



REPUBLIC OF KENYA



Salaries & Remuneration
Commission

Rewarding productivity

THE PUBLIC SECTOR WAGE BILL STUDY

*Lessons Learned from State Corporations
and County Governments*



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ACRONYMS AND ABBREVIATIONS

BOM	Board of Management
CARPS	Capacity Assessment and Rationalization of the Public Service
CASB	County Assembly Service Board
CBA	Collective Bargaining Agreement
CEC	County Executive Committee
CEO	Chief Executive Officer
COG	Council of Governors
CPI	Consumer Price Index
CPSB	County Public Service Board
CRA	Commission on Revenue Allocation
DANIDA	Danish International Development Agency
DPSM	Directorate of Public Service Management
DSA	Daily Subsistence Allowance
ECDE	Early Childhood Development Education
ERP	Enterprise Resource Planning
GHRIS	Government Human Resource Information System
HR	Human Resource
HRP	Human Resource Plan
HRMIS	Human Resources Management Information System
IFMIS	Integrated Financial Management Information System
IHR	Integrated Human Resource
IPPD	Integrated Payroll and Personnel Database
KNUN	Kenya National Union of Nurses
MCA	Member of County Assembly
MBS	Moran of the Order of the Burning Spear
MDA	Ministries Departments and Agencies
MPSY&GA	Ministry of Public Service, Youth and Gender Affairs
MTEF	Medium Term Expenditure Framework
NAV	Navision
NHIF	National Hospital Insurance Fund
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
PLWD	Persons Living With Disability
PMS	Performance Management System
PSC	Public Service Commission

PWBS	Public Wage Bill Management Study
SCAC	State Corporations Advisory Committee
Sida	Swedish International Development Cooperation Agency
SOCATT	Society of Clerks at the Table
SOE	State-Owned Entity/Enterprise
SPSS	Statistical Package for Social Sciences
SRC	Salaries and Remuneration Commission
TA	Transition Authority
USAID	U.S. Agency for International Development

FOREWORD

The Salaries and Remuneration Commission (SRC), in accordance with its Mandate, sets and reviews remuneration and benefits for State Officers and advises on remuneration and benefits for other Public Officers by issuing Gazettes notices, circulars and advisories. The Commission conducts regular Compliance Checks to track implementation. The Compliance Checks provides institutions with opportunities to share experiences and seek clarification on implementation of the Gazette notices, circulars and advisories

To strengthen the management of public wage bill, SRC joined hands with the National Treasury, Council of Governors, Office of the Auditor General, Commission on Revenue Allocation, Office of the Controller of Budget, Public Service Commission and Ministry of Public Service, Youth and Gender Affairs to carry out a Public Sector Wage Bill Management Study and Compliance Checks in 66 State Corporations and 32 County Governments. The World Bank provided financial and technical support throughout the exercise.

The study provides lessons on management of wage expenditure and establishment of controls at both National and County governments. The study also provides a platform for Ministries, Departments and Agencies to benchmark against each other on wage bill policies and practices, and public sector outputs and outcomes. The study and compliance checks provides information on existing human resource policies and procedures, payroll management, performance management, pension management, and levels of compliance on implementation of SRC's circulars and advisories.

Arising from the study, five key areas are identified for urgent attention as follows;

- (i) Harmonization of public sector human resource policies,
- (ii) Automation and integration of payroll management system and regular internal and external payroll audits,
- (iii) Institutionalization and standardization of performance management practices across the public service,
- (iv) Impact evaluation of training, and
- (v) Harmonization of retirement benefits schemes across the public service.

I look forward to collaborating with all our stakeholders in implementing the recommendations that will contribute in the transformation of the public service to be more efficient and effective, as well as make the wage bill affordable and sustainable.



Mrs. Lyn C. Mengich
Chairperson

ACKNOWLEDGMENT

The Public Wage Bill Management Study and subsequent publication of this report has been made possible through the invaluable contributions of many individuals and institutions.

The Commission highly appreciates the support and the leadership role in Public Wage Bill Management Study provided by the first SRC Commissioners who put in long hours beyond the call of duty to ensure that the exercise was conceptualized and approved as a major activity of the first Commission.

