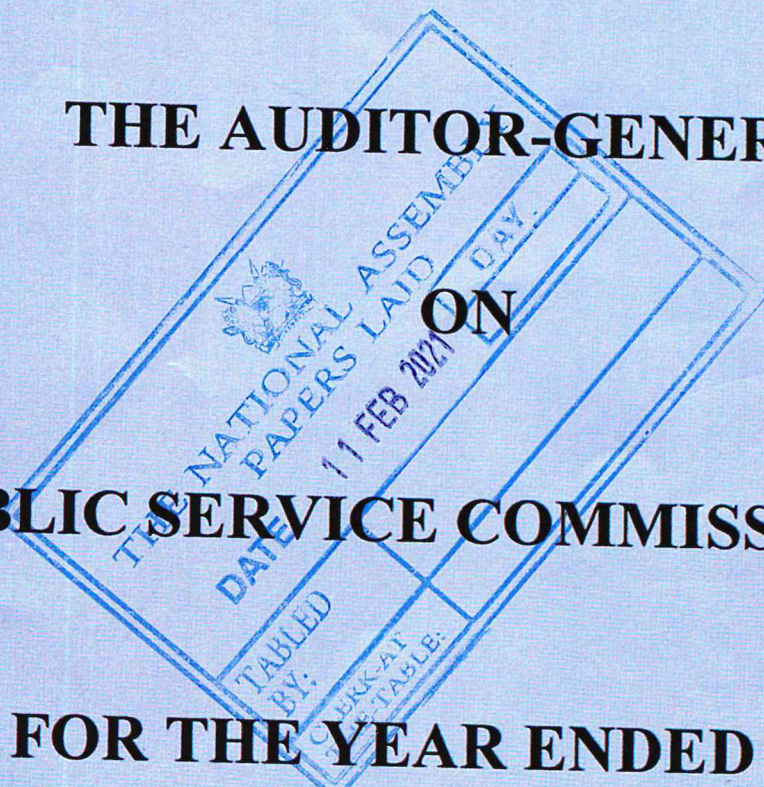
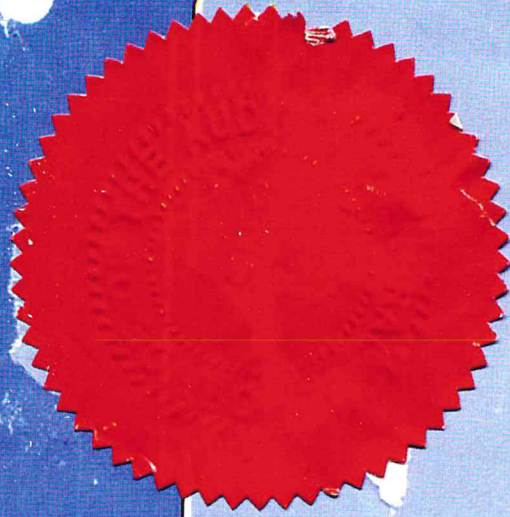
OF

THE AUDITOR-GENERAL

ON

PUBLIC SERVICE COMMISSION

FOR THE YEAR ENDED
30 JUNE, 2019



Vision

A citizen-centric Public Service.

Mission

To Transform the Public Service for Efficient and Effective Service Delivery.

Core Values

- ➔ Citizen Focus
- ➔ Professionalism
- ➔ Innovation
- ➔ Teamwork

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FINANCIAL STATEMENTS

For Year Ended 30 June 2019

I. KEY ENTITY INFORMATION AND MANAGEMENT

1.0 Background Information

The Public Service Commission (PSC) is an Independent Commission established under Article 233 of the Constitution of Kenya. The Commission consists of a chairperson, vice-chairperson and seven other members appointed 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. The current Commission took oath of office on 17th January 2019 following the end of the tenure of the previous Commission save for the Chairman who was sworn in on 15th August 2018.

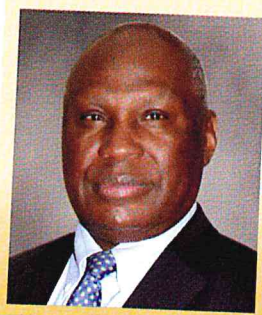
The mandate of the Commission as set out under Article 234 include: establish and abolish offices in the public service; appoint persons to hold or act in those offices; exercise disciplinary control over and remove persons holding or acting in those offices; promote the values and principles referred to in

Articles 10 and 232 throughout the public service; investigate, monitor and evaluate the organization, administration and personnel practices of the public service; ensure that the public service is efficient and effective; develop human resources in the public service; 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; evaluate and report to the President and Parliament on the extent to which the values and principles mentioned in Articles 10 and 232 are complied with in the public service; and hear and determine appeals in respect of county governments' public service. The Commission additionally performs its mandate under Articles 155 (2) (a), 158 (2) (3) and (4), 171 (2) and 230 (2) (b).

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

1.1 Members of the Commission

Stephen K. Kirogo, CBS, Chairman



Mr. Stephen K. Kirogo is a career public servant with solid credentials and a track record of public service spanning over thirty years. His appointment as Chairperson of the Public Service Commission in August 2018 capped an illustrious career that began in 1984 as an Assistant Secretary in the Office of the President.

Prior to his appointment as PSC Chairperson, Mr. Kirogo has served as the Principal Administrative Secretary/Assistant Secretary to the Cabinet in the Presidency and Cabinet Affairs Office since 2012. He rose steadily through the ranks from Assistant Secretary, District Officer, District Commissioner, Senior Assistant Secretary, Undersecretary, Deputy Secretary/Personal Assistant to Head of the Public Service, Secretary to the State Corporations Advisory Committee (SCAC) and finally to the position of Principal Administrative Secretary/Assistant Secretary to the Cabinet.

Mr. Kirogo is a member of the Public Relations Society of Kenya and the Public Service Club among other professional and community organizations. He is passionate about improving productivity in the public service through implementation of a performance management framework that is underpinned by values anchored on Public Service ethics and performance.

Mr. Kirogo holds an Executive Masters in Business Administration (EMBA) degree, a Post Graduate Diploma in Business Development, a Bachelor of Arts degree from University of Nairobi and Post Graduate Diploma in Public Relations and Communications from Kenyatta University and has attended other professional courses and trainings.

In recognition of his immense contribution to the country, Mr. Kirogo was awarded the Order of the Chief of the Burning Spear (CBS) and the Order of the Elder of the Burning Spear (EBS) by His Excellency the President of the Republic of Kenya.

Ms. Charity Seleina Kisotu, Vice Chairperson



Ms. Charity Seleina Kisotu took oath office as Vice Chairperson of the Public Service Commission on 17th January 2019. Alongside her position as vice chairperson of the Commission, Ms. Kisotu is also the Chairperson of the Finance, Planning, ICT and General Purpose Committee of the Board and ICT Committee of the board. Prior to her appointment, she was a member of the Board of the Central Bank of Kenya since 2016. She also served as Chairperson of the Insurance Tribunal; Chairperson of the National Social Security Fund (NSSF) Board of Trustees; and Chairperson of Kenya Wines Agencies Limited (KWAL).

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 then. Ms. Kisotu also served as a member of Nairobi City County Public Service Board and Chief Accountant at the National Water Corporation.

Ms. Kisotu holds a Masters Degree in Business Administration from Moi University. She is a Certified Public Accountant of Kenya (CPAK) and a Certified Public Secretary.

Ms. Joan Adhiambo Otieno, 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 and Human Resource Development Committees.

She joined the Commission on 17th January 2019 after a distinguished thirty-five (35) 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 in the board of Community Initiative Support Services (CISS) (2010– to-date), a none-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).

Ambassador Patrick Simiyu Wamoto, Commissioner



Amb. Patrick Wamoto is a former senior public servant and diplomatic service professional with a strong insight into the dynamics and issues around Kenya's foreign relations in particular and the wider government in general. He has contributed immensely to shaping the role of Kenya's foreign service and its purpose in delivering public service priorities for the ordinary citizen, the economic good of the country and the national interest. He is a persuasive communicator with proven abilities in improving interstate relations and helping build consensus on important regional issues.

Prior to joining the Public Service Commission, Amb. Wamoto was Kenya's Ambassador to Thailand with multiple accreditation to Vietnam, Myanmar, Laos and Cambodia. From 2013 to 2015 he served as Ambassador/High Commissioner of Kenya to South Africa with multiple accreditation to the Kingdoms of Lesotho and Swaziland. He joined the Ministry of Foreign Affairs in 1983 after graduating with an Upper 2nd Class (Honors) Bachelor of Arts degree in Political Science from the University of Nairobi.

He also holds a Post-Graduate Diploma (Distinction) in Diplomatic Studies from Oxford University, UK (1987) and a Post-Graduate Diploma (Distinction) in Multilateral Diplomacy from the Graduate Institute of International Studies in Geneva, Switzerland (1998). 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. Patrick Wamoto is also an Alumnus of the National Defence College, Kenya (2007).

He rose through the civil service ranks starting as an Assistant Secretary III in 1983 to the position of Ambassador in 2008 and Political and Diplomatic Secretary in April 2010. He was appointed in an acting capacity as Permanent Secretary, Ministry of Foreign Affairs from 27th October, 2010 to August, 2011. He has served in various capacities both at the Ministry Headquarters and overseas including as First Secretary at the Kenya High Commission in London (1989-1995), Deputy Head of Mission Kenya Embassy Vienna, Austria (2002-2005) and Deputy Head of Mission Kenya High Commission Abuja (2005-2007), and Director of Africa and AU Directorate at Ministry Headquarters (2008-2009). He has represented Kenya at various International meetings and conferences including the UN General Assembly, the Commonwealth Senior Officials and Heads of Governments meetings, the IAEA and UNIDO General Conferences, CT-BTO Prep-Com Meetings, the African Union Executive Council and Assembly of Heads of State Meetings and FOCAC Ministerial Meetings. He was conferred with the award of The Order of the Burning Spear, 2nd Class (Elder of the Burning Spear – EBS) by the President of the Republic of Kenya in December, 2010 for his exemplary contribution to Kenya's diplomacy through his ability to navigate and balance political, national and international pressures to shape strategy and priorities in the national interest.

Dr. Joyce Kemunto Nyabuti, Commissioner



Dr Joyce Kemunto Nyabuti began her six-year term of service as a commissioner after being sworn into office on 17th January 2019.

She is a Human Resource Management and Development expert of long standing, having handled numerous high-level management assignments in the public sector including performance improvement programmes in the civil service.

Prior to her appointment, Commissioner Nyabuti was a trainer at the National Intelligence Academy. She also served in different capacities of human resource management and development in various ministries and agencies including Public Service Commission, Ministry of Cooperative Development, Ministry of Agriculture and Rural Development and Ministry of Health.

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

Dr. Mary C. Mwiandi, Commissioner



Dr Mary Ciambaka Mwiandi was appointed Commissioner, Public Service Commission in January 2019. She graduated with Bachelor of Arts (Hons) degree from University of Nairobi in 1983, Post Graduate Diploma in Education (PGDE) from Kenyatta University in 1986, Master of Arts (MA) in History from the University of Nairobi in 1993 and PhD in History from Michigan State University in 2005. She attended Kangaru School for her A-levels and Chuka Girls Secondary Schools for O-levels.

She has a long and fulfilled public service as a teacher, lecturer and community leader. She taught at Chuka High School, Meru School and Kajiunduthi Secondary School where she also served as Deputy Principal. In 1993 she joined University of Nairobi as Tutorial Fellow and rose through the ranks to Senior Lecturer, Department of History and Archaeology where she taught History, Research Methods, Armed Conflict and Peace Studies. She served as part-time lecturer at Strathmore University, United States International University (Africa), and St. Lawrence University, Nairobi Campus. In 2015 she was appointed Chairman, Department of History and Archaeology at the University of Nairobi.

She has published widely in her field of interest and supervised a host of MA and PhD students in History and Armed Conflict and Peace at the University of Nairobi. She is a recipient of many local and international scholarships and grants from institutions and research programs.

She has also served the public in various capacities. The National Cohesion and Integration Commission for instance nominated her a Goodwill Ambassador to engage Kenyan communities on matters of peace, cohesion and integration. She has served in various school Management boards and as a member in the Board of Management at Kenya Marine and Fisheries Research Institute (KMFRRI). She continues to offer her services to several community organisations/associations and church in various capacities.

Ambassador Salma A. Ahmed, 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. She is an innovative thinker and strategist with solid problem-solving skills and deep understanding of organizational systems.

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 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 passionate about transforming society and she 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, Postgraduate Diploma in International Relations and has also attended numerous certificate level courses, seminars and workshops.

Dr. Reuben K. Chirchir, Commissioner



Dr Reuben Chirchir joined the Commission on 17th January 2019 as Commissioner for a six-year term of office. 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 for 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 Developed Government (TFDG), Office of the Deputy Prime Minister and Ministry for Local Government; and Operations Officer, Lake Victoria Environmental Management Programme (EPS) under the Ministry of Environment and Natural Resources.

Dr Chirchir holds a Doctorate in Organizational Leadership, MSc (NRM), B.Sc. and LLB degrees. Dr Chirchir is also registered with the National Environment Management Authority (NEMA) as a Lead Expert and a member of the Environmental Institute of Kenya (EIK). Dr Chirchir is an active scholar with interest on governance, policy and leadership studies.

Andrew N. Muriuki, Commissioner



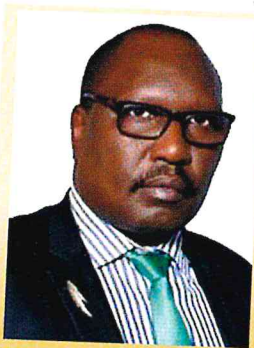
Andrew Ndambiri Muriuki was appointed as a commissioner in the Public Service Commission on 10th January 2019. He has over 17 years of progressive experience in sustainable resource planning and management in the public sector, mainly in institutions of higher learning. He also has broad experience in the functional areas of human resources administration, procurement, finance, supply chain, facility 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 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 from Kenyatta University.

Simon K. Rotich - Secretary/CEO



Mr. Simon K. Rotich is a career public servant with over thirty years' experience in the field of public administration having worked in various capacities across the width and span of different administrative units in the Country. His deep understanding of Government administration has ensured successful implementation and delivery of Government services to the people. His appointment as Secretary to the Public Service Commission on 1st August 2019 elevates him to the top of an impeccable public service and thrusts him an opportunity to drive the Commission Secretariat to deliver on the Commission vision and strategy. Mr. Rotich joined the civil service in 1991 as an Assistant Secretary in the Office of the President.

He rose steadily through the ranks as Assistant Secretary Cadet, District Officer I/II, District Commissioner, Deputy Secretary, Undersecretary, Senior Deputy Secretary, Director of Administration and finally to the position of Deputy Commission Secretary prior to his appointment as PSC Secretary. Mr Rotich also served as Chief Executive Officer for the Commission on Implementation of the Constitution from 2011 to 2012.

Mr. Rotich holds a master's degree in Public Administration from Moi University and a postgraduate Diploma in Mass Communication from the University of Nairobi. He also holds a Bachelor of Arts degree (Philosophy and Linguistics) from Kenyatta University. He has attended numerous training, workshops and seminars locally and internationally. He is the founder board member of Kapsogut Secondary School and has participated in various community projects impacting communities around him. He is a member of Member of Kenya Association of Public Administration and Management (KAPAM) an affiliate of Africa Association of Public Administration and Management (AAPAM).

Mr. Rotich was conferred with the award of the Order of the Burning Spear, 2nd Class (Elder of the Burning Spear - EBS) by the President of the Republic of Kenya in 2018 in recognition of the immense contribution to the public service and the country.

1.2 Key Management

The Commission's day-to-day management is under the following key organs:

- a) The Commission Board sets general policy and strategic direction of the Commission and is chaired by the Chairperson of the Commission. The Commission does its business through eight committees each chaired by a Commissioner and draws membership from the Commission and senior Secretariat staff. Each Committee has specific terms of reference dealing with broad areas of the Commission mandate.
- b) The Secretary/Chief Executive Officer is the Secretary to the Commission Board. The Office of the Secretary/CEO is assisted by Director, Board Management Services who oversees secretarial responsibilities and follows up on implementation of the Commission's directives. The administration and corporate affairs of the Commission is directed by the CEO assisted by the Deputy Commission Secretary (Corporate Services). The Office of the Secretary is also assisted by the Chief Commission Counsel who heads the Legal Unit of the Commission and offers legal advisory services to the Commission;
- c) The Management of the Commission is structured into seven directorates, headed by directors, namely: Finance and Planning; Corporate Services, Establishment and Management Consultancy Services; Recruitment and Selection; Human Resource Management and Development; and Compliance Audit and Quality Assurance; and
- d) The Commission Chief Internal Auditor, who reports to the Audit Committee of the Commission, advises on internal control systems and fiduciary policy issues.