The collaborative stakeholders and respondents are also acknowledged for support and contribution to the study. These include: The National Treasury and Planning, Council of Governors (COG), Office of the Auditor General (OAG), Commission on Revenue Allocation (CRA), Office of the Controller of Budget (OCOB), Public Service Commission (PSC), Ministry of Public Service, Youth and Gender Affairs (Directorate of Public Service Management), the State Corporations and County Governments.

Special thanks to the World Bank's Kenya Accountable Devolution Program (funded by DANIDA, the European Union, Finland, SIDA-Sweden, UKAid, and USAID) for financial and technical support during the study, and the SRC Technical Committee members, specifically John K. Monyoncho, Dr. Hilary Patroba, Mokua Nyandieka, Cleopus Wang'ombe, Beatrice Olwa, Bernard Motieri, Kirwa Lelei, Mary Musau, Martin Kirun'go, Francis Kiboi and Gregory Ogwel for their invaluable contribution in preparing this report.

The Commission finally acknowledges the contribution and unswerving support from SRC Secretariat team for their commitment and diligence in carrying out the Public Wage Bill Management Study and Compliance Checks.



Mrs. Anne R. Gitau, MBS
Commission Secretary/CEO

EXECUTIVE SUMMARY

Prudent management of the public wage bill is essential for effective functioning of any economy. It is envisaged that improvement in public wage bill management in the public service of Kenya will ensure not only efficiency in service delivery, but also a sustainable and globally competitive economy for the nation. The public wage bill has been rising over the years and there has been concerted effort in the government to bring it to a level which is affordable, competitive, equitable, transparent, and sustainable.

It is for this reason that the 2018 Public Wage Bill Management Study (PWBS) seeks to determine the level of the public wage bill and the associated policies and practices, to inform management of the wage bill. The study, covering state corporations and counties, explores human resource management and organizational strategies, practices, policies, and processes at the institutional level. It was found that institutions use human resource policies and procedures to guide recruitment, promotion, performance management, as well as training. There is widespread use of both automated and manual human resources management information system (HRMIS). It is essential to mainstream and strengthen the use of an integrated HRMIS for the public sector that incorporates existing functionalities in the Integrated Payroll and Personnel Database (IPPD) and Government Human Resource Information System (GHRIS) across public sector institutions to reduce wastages and curb abuse of resources.

The report further examines recruitment and promotion processes as well as the existing guidelines and finds that staff establishment does not inform recruitment in most institutions, a poor practice in the public service. The study also explores age cohorts of employees as a pointer of career management in the public service. The results agree with the Capacity Assessment and Rationalization of the Public Service (CARPS) report that the public service is characterized by an aging population. Lack of succession plans in institutions shows there is no systematic way of determining critical roles within an organization or identifying and assessing possible successors. Consequently, if the situation is not addressed in time, the repercussions will be felt in delivery of public services.

The study assessed payroll management, which is a critical driver of the organization's employee relations. Although some institutions have embraced an integrated system, there are many using both manual and automated systems with others going manual, a practice that should be discouraged. A broad array of payroll control measures has been put in place at the institutional level to prevent fraud. The control measures also cover internal and external audits. Although external audit of the payroll system is predominant, it is infrequent.

Finally, the report focuses on the level of implementation of the Salaries and Remuneration Commission (SRC) advisories. Implementation of the salary structures arising from the job evaluation was done largely by counties, with state corporations registering less than half. The implementation process had challenges, with institutions citing cases of different salary structures within job groups, budget constraints, and ongoing or planned restructuring of institutions. Implementation of other circulars issued by the Commission was reportedly satisfactory. The report also covers areas of noncompliance and challenges faced in implementation of the circulars. Some of the challenges include budgetary constraints, issuance of remuneration advisories by different government agencies, and differences in salary structures common in counties. Overall, the Commission seeks to have more stakeholder engagements to enhance understanding and implementation of its advisories. It is also through stakeholder engagement that cases can be handled outside the court.

CHAPTER 1

INTRODUCTION

1.0 Background

The Salaries and Remuneration Commission (SRC) is one of the constitutional commissions established under Chapter 12, Article 230 and Chapter 15, Article 248 (2) (h) of the Constitution of Kenya. It is mandated to set and regularly review the remuneration and benefits of all state officers and advise the national and county governments on the remuneration and benefits of all other public officers. In performing its functions, the Commission is required to consider four overarching principles as outlined in Article 230 (5) of the Constitution of Kenya:

- (a) The need to ensure that the total public wage compensation bill is fiscally sustainable;
- (b) The need to ensure that the public services are able to attract and retain the skills required to execute their functions;
- (c) The need to recognize productivity and performance; and
- (d) Transparency and fairness.

Section 12 of the SRC Act of 2011 further requires the Commission to be guided by the principle of equal remuneration to persons for work of equal value.

The above mentioned principles imply that SRC has an obligation to ensure that total public wage bill is fiscally sustainable, while attracting and retaining requisite skills in the public service. In line with these principles, the Public Wage Bill Management Study (PWBS) and compliance checks were conducted by SRC.

The PWBS provides an understanding of the areas that require attention for the management of the public wage bill as aligned to Kenya Vision 2030 and national goals. The wage bill is defined as the total remuneration and benefits paid to employees by the employer for work performed. The wage bill in the public sector comprises basic salaries; remunerative allowances such as house and commuter; other allowances such as hardship, extraneous, domestic, and risk; retirement benefits such as pension and gratuity; other benefits such as insurance covers for medical and personal accident; and rewards for performance such as bonuses and 13th month salary. The public wage bill has over the years depicted an upward trend from Kshs. 465 billion in FY2012/13 to Kshs. 615 billion in FY2015/16, Kshs. 664 billion in FY2016/17 and Kshs. 733 billion in FY2017/18 based on the estimates by the Commission.

1.1 Objectives of the Public Wage Bill Study

The overall objective of the study was to determine the level of the public wage bill and the associated policies and practices that mitigate and/or exacerbate the wage bill. The specific objectives of the study were to:

- (a) Establish controls in managing the public wage bill;
- (b) Establish existing wage determination practices;
- (c) Establish human resources policies and practices on wage management;
- (d) Monitor implementation of corrective measures as advised in the institution's specific compliance reports;
- (e) Determine the extent of the implementation of SRC's advisories, regulations, circulars, and decisions;
- (f) Strengthen partnerships and synergies with stakeholders who consume and/or implement SRC circulars; and
- (g) Make recommendations based on the findings of the study and compliance checks.

1.2 Justification

To strengthen the management of the county public wage bill so that it is affordable, competitive, equitable, transparent, and sustainable, SRC and other government stakeholders need to regularly and consistently analyze the county wage bill data for the identification of emerging wage bill trends and intrinsic and extrinsic characteristics of the trends.

Currently, there is only quarterly reporting of county-level payroll data to the central government, which hinders timely and comprehensive analysis of the public wage bill. As part of this activity, the institutional and legal frameworks at the county level were mapped and analyzed to identify possible challenges in collating the data. Second, a regular reporting framework will be developed so that the county wage bill data are reported monthly.

The Commission has issued several circulars and advisories to the national and county governments, clarifying specific issues of remuneration and benefits. To ensure adherence to these circulars and regulations, the Commission continuously monitors the implementation of its advice to enhance compliance levels. This is undertaken through regular compliance checks, thus promoting continuous engagement with its stakeholders.

It is envisaged that improvement in public wage bill management in Kenya will ensure not only efficiency in service delivery, but also a sustainable and globally competitive economy for the nation. The findings of the PWBS will, therefore, guide SRC in the management of the public wage bill. The output of the study also aims at linking human resource management and organizational strategies, practices, policies, and processes to realize the goals and objectives of the Kenyan public service.

1.3 Scope

The scope of the survey was both at the national and county government levels. In particular, the study covered 72 state corporations and 32 county governments, both in the executive and legislative arms of county governments. This translated into 136 institutions.

1.4 Methodology

A combination of qualitative and quantitative data collection approaches was applied in carrying out the study.

1.4.1 Study Design

The study employed a survey design with both qualitative and quantitative techniques. It involved sampling a section of the entire population for inclusion in the study. A structured questionnaire with both closed-ended and open-ended questions was administered. Closed-ended questions gathered quantitative information about the segment of the population, while open-ended questions gathered qualitative data to further explain certain elements of the same group.

1.4.2 Sample Selection

The Commission conducted compliance checks in 18 counties between October 31, 2017 and November 11, 2017 to determine the level of compliance to SRC circulars and advisories. The 18 counties included Baringo, Bomet, Elgeyo Marakwet, Homa Bay, Isiolo, Kirinyaga, Kisii, Kisumu, Laikipia, Marsabit, Meru, Migori, Nakuru, Nyamira, Nyandarua, Samburu, Tharaka Nithi, and Uasin Gishu.