1.3 Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibilities were:

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

No.	Designation	Name
1.	Accounting Officer	Simon K. Rotich, EBS
2.	Deputy Commission Secretary (Corporate Services)	Remmy Nambuchi Mulati, MBS

No.	Designation	Name
3.	Director, Finance and Planning	CPA Dismas O. Ogot
4.	Ag. Deputy Director, Finance	CPA Rebecca J. Kiplagat
5.	Ag. Deputy Director, HRM Administration	Gilbert Nyandiga
6.	Ag. Assistant Director Accounts	Dr. Julius O. Moturi
7.	Deputy Director Supply Chain Management	Patrick Malakwen

1.4 Fiduciary Oversight Arrangements

The Commission's Board provides oversight arrangements through the following organs:

1.4.1 Commission Board and Committees

Section 12 of the Public Service Commission Act, 2017 allows the Commission to establish such committees as may be necessary for the better carrying out of its functions and the exercise of its powers. In line with this provision, the Commission has established eight (8) standing committees, each comprising of at least two Commissioners and members of the Secretariat appointed to the committees, one statutory committee. The recommendations from the committees are tabled before the Commission Board for consideration. The committees and their respective terms of reference are as follows:-

- A. 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 service.

B. Committee on Terms and Conditions of Service

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.

C. 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.

D. 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.

E. 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.

F. 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.

G. 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.

H. 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 year under review, the Committees held several meetings to deliberate and make recommendations on policy issues relating to the mandate of the Commission. The recommendations were considered and approved by the Commission during its weekly board meetings. In total, the Commission held thirty three (33) board meetings while, the eight committees held several weekly meetings.

1.4.2 Internal Oversight Arrangements

The Commission Board authorises and approves all activities of the Commission and ensures that all Government regulations and policies are followed in execution of Commission's activities. The Accounting Officer works under the direction of the Board. The Authority to Incur Expenditure (AIE) holder certifies that all the expenditure of the Commission is incurred for authorised purposes and properly charged. Further, the oversight arrangements are undertaken through the following Committees;

- i). Evaluation Committees: The Accounting Officer of the Commission appoints ad-hoc evaluations committees for works, goods or services in accordance to the Procurement and Disposal Act, 2015 and the regulations thereof;
- ii). Budget Implementation Committee: Oversees budget implementation process and advises the Accounting Officer on the budget performance of the Commission periodically during the financial year; and
- iii). 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.

1.4.3 External Oversight Arrangements

The National Assembly Departmental Committee on Administration and National Security oversighted the Commission's budget estimates for the Financial Year 2018/19. The activities of the Commission were also oversighted by the Offices of the Controller of Budget by continuously approving Commission's expenditure requests through exchequer approvals and deliberating on quarterly reports presented to them. Further, the Office of the Auditor General undertook annual audit of Commission's Financial Statements.

1.5 Public Service Commission 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

1.6 Bankers

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

1.7 Independent Auditors

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

1.8 Principal Legal Adviser

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

II. FOREWORD BY THE CHAIRPERSON



The Commission has continued to facilitate the management with resources, which although limited, aims at enabling the delivery of the Commission's mandate.

2.1 Budget Performance for the Financial Year 2018/19

During the year under review, the Commission executed its work plans and budget through programmes. The programmes were allocated gross estimates of Kshs. 1.25 billion made up of recurrent and development estimates of Kshs. 1.19 billion and Kshs. 60.8 million, respectively. The Commission utilized Kshs. 1.23 billion, representing 98.3 per cent budget absorption rate, comprising of Kshs 1.18 billion or 99.3 per cent and Kshs. 47.3 million or 77.9 per cent for recurrent and development estimates, respectively.

2.0 Introduction

The year under review is unique for the Commission in that other than witnessing a transition in the top leadership of the Commission, it also marked the final phase of implementation of the Public Service Commission's Strategic Plan for the period 2013-2018. The Commission now has a new strategic plan covering the period 2019-2024 that focuses on a citizen-centric approach to service delivery. The implementation of the strategic plan is realized through annual work plans which are cascaded into performance contracts signed between the secretariat and the Commission.

Out of the recurrent expenditure of Kshs. 1.18 billion, Kshs. 594.3 million or 48.2 per cent was used on compensation of employees, while Kshs. 590.4 million or 51.8 per cent, was used on operations and maintenance. The development sum of Kshs. 47.3 million was used for undertaking refurbishment projects in the old Commission House. The summarized budget performance is as shown in Table 1-2, Figures 1-1 and 1-2.

Table 1-2: Summary Budget Performance 2018/19 Financial Year

Title and Details	Printed Estimates 2018/19	Expenditure 2018/19	Overall Absorption Rate
	Kshs.	Kshs.	Percentage (%)
Recurrent			
Compensation of Employees	594,190,000	594,276,550	100.0
Use of goods and services	432,854,306	426,345,328	98.5
Other grants and transfers	-		0.0
Social Security Benefits	78,743,400	77,088,041	97.9
Acquisition of Assets	87,500,000	87,287,235	99.8
Gross Recurrent	1,193,287,706	1,184,997,154	99.3
AIA	520,000	287,600	0
Net Recurrent	1,192,767,706	1,184,709,554	99.3
Development	Kshs.	Kshs.	Percentage (%)
Acquisition of Assets	60,799,433	47,353,962	77.9
Gross Development	60,799,433	47,353,962	77.9
TOTAL	1,253,567,139	1,232,063,516	98.3

Figure 1-1 shows the overall budget performance for recurrent and development expenditure while figure 1-2 indicates expenditure by economic classification for the period under review.

Figure 1-1 shows that the overall absorption of the Commission's voted funds for 2018/19 fiscal year was at 98.3 per cent depicting Commission's commitment to undertaking planned programmes within the set timelines and allocated ceilings.