Compliance checks for the remaining 29 counties will be undertaken at a later date, and therefore, they were given preference during the process of selecting counties for this study. They included Embu, Kitui, Machakos, Makueni, Nyeri, Murang'a, Turkana, West Pokot, Trans Nzoia, Nandi, Kericho, Narok, Kajiado, Kakamega, Vihiga, Busia, Siaya, Tana River, Kilifi, Mombasa, Lamu, Taita Taveta, Kwale, Garissa, Wajir, Mandera, Kiambu, Bungoma and Nairobi. However, due to adverse weather condition, regional balance, and security consideration, Lamu, Wajir, and Mandera counties were omitted from the sample size, while Kiambu and Nairobi were targeted for pretesting of the data collection tool.

In addition to the 29 counties, some other counties that were visited in October, 2017 and have continued to experience challenges in adherence to the set and advised remuneration and benefits structure were also sampled for this study. They included Laikipia, Bomet, Kisumu, Kisii, Kirinyaga, Tharaka Nithi, Meru, and Embu counties.

Laikipia, Bomet, and Kisumu counties provided feedback on the checks; Kisii, Kirinyaga, and Tharaka Nithi counties sought guidance on specific issues on remuneration and benefits from the commission while Meru and Embu had issues of noncompliance, especially on car loan and mortgage, necessitating further compliance visits.

Based on the above considerations, 32 county governments were selected for the study as presented in Table 1.1. County governments comprise the executive and the legislative arms, resulting in a sample size of 64 institutions, made up of 32 county executives and 32 county assemblies.

Table 1.1: Counties Sampled for the Study

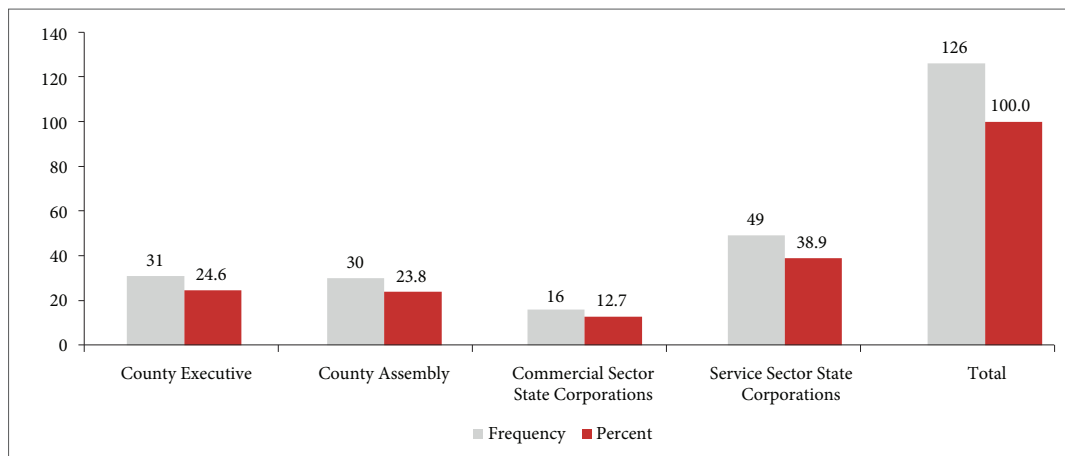
Embu	Trans Nzoia	Siaya	Kisii
Kitui	Nandi	Taita Taveta	Tharaka Nithi
Machakos	Kericho	Mombasa	Kirinyaga
Makueni	Narok	Kwale	Busia
Nyeri	Kajiado	Laikipia	Meru
Murang'a	Kakamega	Bomet	Garissa
West Pokot	Vihiga	Kisumu	Isiolo
Marsabit	Samburu	Nakuru	Nyandarua

Further, the study had a sample of 72 state corporations. Some of these institutions were those the Commission had advised on basic salary structure based on the job evaluation:

- (a) All the 46 state corporations that were advised on basic salary structure for job evaluation, disaggregated as 36 service and regulatory corporations and 10 commercial and strategic corporations.
- (b) A total of 26 state corporations that were advised to retain the current salary structures, disaggregated as 20 service and regulatory state corporations and 6 commercial and strategic corporations.
- (c) A total of 72 state corporations were therefore sampled, which comprised 56 service and regulatory corporations and 16 commercial and strategic corporations.

However, only 66 state corporations, 32 county executives, and 32 county assemblies were visited for the study, translating to 130 institutions. Figure 1.1 reveals that out of the 130 institutions, 126 responded, representing 92.6 percent response rate, which is considerably adequate for analysis and presentation.

Figure 1.1: Distribution of Responding Institutions



1.5 Data Collection and Quality Control

The Commission developed a data collection tool that was validated through a consultative process involving SRC, Ministry of Public Service, Youth, and Gender Affairs (MPSY&GA); Public Service Commission (PSC); Office of the Controller of Budget (OCOB); Office of the Auditor General (OAG); and the World Bank. The validation workshop of the data collection tool was undertaken at Sarova Panafric Hotel, Nairobi, on April 10, 2018.

Data collection enumerators comprising staff from aforementioned institutions were thereafter trained. The objective was to prepare a team with the right blend of knowledge, attitudes, and skills to effectively undertake the PWBS and compliance checks. Specifically, the training:

- (a) Gave an overview of SRC's mandate;
- (b) Explained the importance of the study;
- (c) Equipped the team with basic interviewing skills;
- (d) Emphasized the importance of research ethics;
- (e) Outlined the roles and responsibilities of the different members of the team: data collection officers and coordinators; and
- (f) Pretested the public wage bill data collection tool.

Pretesting of the data collection tool was conducted between April 12, and 17, 2018, at Nairobi City County Executive, Kiambu County Executive, Capital Markets Authority (CMA), National Lands Commission, and MPSY&GA.

Training for fieldwork personnel was undertaken on May 23, 2018, at Radisson Blue Hotel, Nairobi. This covered the contents of the questionnaire as well as PWBS concepts, research ethics, logistics, and other related issues. The study personnel were also taken through the standard study or survey methodology and data collection procedures,

which included, among others, how to undertake interviews and record different types of responses. The training was facilitated by SRC's Director of Research, Compliance, Policy and Planning. The data collection for the exercise took place between May 28 and June 4, 2018, for State-Owned Enterprises (SOEs) and between June 18 and 29, 2018, for counties.

1.6 Data Processing and Analysis

The data collected from the sampled institutions formed the critical pillar of the PWBS. As a matter of procedure, initial manual editing was done in the field by the enumerators. The coordinators comprised members of SRC's Senior Management Team who further checked the questionnaires and validated the data, in the field, by overseeing the process of data collection and randomly sampling the completed questionnaires. After the questionnaires were received from the field, the team leaders reviewed all the questionnaires submitted by the respective teams. All questionnaires were processed through initial coding of open-ended questions. Thereafter, the data were captured using Statistical Package for the Social Sciences (SPSS) version 17 through a data entry screen specially created with checks to ensure accuracy during data entry. All questionnaires were double checked to ensure data quality. Erroneous entries and potential outliers were then verified and corrected appropriately. Thirteen data entry personnel drawn from SRC's technical staff were engaged during the exercise.

The captured data were then cleaned and analyzed based on frequency runs and cross-tabulations which assisted in comparing institutions' responses. The qualitative data were captured and analyzed using content analysis.

1.7 Organization of the Report

The report is organized as follows. Chapter 1 outlines the introduction and Chapter 2 presents human resources policies and practices including staff complement, performance management system (PMS), training and development, human resources management information system (HRMIS), attraction and retention of employees, succession planning, and terms and conditions of employment. Chapter 3 presents trends in the public sector wage bill. Chapter 4 presents payroll management control mechanism. Chapter 5 presents level of compliance to SRC advisories, and Chapter 6 presents recommendations and conclusions.

CHAPTER 2

HUMAN RESOURCES POLICIES AND PRACTICES

2.0 Background

The legal framework for *Human Resource Management Policies and Practices in Kenya* is guided by the Constitution of Kenya, 2010; Employment Act, 2007; labor laws; Public Service Commission Act, 2017; County Government Act, 2012; and specific legislations for state corporations, and constitutional commissions and independent offices. Regulations issued from time to time pursuant to various Acts of Parliament also guide specific areas relating to terms and conditions of service for public officers.

The management of Human Resource (HR) in Kenya is informed by various institution-specific *Human Resources Policies and Practices* that have been established over time. The PSC is involved in providing HR policies and regulations in the public service. In May 2016, the PSC developed and operationalized *Human Resource Policies and Procedures* for the Public Service and public service institutions, across all sectors, are required to align their HR policies to the *PSC HR Policies and Procedures Manual* (2016).