Figure 1-1: Overall Budget Performance Financial Year 2018/19

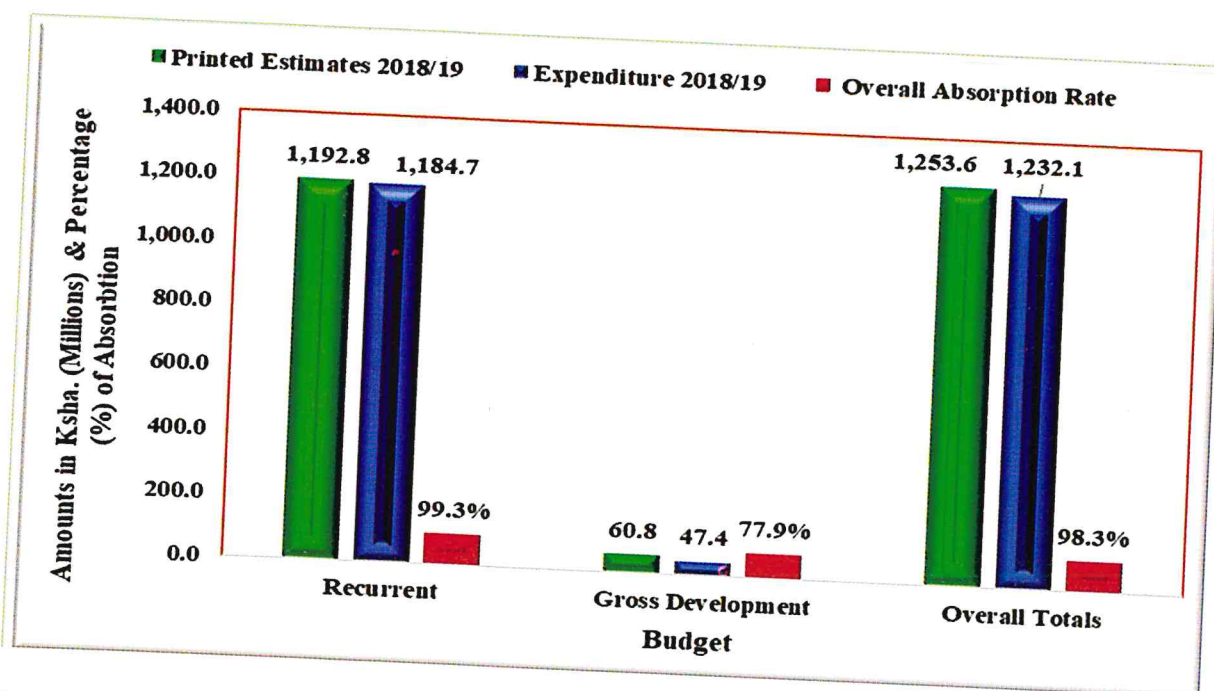


Figure 1-2: Summary of Expenditure by Economic Classification

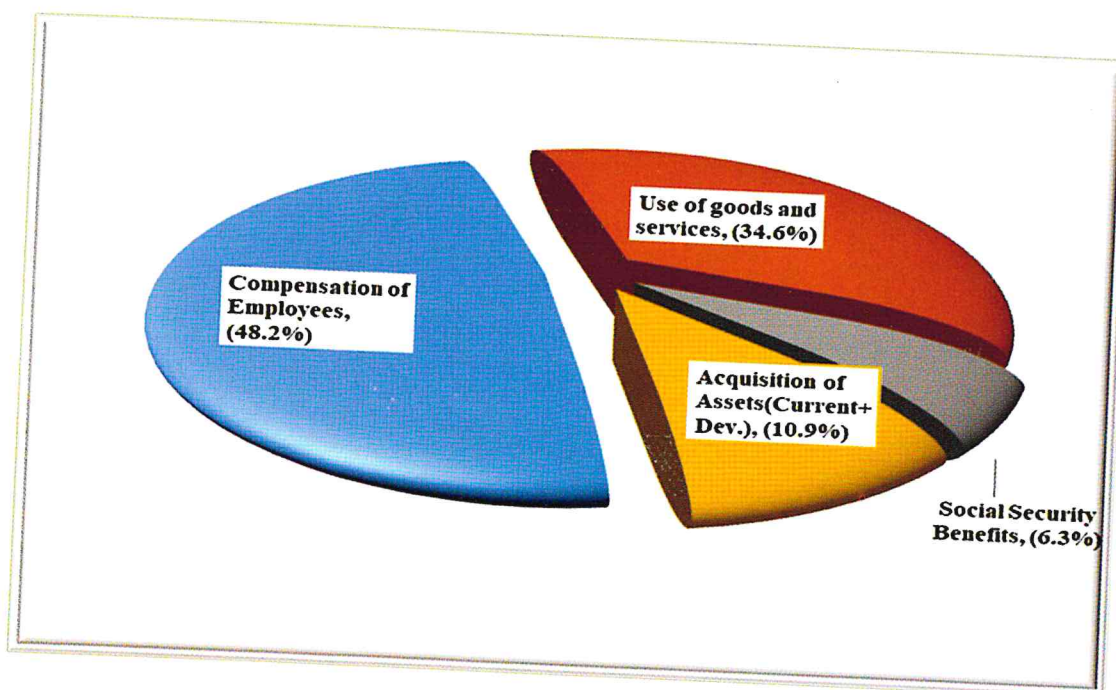


Figure 1-2 shows that compensation to employees consumed the highest percentage, 48.2 per cent of Commission's expenditure for the period under review. This is expected because the Commission sets strategic policy directions on human resource matters in the public service. Hence a sizeable number of staff are policy makers whose compensation is fairly high.

About 34.6 per cent of the expenditure was on use of goods and services in support of the Commission's mandate programmes. The Commission applied 6.3 per cent of its budget on social security benefits which include Commission's contributions to defined pension contributions and gratuity payments.

Finally, the Commission used 10.9 per cent of its voted budgetary provisions on acquisition of assets, which includes Kshs. 85 million funds for staff mortgage and car loan scheme. In addition Kshs. 47.4 million was used for the refurbishment of the old Commission House to improve work environment for the staff and Commission's customers including candidates attending interviews.

2.2 Budget Performance by Programmes

During the period under review, the Commission discharged its functions through three programmes namely: general administration, planning and support services programme; human resource management and development programme; and governance and national values programme. The expenditure

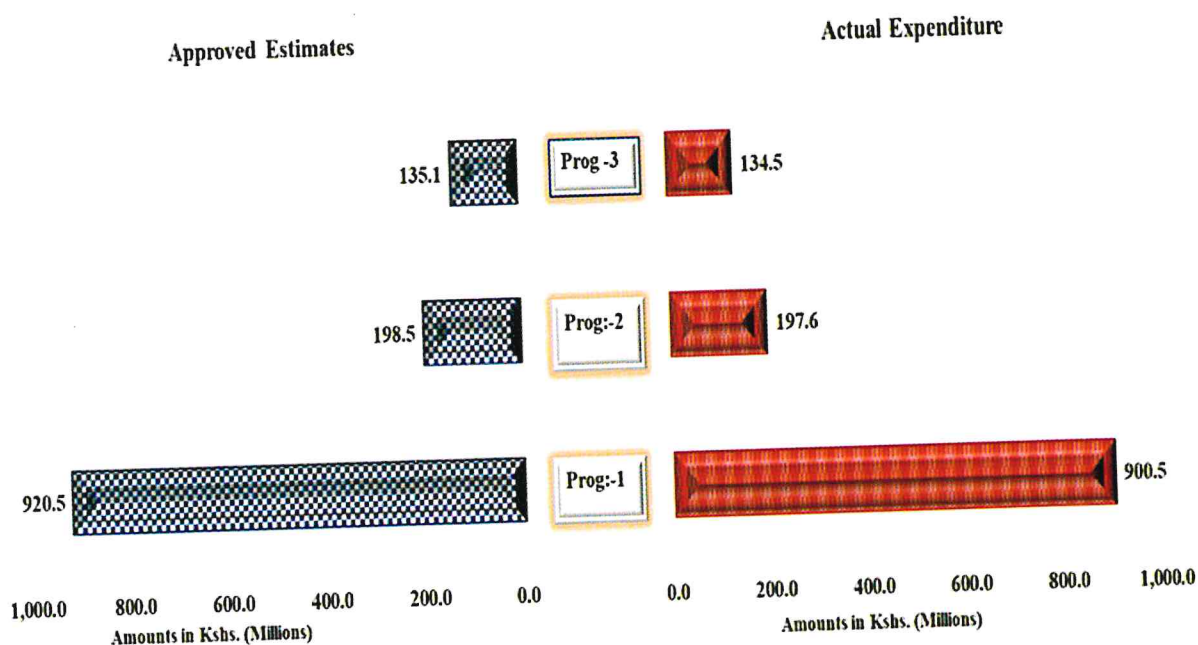
trends for the 2018/19 fiscal year are as shown in Table 3 and figure 3.

Table 1-3 and Figure 1-4 show that the general administration, planning and support programme was allocated a higher percentage of the Commission's budgetary allocation compared to the other two programmes of human resource management and development, and governance and national values. This is because general administration, planning and support services programme consolidates shared services that support the Commission in the delivery of the core Commission's mandate. The areas include staff pension, gratuity, medical insurance, mortgage and car loan scheme, fuel and vehicles maintenance, maintenance and refurbishment of buildings and conducive work environment, among others.

Table 1- 3: Summary Budget Performance 2018/19 FY by Programmes

Programmed/Sub-programme	Approved Estimates	Actual Expenditure	Budget utilization difference
	2018/19	2018/19	2018/19
	Kshs	Kshs	Kshs
Programme 1: General Administration, Planning and Support Services	920,489,540	900,247,297	20,242,243
Programme 2: Human Resource Management and Development	198,531,271	197,611,789	919,482
Programme 3: Governance and National Values	135,066,328	134,492,030	574,298

Figure 1-3: Budget Performance 2018/19 Financial Year by Programmes



2.3 Comparative performance for the Medium Term (2016/17 to 2018/19 Financial Years)

The Commission's budget performance in terms of expenditure absorption by economic classifications for the last three fiscal years is presented in Table 1-4

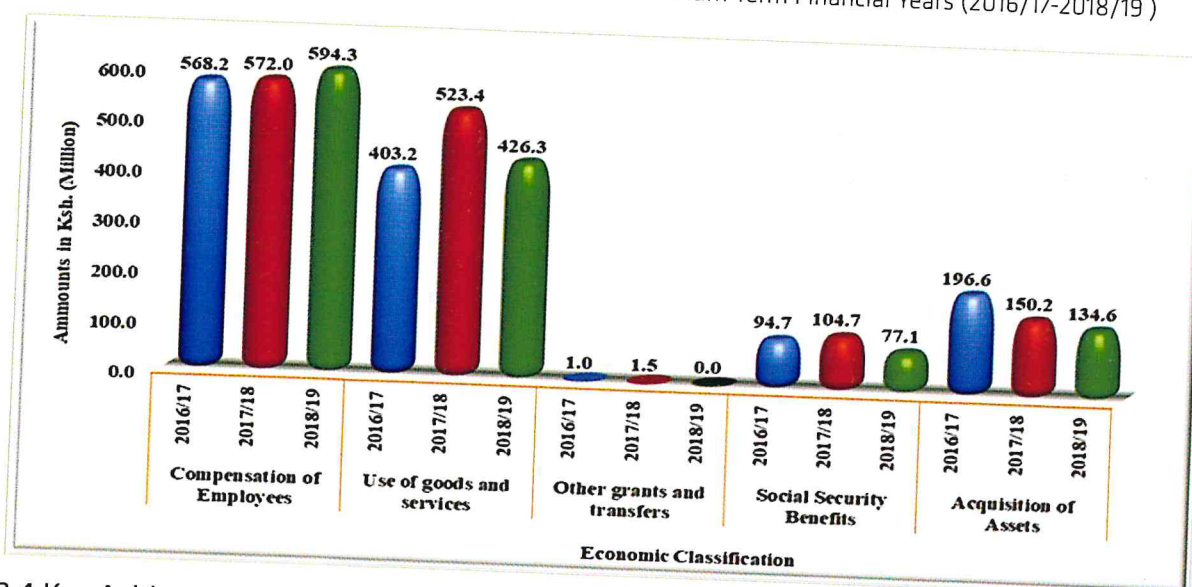
The Table 1-4 and Figure 1-5 indicate that the budgetary expenditure for the last three years for the com-

pensation of employees recorded marginal growth over the medium term period resulting from about 4 per cent annual salary increments. However, the budgetary provision for use of goods and services, social benefits and acquisition of assets recorded 18.5 per cent, 26.4 per cent and 10.3 per cent reduction, respectively. The reduction mainly affected implementation of strategic plan programmes for the period under review.

Table 1- 4: Comparative Analysis of Performance for the Medium Term (2016/17 to 2018/19 FYs)

Title and Details	Expenditure 2016/17	Expenditure 2017/18	Expenditure 2018/19
	Kshs.	Kshs.	Kshs.
Compensation of Employees	568,152,986	572,004,010	594,276,550
Use of goods and services	403,222,917	523,414,796	426,345,328
Other grants and transfers	1,000,000	1,482,984	
Social Security Benefits	94,658,221	104,747,613	77,088,041
Acquisition of Assets	196,638,465	150,172,597	134,641,197
Total Net Expenditure	1,263,672,589	1,351,822,000	1,232,351,116

Figure 1- 4: Comparative Analysis of Performance for the Medium Term Financial Years (2016/17-2018/19)

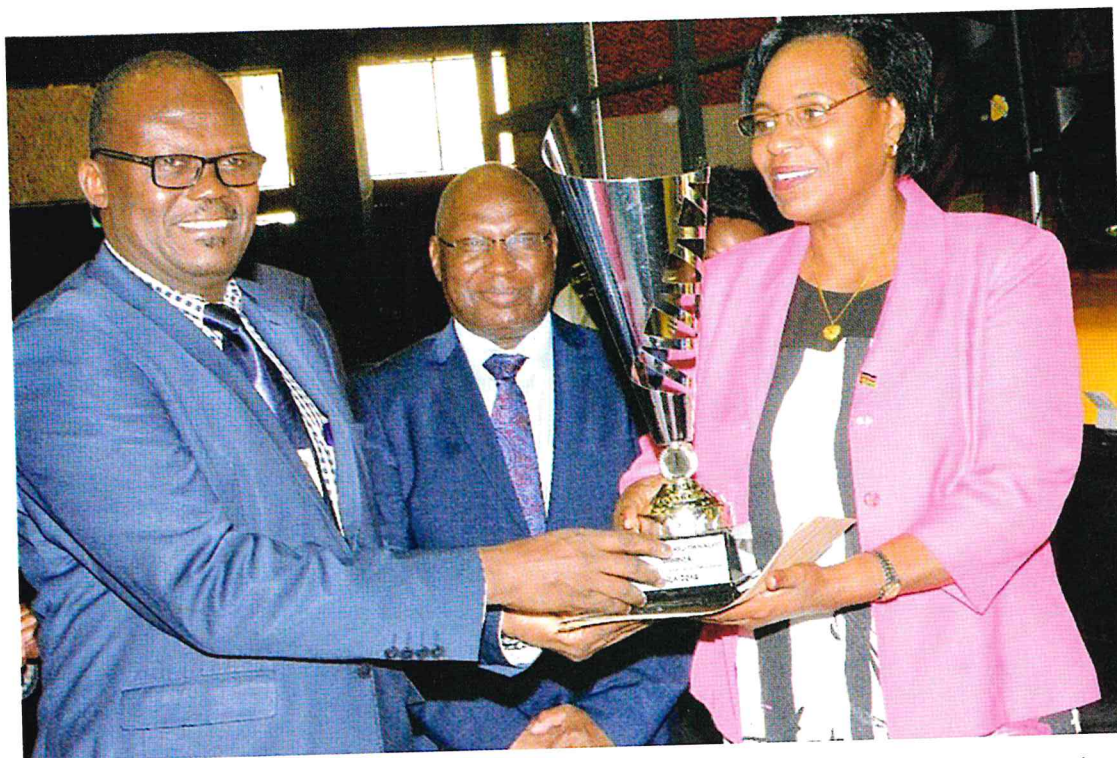


2.4 Key Achievements

During the year under review, several strategic initiatives were implemented to complete the 2013-2018 strategic plan. These included review organisational structures in various MDAs to promote efficiency and effectiveness of the public service; appointment of officers to various positions in the public service in compliance with constitutional requirements; and administration of the Public Service Code of Conduct and Ethics 2016 to all public officers under the purview of the Commission in promotion of public service values and principles.

To strengthen the human resource management and development in the public service by promot-

ing performance culture and improving the terms and conditions of service for public officers, the Commission held the fourth Public Service Excellence Award (PSEA) Scheme 2018 and awarded officers for exemplary performance; finalized Phase III of the proposed four-phase salary review for the civil service; approved conversion of the grading structure in the national government civil service from 21-tier to 17-tier; and developed and issued a framework for short term employment in the Public Service to provide for short term contract of service for a period not exceeding six (6) months, in instances where there is need to mitigate emergency situations and/or where specific expertise is required.



Cabinet Secretary Prof. Margaret Kobia (right) presents a trophy to Mr Willis Odhiambo Okwacho of the National Treasury and Planning Ministry for emerging overall winner of the 2018 Public Service Excellence Awards (PSEA) held on 18th December 2018 at KICC Nairobi. In the middle is PSC chairperson Mr Stephen Kirogo



An official from Grant Thornton Audit Company (in pink shirt) presents a trophy for FiRe Award to the PSC Acting Assistant Director, Accounts Dr Julius O. Moturi as the Accountant Mr Johnfan Njoga (left), Chief Clerical Officer Accounts Mr Bernard Owich and another participant look on

The Commission continued to provide technical Support to county governments through capacity support programme for all the 47 county public service boards and county assembly boards. The main objective of the programme was to provide a platform for sharing knowledge, experiences and challenges in the

management of human resource in the public service. In addition during the fiscal year 2018/19 the Commission provided technical support to the boards of TVET institutions in the recruitment of 1,000 vocational and technical trainers.

Further, the Commission continued to enhance prudent financial management in deployment of the Commission's financial resources. This was evidenced by receipt of unqualified Auditor General's audit opinion on the Financial Statements of the Commission for the Fiscal Year 2017/18. In addition, during the 17th edition of the financial reporting award ceremony which was held on 30th November, 2018 in Nairobi, the Commission was awarded Second Runners-up position for the Financial Year 2016/17 in the Independent and Constitutional Offices category. The Commission has received this award for four consecutive years, demonstrating commitment to proper financial reporting in accordance with the PFM Act, 2012.

2.5 Environmental and Social Activities

During the period under review, the Commission Conducted 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). In an effort to conserve energy and water, the Commission has a caretaker who ensures all the light and water points are switched off on non-working hours and

days. Use of water dispensers in the Commission of-fices as opposed to water bottles enhanced reduction in plastic waste that is released to the environment. In addition, the Commission implemented an Enterprise Resource Plan (ERP) System to automate service delivery for efficiency and to reduce use of paper

The Commission undertook corporate social responsibility by participating in the 92nd edition of the National Music Festival held at Dedan Kimathi University of Technology in August 2018; and the 60th edition of the Kenya National Drama and Film Festival held at Kibabii University in April, 2019 by donating trophies for the winning teams on thematic areas of promotion of Values and principles of public service inn Article 10 and 232.

Further, during the fiscal year under review, the Commission awarded 29.4 per cent of the total budget for the procurement of goods and services to the special groups (youth, women and persons with disability). The procurement of goods and services by the Commission was undertaken fully from the local contractors and suppliers.

Lastly, the Commission improved the welfare of the staff through a defined contributory pension scheme and outsourced group medical, Group Personal Ac-



Commissioner Judith Bwonya presents a trophy to an official of one of the finalist institution during the 92nd edition of the Kenya Music Festival at Dedan Kimathi University of Science and Technology in Nyeri. On her right is Deputy Commission Secretary Simon Rotich

cident (GPA) and Work Injury Benefits Act (WIBA) insurance covers for the Secretariat staff. The Commission also developed and implemented internal Staff Performance Appraisal System (SPAS) in order to establish performance management culture within the Commission. In order to boost staff morale and productivity, the Commission implemented staff mortgage and car loan facility; provided medical insurance cover, including work injury benefit and group personal accident covers for all staff. Finally, the Commission has a health and fitness gymnasium as part of staff welfare, healthy lifestyle and work-life balance as well as offering psychosocial support to staff.