HR management practices in the public sector are further supplemented by policies on employee resourcing and retention, succession planning, career progression, performance management, training and development and HRMIS. These practices, as contained in various policy documents, determine the terms and conditions of employment, and are a key determinant of public sector wage bill.

Prudent HR policies and practices are important in answering the question on whether the current staff complement is adequate to address government's performance targets, such as provision of services resulting in higher revenue collection. It also ensures that HR planning is linked to budget planning process, through which wages for public officers are considered. Non-coordinated implementation of HR policies and practices may lead to a bloated workforce causing escalation of the public wage bill in the short run and unsustainable wage bill in the long run.

2.1 Human Resource Policies and Procedures

The study sought to understand the effects of HR policies and practices in areas of recruitment, promotion, performance management and training both state corporations and county governments. The study shows that 95.9 percent of the institutions had *HR Policies and Procedures* on recruitment, promotion, performance management, and training, as shown in Table 2.1.

Table 2.1: Distribution of Institutions with Human Resource Policies and Procedures

Sector	Number of Institutions			Response within the Subsector (%)		
	Yes	No	Total	Yes	No	Total
County Executives	28.0	2.0	30.0	93.3	6.7	100.0
County Assemblies	28.0	2.0	30.0	93.3	6.7	100.0
Commercial Sector State Corporations	15.0	0.0	15.0	100.0	0.0	100.0
Service Sector State Corporations	47.0	1.0	48.0	97.9	2.1	100.0
Total	118.0	5.0	123.0	95.9	4.1	100.0

Figure 2.1 shows that *HR Policies and Procedures Manual* was selected as the most often used at 78.6 percent of total responses. Usage of relevant legislations such as Act of Parliament establishing public institutions had minimal cases at 0.9 percent.

Figure 2.1: Distribution of Documents Guiding Human Resource Policies and Procedures

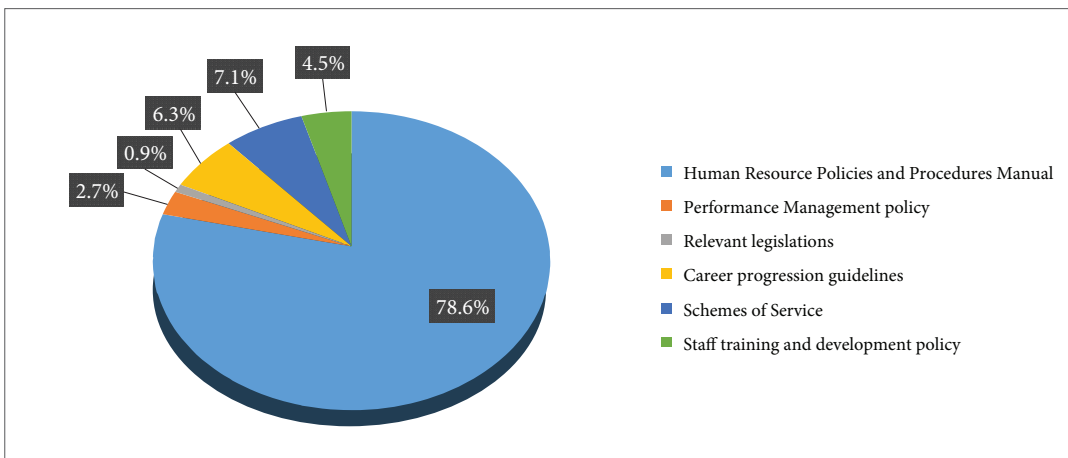


Table 2.2 shows that out of the 78.6 percent of the institutions using *HR Policies and Procedures Manual*, 22.3 percent were County Executives, county assemblies (22.3 percent), commercial sector state corporations (6.3 percent), and service sector state corporations (27.7 percent). *Performance Management Policy* and *Career Progression Guidelines* are mainly used by the service and regulatory state corporations (1.8 percent).