2.6 Emerging Issues

The Commission has identified the following emerging issues that may affect the implementation of its programmes:

- i). **Service Delivery Transformation:** the citizen is now more than ever more aware of its rights and demand for better public services. There is therefore, need to re-orient the public service delivery strategy to focus on the citizen and ensure prompt, timely, affordable, transparent, accountable, impartial and equitable services to Kenyans. The Commission plans to also establish a contact centre to receive instant feedback from the citizenry on service delivery and efficiently respond to citizens' complaints.
- ii). **Performance Management and Productivity:** The Commission will develop and implement strategies to ensure sustenance of a high performance culture in the public service. Develop and implement a productivity measurement framework for the public service to ensure effective use of resources and fit for purpose institutions.
- iii). **Public Service Internship Programme:** The high number of unemployed youth in the society requires urgent intervention. The Commission will collaborate with public institutions to increase internship opportunities to enable the youth acquire experience, work skills and ethos for public service. Monitor and evaluate implementation of the internship programme in the Public Service. Implement mentoring and coaching programs to inculcate positive work ethics among the youth and enable them to exploit their potential.
- iv). **Volunteerism Programme:** The Commission will promote a culture of volunteerism in the public service which entails involvement of volunteers in service delivery especially at the grassroots level. The pool of volunteers will include retired citizens who possess rare competencies and skills. The volunteer programme will comple-

ment skills and competencies existing in the public service. The volunteers will help in mentoring and coaching the young civil servants to inculcate a culture of public service values and work ethics. This will also facilitate nurturing leadership skills in the public service.

2.7 Implementation Challenges and Recommended Way Forward

The Commission encountered some challenges, key among them being budget cuts, inadequate funding affecting the delivery of programmes, weak performance management system in the public service leading to unsatisfactory service delivery to the citizens, lack of common framework on uniform norms and standards in the management of the human resource across the two levels of Government, high number of applicants for advertised vacancies leading to delays in filling of posts, existence of skills and competencies gaps in the service and Succession management gaps in the public service.

Going forward, the Commission will enhance optimal utilization of resources to eliminate wastage while at the same time engaging relevant government stakeholders in seeking adequate budgetary provision to the Commission for optimal implementation of the Commission's mandate. The Commission's priorities in the period 2019-2020 will include institutionalizing values and ethical conduct in the entire public service, entrenching high performance culture and value for money, preparing the youth for public service through an internship and volunteer programme, and engendering an interactive feedback relationship through establishment of a citizen contact centre. The overarching goal will be to scale up the productivity of the public service and eliminate wastage by targeting to achieve more with fewer resources. The Commission will also continue to mount capacity building programmes for county public service boards to achieve uniform norms and standards and to enhance implementation of Commission's decisions. Continuous improvement that leads to better efficiency and effectiveness in the way we deliver public services will be the hallmark of our service delivery going forward.

The Commission is confident that the reform path that the Commission has embarked on will translate into better performance which will guarantee the transformation of our society into a more prosperous nation, guided by the Commission's new rallying call: REFORM, PERFORM and TRANSFORM.



Stephen K. Kirogo, CBS, FPRSK
CHAIRMAN
PUBLIC SERVICE COMMISSION

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 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 of Public Service Commission for and as at the end of the financial year(period) ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Commission; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

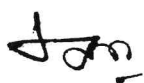
The Accounting Officer in charge of the Public Service Commission accepts responsibility for the Com-

mission'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 Public Service Commission's financial statements give a true and fair view of the state of Commission's transactions during the financial year ended June 30, 2019, and of the Commission's financial position as at that date. The Accounting Officer in 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 Commission's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Public Service Commission's financial statements were approved and signed by the Accounting Officer on 30/9/2019.



**Accounting Officer/Ag. Secretary/CEO
Simon K. Rotich, EBS
Public Service Commission**

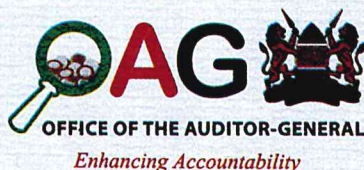


**Ag. Head Of Accounting Unit
Dr. Julius Ongera Moturi
ICPAK Member Number: 5458**

IV. REPORT OF THE INDEPENDENT AUDITOR'S ON THE ENTITY

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E-mail: info@oagkenya.go.ke
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REPUBLIC OF KENYA



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

REPORT OF THE AUDITOR-GENERAL ON PUBLIC SERVICE COMMISSION FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Public Service Commission set out on pages 29 to 46, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, the statement of cash flows and the statement of appropriation-recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Public Service Commission as at 30 June, 2019, 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 Opinion

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

Report of the Auditor-General on Public Service Commission for the year ended 30 June, 2019

Other Matter

1. Pending Bills

As disclosed under Notes 17.1 to the financial statements, the Commission had pending bills totalling Kshs.13,958,800 as at 30 June, 2019, that were not settled during the year 2018/2019 but were instead carried forward to 2019/2020. Failure to settle bills during the year in which they relate to, adversely affects the provisions of the subsequent year to which they have to be charged.

2. Budgetary Control and Performance

The Public Service Commission had a development vote budget of Kshs.60,799,433 under acquisition of assets. However, actual expenditure amounted to Kshs.47,353,962 resulting to an under-absorption of Kshs.13,445,471 or 22% of the voted amount. The budget under absorption is an indication that all planned activities were not undertaken during the year.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the matter 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

Non-Compliance with Public Procurement and Asset Disposal Act, 2015 - Insurance Costs

The statement of receipts and payments reflects a figure of Kshs.426,345,328 under use of goods and services. Included in this figure is Kshs.86,018,429 relating to insurance costs that includes Kshs.2,930,327 paid to an insurance Company in respect of group personal accident cover for the staff, covering the period from 1 October, 2018 to 30 September, 2019. However, the insurance contract used in support of the payment had expired on 30 June, 2018. The contract was renewed on existing basis without subjecting the extension through the procurement process in line with Section 139(2) (a) of the Public Procurement and Asset Disposal Act, 2015 which requires the Accounting Officer to approve changes to a contract upon recommendation by the Evaluation Committee. Although Management provided a letter of extension, minutes of the Evaluation Committee were not provided for audit review.

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 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 procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Commission ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the 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 financial reporting process, reviewing the effectiveness of how the Commission 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 overall

governance and risk management, and ensuring the adequacy and effectiveness of the control 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 review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control 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 control 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 control 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 control.

- 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 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 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 control 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.


Nancy Gathungu
AUDITOR-GENERAL

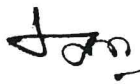
Nairobi


04 November, 2020

V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018-2019	2017-2018
		Kshs	Kshs
RECEIPTS			
Exchequer releases	1	1,240,086,547	1,349,822,285
Proceeds from Sale of Assets	2	287,600	311,750
Other Receipts	3	775,475	535,231
TOTAL RECEIPTS		1,241,149,622	1,350,669,266
PAYMENTS			
Compensation of Employees	4	594,276,550	572,004,010
Use of goods and services	5	426,345,328	523,414,796
Other grants and transfers	6	-	1,482,984
Social Security Benefits	7	77,088,041	104,747,613
Acquisition of Assets	8	134,641,197	150,172,596
Other Payments	9	5,516,071	
TOTAL PAYMENTS		1,237,867,187	1,351,821,999
SURPLUS/DEFICIT		3,282,435	(1,152,733)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on _____ 2019 and signed by:

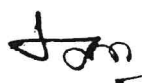

Accounting Officer/Ag. Secretary/CEO
Simon K. Rotich, EBS
Public Service Commission

30/9/ 
Ag. Head Of Accounting Unit
Dr. Julius Ongera Moturi
ICPAK Member Number: 5458

VI. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018-2019	2017-2018
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10	15,790,331	13,933,431
Cash Balances	11	53,345	106,933
Total Cash and cash equivalent		15,843,676	14,040,364
Accounts receivables – Outstanding Advances	12	558,749	585,655
TOTAL FINANCIAL ASSETS		16,402,425	14,626,019
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	13	13,856,958	9,261,262
NET FINANCIAL ASSETS		2,545,467	5,364,756
REPRESENTED BY			
Fund balance b/fwd	14	5,364,756	9,022,822
Prior year adjustment	15	(6,101,725)	(2,505,333)
Surplus/Deficit for the year		3,282,435	(1,152,733)
NET FINANCIAL POSITION		2,545,467	5,364,756

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/9/2019 and signed by:



Accounting Officer/Ag. Secretary/CEO
Simon K. Rotich, EBS
Public Service Commission