Table 2.2: Percentage Distribution of Institutions Using Various Documents to Guide Institutional Human Resource Policies and Procedures

Sector	HR Policies and Procedures Manual	Performance Management Policy	Relevant Legislations	Career Progression Guidelines	Schemes of Service	Staff Training and Development Policy	Total
	Percent						
County Executive	22.3	0.0	0.9	0.0	3.0	1.0	27.0
County Assemblies	22.3	0.9	0.0	1.8	4.0	1.0	30.0
Commercial Sector State Corporations	6.3	0.0	0.0	0.0	0.0	0.0	6.0
Service Sector State Corporations	27.7	1.8	0.0	4.5	1.0	3.0	38.0
Total	78.6	2.7	0.9	6.3	7.0	5.0	100.0

The findings in Table 2.2 were corroborated by qualitative responses. According to the study, institutions which indicated that they do not have *HR Policies and Procedures* in place to guide their HR practices reported that they use *PSC Human Resource Policies and Procedures Manual (2016)* and *Circulars, Public Service Recruitment and Training Policy, and Relevant Acts of Parliament*. This category of institutions have developed policies of their own for guidance on recruitment, promotion, performance management, and training.

2.1.1 Recruitment Process

The study sought to establish what informs new recruitments per year in the sampled institutions by rank of order of importance. Table 2.3 reports that less than half of the responding institutions use approved staff establishment (43.4 percent), followed by provision in the strategic plan (15.7 percent), institutional needs (13.0 percent), and budget allocation (11.0 percent) as the main determinants of new recruitments.

Table 2.3: Percentage of Institutions Using Various Policy Documents on Recruitment

Sector	Size by Revenue Received	Approved staff Establishment	Special Project	Strategic Plan Provisions	Budget Allocation	HR Plan	Institutional Needs	Approval/Guidance from Relevant Government Institutions	Staff Establishment from CARPS ^a	Total
	Percent									
County Executive	0.0	9.4	0.0	2.5	5.0	1.0	5.0	0.6	1.9	25.2
County Assemblies	0.0	9.4	0.6	3.8	3.0	1.0	4.0	0.6	0.0	22.0
Commercial Sector State Corporations	0.6	6.3	0.0	3.1	0.0	2.0	1.0	1.3	0.0	13.8
Service Sector State Corporations	1.3	18.2	0.0	6.3	4.0	4.0	3.0	1.9	0.0	39.0
Total	1.9	43.4	0.6	15.7	11.0	8.0	13.0	4.4	1.9	100.0

The study also found that the recruitment process involves the following steps: identification of vacancies by the user department; confirmation of vacancies in the staff establishment; confirmation of availability of funds; advertisement; recruitment and selection; placement; and induction of the recruited officers.

2.1.2 Institutional Promotions

The study sought to determine the number of promotions across the public sector for the period between FY2012/13 and FY2017/18 (end of December 2017). A total of 45,620 officers were promoted between FY2012/13 and FY2017/18 (end of December 2017). Technical staff had the highest number of promotions at 20,552 officers, followed by support staff (middle) at 14,347 officers, and support staff (lower) at 8,445 officers. Policy makers were the least promoted (385 officers). FY2016/17 recorded the highest number of promotions (11,193 officers) as shown in Table 2.4.

Table 2.4: Distribution of Total Employee Promoted across Sampled Institutions

Financial Year	Policy Makers	Senior Managers	Technical Staff	Support Staff (Middle)	Support Staff (Lower)	Total
2012/13	46	186	2,197	2,014	1,120	5,563
2013/14	52	267	2,083	1,703	1,121	5,226
2014/15	99	385	2,759	1,944	1,800	6,987
2015/16	61	393	5,164	2,840	1,324	9,782
2016/17	62	423	5,599	3,169	1,940	11,193
2017/18 (end of December 2017)	65	237	2,750	2,677	1,140	6,869
Total	385	1,891	20,552	14,347	8,445	45,620

a) Promotions in County Executive

County executives recorded the highest number of promotions at all job levels, with 35,885 promotions. Out of the 35,885 promotions reported for county executives, technical staff had the highest number of promotions at 16,645, followed by support staff (middle) at 11,645; while policy makers had the least number of promotions at 215. FY2016/17 recorded the highest number of promotions at 9,988 officers, as shown in Table 2.5.