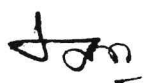


Ag. Head Of Accounting Unit
Dr. Julius Ongera Moturi
ICPAK Member Number: 5458

VII. STATEMENT OF CASH FLOWS

		2018-2019	2017-2018
		Kshs	Kshs
Receipts for operating income			
Exchequer Releases	1	1,240,086,547	1,349,822,285
Other Revenues	3	775,475	535,231
Payments for operating expenses			
Compensation of Employees	4	594,276,550	572,004,010
Use of goods and services	5	426,345,328	523,414,796
Other grants and transfers	6	-	1,482,984
Social Security Benefits	7	77,088,041	104,747,613
Other Expenses	9	5,516,071	-
		1,103,225,990	1,201,649,403
Adjusted for:			
Changes in receivables		26,906	(307,922)
Changes in payables		(4,595,696)	(389,595)
Adjustments during the year	15	3,010,738	
Prior Year Adjustments	15.1	78,929	(2,505,333)
Net cash flow from operating activities		136,156,909	145,505,264
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	287,600	311,750
Acquisition of Assets	8	(134,641,197)	(150,172,596)
Net cash flows from Investing Activities		(134,353,597)	(149,860,846)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Domestic Borrowings		-	-
Proceeds from Foreign Borrowings		-	-
Repayment of principal on Domestic and Foreign borrowing		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		1,803,312	(4,355,582)
Cash and cash equivalent at BEGINNING of the year		14,040,364	18,395,946
Cash and cash equivalent at END of the year		15,843,676	14,040,364

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30/9/ 2019 and signed by:



Accounting Officer/Ag. Secretary/CEO
Simon K. Rotich, EBS
Public Service Commission



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

VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
	a	b	c=a+b	D	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	1,218,990,000	34,577,139	1,253,567,139	1,240,086,547	13,480,592	99%
Proceeds from sale of non-financial Assets (A-I-A)	520,000	-	520,000	287,600	232,400	55%
Other Receipts - Training Levy	-	-	-	-	-	-
TOTAL RECEIPTS	1,219,510,000	34,577,139	1,254,087,139	1,240,374,147	13,712,992	99%
PAYMENTS						
Compensation of Employees	590,190,000	4,000,000	594,190,000	594,276,550	(86,550)	100%
Use of goods and services	400,186,600	32,667,706	432,854,306	426,345,328	6,508,978	98%
Other grants and transfers	-	-	-	-	-	-
Social Security Benefits	82,343,400	(3,600,000)	78,743,400	77,088,041	1,655,359	98%
Acquisition of Assets	146,790,000	1,509,433	148,299,433	134,641,197	13,658,236	91%
Other Payments	-	-	-	-	-	-
TOTAL PAYMENTS	1,219,510,000	34,577,139	1,254,087,139	1,232,351,116	21,736,023	99%
Surplus/ Deficit				8,023,031	(8,023,031)	-

1. Proceeds from A-I-A was realized at 55 per cent as the disposal process for boarded items for 2018/19 Financial year was not yet completed at end of financial year thus the receipts from the sale will be realized in 2019/20 FY.
2. The changes between the original and final budget of the Commission was as a result of reallocations within the budget for recurrent budget and additional budget that the Commission was granted during Supplementary II for Recurrent and development budget.

The entity financial statements were approved on 30/19/ 2019 and signed by:



Accounting Officer/Ag. Secretary/CEO
Simon K. Rotich, EBS
Public Service Commission



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

IX. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	1,159,700,000	33,067,706	1,192,767,706	1,192,486,547	(281,159)	100
Proceeds from Sale of Assets	520,000	-	520,000	287,600	232,400	55
Other Receipts	-	-	-	-	-	-
TOTAL RECEIPTS	1,160,220,000	33,067,706	1,193,287,706	1,192,774,147	(513,559)	100
PAYMENTS						
Compensation of Employees	590,190,000	4,000,000	594,190,000	594,276,550	(86,550)	100
Use of goods and services	400,186,600	32,667,706	432,854,306	426,345,328	6,508,978	98
Other grants and transfers	-	-	-	-	-	-
Social Security Benefits	82,343,400	(3,600,000)	78,743,400	77,088,041	1,655,359	98
Acquisition of Assets	87,500,000	-	87,500,000	87,287,235	212,765	100
Other Payments	-	-	-	-	-	-
TOTAL PAYMENTS	1,160,220,000	33,067,706	1,193,287,706	1,184,997,154	8,290,552	99
Surplus/Deficit				7,776,992.85	(7,776,992.85)	

1. Proceeds from A-I-A was realized at 55 per cent as the disposal process for boarded items for 2018/19 Financial year was not yet completed at end of financial year thus the receipts from the sale will be realized in 2019/20 FY.
2. The changes between the original and final budget of the Commission was as a result of reallocations within the budget and additional budget granted in Supplementary II for recurrent budget.

The changes between the original and final budget of the Commission was as a result of reallocations within the budget for recurrent budget.
The entity financial statements were approved on 30/9/2019 and signed by:



Accounting Officer/Ag. Secretary/CEO
Simon K. Rotich, EBS
Public Service Commission



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

X. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget Kshs. a	Adjustments Kshs. b	Final Budget Kshs. c=a+b	Actual on Comparable Basis Kshs. d	Budget Utilization Difference Kshs. e=c-d	% of Utilization Kshs. f=d/c %
RECEIPTS						
Exchequer releases	59,290,000	1,509,433	60,799,433	47,600,000	13,199,433	78
Proceeds from Sale of Assets						
Other Receipts						
TOTAL RECEIPTS	59,290,000	1,509,433	60,799,433	47,600,000	13,199,433	78
PAYMENTS						
Compensation of Employees						
Use of goods and services						
Other grants and transfers						
Social Security Benefits						
Acquisition of Assets	59,290,000	1,509,433	60,799,433	47,353,962	13,445,471	78
Other Payments						
TOTAL PAYMENTS	59,290,000	1,509,433	60,799,433	47,353,962	13,445,471	78
Surplus/Deficit				246,038	(246,038)	

The development budget on acquisition of assets was under absorbed at 78 per cent. This was as a result of non-issue of exchequer at the end of the Financial Year. The payments for development works had been done up to Internet Banking thus the Commission realized pending bills on it.

The entity financial statements were approved on 30/9/2019 and signed by:



Accounting Officer/Ag. Secretary/CEO
Simon Moturi, EBS
Public Service Commission



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

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019	2019	2019	June 30, 2019	
	Kshs	Kshs	Kshs	Kshs	Kshs
Programme1: General Administration, Planning and Support Services	855,685,296	54,804,244	920,489,540	900,247,297	20,242,243
Sub-programme 1: Administration	822,421,883	48,646,173	871,068,056	850,849,861	20,218,195
Sub-programme 2: Board Management Services	43,263,413	6,158,071	49,421,484	49,397,436	24,048
Programme 2: Human Resource Management and Development	202,088,409	(3,557,138)	198,531,271	197,611,789	919,482
Sub-programme 1: Establishment and Management Consultancy Services	76,648,017	(3,705,809)	72,942,208	72,970,272	(28,064)
Sub-programme 2: Human Resource Management	64,802,763	(1,717,228)	63,085,535	62,695,971	389,564
Sub-programme 3: Human Resource Development	60,637,629	1,865,899	62,503,528	61,945,546	557,982
Programme 3: Governance and National Values	151,736,295	(16,669,967)	135,066,328	134,492,030	574,298
Sub-Programme 1: Compliance and Quality Assurance	106,666,019	(13,823,467)	92,842,552	92,419,712	422,840
Sub-programme 2: Ethics Governance and National values	45,070,276	(2,846,500)	42,223,776	42,072,318	151,458

XII. SIGNIFICANT ACCOUNTING POLICIES

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 the Commission for all the years presented.

a) Recognition of Receipts

The Commission recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Commission.

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 entity.

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 recognised in the financial statements the time associated cash is received.

b) Recognition of payments

The Commission recognises all payments when the event occurs and the related cash has actually been paid out by the Commission.

Compensation of Employees

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

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.

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 by the Commission and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

5. In-kind contributions

In-kind contributions are donations that are made to the Commission 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 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.

6. 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.

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 2019, this amounted to Kshs.13,856,958 compared to Kshs. 9,261,262 in prior period as indicated on note 13. There were no other restrictions on cash during the year.

7. Accounts Receivable

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 AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Accounts Payable

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 by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. 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 to provide a sense of the overall net cash position of the Entity at the end of the

year. 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.

10. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, 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 2018 for the period 1st July 2018 to 30th June 2019 as required by Law and there were two 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.

11. Comparative Figures

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

12. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2019.

13. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: (i). restating the comparative amounts for prior period(s) presented in which the error occurred; or (ii). If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 26 explaining the nature and amounts.

14. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

XIII. NOTES TO THE FINANCIAL STATEMENT

1. Exchequer Releases

Description	2018-2019	2017-2018
	Kshs	Kshs
Total Exchequer Releases for quarter 1	216,000,000	221,543,968
Total Exchequer Releases for quarter 2	343,511,600	390,023,817
Total Exchequer Releases for quarter 3	251,179,300	329,055,000
Total Exchequer Releases for quarter 4	429,395,647	409,199,500
Total	1,240,086,547	1,349,822,285

2. Proceeds from Sale of Assets

	2018-2019	2017-2018
	Kshs	Kshs
Receipts from the Sale of Inventories, Stocks and Commodities	287,600	311,750
Total	287,600	311,750

3. Other Receipts

Description	2018-2019	2017-2018
	Kshs	Kshs
Receipts from Administrative Fees and Charges	775,475	535,231
Total	775,475	535,231

4. Compensation of Employees

	2018-2019	2017-2018
	Kshs	Kshs
Basic salaries of permanent employees	594,276,550	572,004,010
Total	594,276,550	572,004,010

5. Use of Goods and Services

	2018-2019	2017-2018
	Kshs	Kshs
Utilities, supplies and services	12,227,820	11,671,933
Communication, supplies and services	21,083,993	19,434,360
Domestic travel and subsistence	60,355,656	75,519,523
Foreign travel and subsistence	8,168,158	40,083,286
Printing, advertising and information supplies & services	30,224,322	38,568,890
Rentals of produced assets	6,799,999	8,011,827
Training expenses	46,829,885	49,682,973
Hospitality supplies and services	59,868,039	60,068,885
Insurance costs	86,018,429	74,999,998

	2018-2019	2017-2018
	Kshs	Kshs
Specialized materials and services	10,777,097	33,004,435
Office and general supplies and services	13,737,796	16,334,407
Fuel Oil and Lubricants	10,386,370	6,464,998
Other operating expenses	44,432,357	-
Routine maintenance – vehicles and other transport equipment	8,203,260	4,918,158
Routine maintenance – other assets	7,232,149	13,250,339
Total	426,345,328	523,414,796

6. Other Grants and Transfers

Explanation	2018-2019	2017-2018
	Kshs	Kshs
Membership dues and subscriptions to international organizations	-	1,482,984
Total		1,482,984

In the Financial Year 2018/19 the budget for memberships for international organisations were consolidated and payments made directly by the National Treasury.

7. Social Security Benefits

Explanation	2018 -2019	2017 -2018
	Kshs	Kshs
Government pension and retirement benefits	77,088,041	104,747,613
Total	77,088,041	104,747,613

The Commission has a contributory pension scheme for the staff where the staff contributes 10 per cent and the Commission contributes 20 per cent of basic salary. The scheme is administered by Enwealth Financial Services.

8. Acquisition of Assets

	2018-2019	2017-2018
	Kshs	Kshs
Non-Financial Assets		
Construction of Buildings		-
Refurbishment of Buildings	441,538	1,572,380
Construction and Civil Works	47,353,962	4,309,380
Overhaul of Vehicles and Other Transport Equipment	371,432	600,000
Purchase of Furniture and Institutional Equipment	498,135	749,505
Purchase of Office Furniture and General Equipment	587,264	2,732,995
Purchase of Specialized Plant, Equipment and Machinery		39,508,337
Rehabilitation and Renovation of Plant, Machinery and Equip.	388,867	700,000
Sub-total	49,641,197	50,172,596
Financial Assets		
Domestic Lending and On-Lending	85,000,000	100,000,000
Sub-total	85,000,000	100,000,000
Total	134,641,197	150,172,596

The amount of Kshs 85 million under domestic lending relates to allocation for Mortgage and car loan scheme for Commission staff. The fund is administered by Kenya Commercial bank.

9. Other Payments

	2018-2019	2017-2018
	Kshs	Kshs
Other expenses not classified elsewhere	5,516,071	-
Totals	5,516,071	-

10. Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit etc.	Exc rate (if in foreign currency)	2018-2019	2017-2018
				Kshs	Kshs
Central Bank of Kenya Rec A/c no. 1000181297				290,335	954,501
Central Bank of Kenya Dev A/c no. 10000182199				1,643,038	3,717,668
Central Bank of Kenya Dep A/c no. 1000182113				13,856,958	9,261,262
Total				15,790,331	13,933,431

10. Cash in hand

	2018-2019	2017-2018
	Kshs	Kshs
Cash in Hand – Held in domestic currency	53,345	106,933
Total	53,345	106,933

12. Accounts Receivable –Salary Advances

Description	2018-2019	2017-2018
	Kshs	Kshs
Salary advances	558,749	585,655
Total	558,749	585,655

Name of Officer or Institution	Date Salary Advance Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Mr. Victor OwinoAchola	18-Mar			87.55
Mr. Moses Eliyalsika	APR.19	101,640	25,410	76,230.00
Dr. Julius OngeraMoturi	01-Oct	311,440	233,580	77,859.90
Mrs. Faith AnjiliOkuku	01-Jan	222,457	92,691	129,766.70
Mr.DismasOpandeOgot	APR.19	336,692	126,260	210,432.30
Mr. Jackson OnyangoOganga	01-Jun	70,225	5,852	64,372.55
Total			708,416	558,749

13. ACCOUNTS PAYABLE

Description	2018-2019	2017-2018
	Kshs	Kshs
Deposits	13,856,958	9,261,262
Total	13,856,958	9,261,262

14. Fund Balance Brought Forward

Description	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	13,933,431	18,356,383
Cash in hand	106,933	39,563
Accounts Receivables	585,654	277,733
Accounts Payables	(9,261,262)	(9,650,857)
Total	5,364,756	9,022,822

15. Prior Year Adjustments

Description of the error	2018-2019	2017-2018
	Kshs	Kshs
Adjustments on receivables	(585,654)	-
Others (specify)	(5,516,071)	(2,505,333)
TOTAL	(6,101,725)	(2,505,333)

Prior year adjustment 2017-2018 was ksh. 2,505,333 and the current year ksh. 6,101,725 the net increase has affected the cashflow for the current financial year by net of kshs. 3,010,738.

15.1 Prior Year Adjustments Analysis

Description of the error	2018-2019	2017-2018
	Kshs	Kshs
Unsurrendered imprest	44,440	-
2019-2020 Adjustment	34,489	-
TOTAL	78,929	-

The unsurrendered imprest ksh. 44,440 relates to the amount recovered from the Chairman in the current financial year. Ksh. 34, 489 is suspense to be cleared in the subsequent financial year.

16. Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS. The following comprise of related parties to the Public Service Commission Key management personnel that include the Cabinet Secretaries and Accounting Officers.

Related party transactions:


	2018- 2019	2017- 2018
	Kshs	Kshs
Key Management Compensation	77,700,621	70,870,416
Total Transfers to related parties	77,700,621	70,870,416

17. Other Important Disclosures

18. Progress on Follow Up of Auditor Recommendations

[illegible]

There were no issues raised by the external auditor


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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Description	Balance b/f FY 2017/2018 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2018/2019 Kshs
Supply of goods				
AGPO BILLS				
1. Tom Autocare		868,600		868,600
2. Click Interactive Media Limited		5,400,000		5,400,000
3. Visrom Company Limited		2,111,200		2,111,200
4. Frijo Enterprises		850,000		850,000
5. Galaxy Limited		1,840,000		1,840,000
6. Ajay Wide Scale Limited		664,000		664,000
7. Hosani East Africa Limited		2,225,000		2,225,000
Supply of services				
Total		13,958,800		13,958,800

ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/2018	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 2018/2019
Land				
Buildings and structures	336,179,557.10	5,571,280.00		341,750,837.10
Transport equipment	197,493,813.00			197,493,813.00
Office equipment, furniture and fittings	48,760,156.00	11,493,199.00	287,600	59,965,755.00
ICT Equipment, Software and Other ICT Assets	168,183,515.15			168,183,515.15
Other Machinery and Equipment	0	1,412,204.00		1,412,204.00
Heritage and cultural assets				
Intangible assets				
Total	750,617,041.25	18,476,683	287,600	768,806,124.25
Office equipment, furniture and fittings	48,760,156.00	11,493,199.00	287,600	59,965,755.00
ICT Equipment, Software and Other ICT Assets	168,183,515.15			168,183,515.15
Other Machinery and Equipment	0	1,412,204.00		1,412,204.00
Heritage and cultural assets				
Intangible assets				
Total	750,617,041.25	18,476,683	287,600	768,806,124.25