Table 2.5: Distribution of Employee Promoted in Sampled County Executives

Financial Year	Policy Makers	Senior Managers	Technical Staff	Support Staff (Middle)	Support Staff (Lower)	Total
2012/13	35	104	1,524	1,540	857	4,060
2013/14	35	105	1,594	1,344	752	3,830
2014/15	35	121	1,616	1,313	762	3,847
2015/16	36	138	4,573	2,306	1,264	8,317
2016/17	34	220	5,043	2,857	1,834	9,988
2017/18 (end of December 2017)	40	140	2,295	2,285	1,083	5,843
Total	215	828	16,645	11,645	6,552	35,885

b) Promotions in County Assemblies

County assemblies recorded the lowest number (1,083) of promotions at all job levels. Out of the 1,083 promotions reported in county assemblies, technical staff had the highest number of promotions (576 officers), followed by senior managers (251 officers), while policy makers had the least number of promotions (15 officers). In county assemblies, FY2016/17 had the highest number of promotions at 286 officers, while FY2012/13 had the least (30 officers), as shown in Table 2.6.

Table 2.6: Distribution of Employees Promoted in the County Assemblies

Financial Year	Policy Makers	Senior Managers	Technical Staff	Support Staff (Middle)	Support Staff (Lower)	Total
2012/13	2	10	7	3	8	30
2013/14	2	40	93	27	8	170
2014/15	2	39	105	27	8	181
2015/16	3	44	100	30	1	178
2016/17	4	79	153	33	17	286
2017/18 (end of December 2017)	2	39	118	24	10	193
Total	15	251	576	144	52	1,038

Commercial sector state corporations recorded more promotions (5,276) than service sector state corporations (3,421). Technical staff had the highest number of promotions at 1,911 officers, followed by support staff (lower) at 1,564 officers, while the policy makers had the least number of promotions (121 officers). FY2014/15 recorded the highest number of promotions (2,330), while FY2016/17 had the least number (317 officers), as shown in Table 2.7.

Table 2.7: Distribution of Employees Promoted in Sampled Commercial Sector State Corporations (2012/13–December 2017)

Financial Year	Policy Makers	Senior Managers	Technical Staff	Support Staff (Middle)	Support Staff (Lower)	Total
2012/13	5	18	202	158	141	524
2013/14	13	70	238	232	345	898
2014/15	57	79	797	394	1,003	2,330
2015/16	19	123	233	150	3	528
2016/17	8	24	201	47	37	317
2017/18 (end of December 2017)	19	34	240	351	35	679
Total	121	348	1,911	1,332	1,564	5,276

c) Promotions in Service Sector State Corporations

Technical staff had the highest number of promotions at 1,420 followed by support staff (middle) at 1,226 officers, while policy makers had the least number of promotions (34 officers). FY2012/13 had the highest number of promotions at 949 officers, while 2017/18 had the least number of promotions (154 officers), as shown in the Table 2.8.

Table 2.8: Distribution of Employees Promoted in Sampled Service Sector State Corporations (2012/13–December 2017)

Financial Year	Policy Makers	Senior Managers	Technical Staff	Support Staff (Middle)	Support Staff (Lower)	Total
2012/13	4	54	464	313	114	949
2013/14	2	52	158	100	16	328
2014/15	5	146	241	210	27	629
2015/16	3	88	258	354	56	759
2016/17	16	100	202	232	52	602
2017/18 (end of December 2017)	4	24	97	17	12	154
Total	34	464	1,420	1,226	277	3,421

2.2 Staff Complement

The *PSC Guide on Career Management in the Civil Service* (2018) defines career management as the provision of opportunities for employees to develop their abilities and careers to ensure that the organization has the flow of talent it needs, and to satisfy its own aspirations. The civil service has a defined career structure and sequence of job positions in different cadres that leads to specific career levels. Upward mobility is based on years of experience in a particular job grade, academic and professional qualifications. This has partly contributed to the succession gaps in the service. The CARPS program conducted in both the national and county governments revealed that the public service is faced with an aging workforce. In view of this, the study sought to establish the various age cohorts.

2.2.1 Age Cohorts

The study found that 36 percent of employees at the institutions sampled are 46–60 years, followed by age cohort of 35–45 years (33 percent), 18–34 years (30 percent), and 1 percent of employees are above 60 years, as shown in Table 2.9.

Table 2.9: Distribution of Employees per Age Cohorts as at December 2017

Age Cohort	Institution	Number	Percent	Total Frequency	Percentage Total
18–34	County Executives	23,311	19.9	34,705	30.0
	County Assemblies	1,972	1.7		
	Commercial Sector State Corporations	6,273	5.4		
	Service Sector State Corporations	3,149	2.7		
35–45	County Executives	24,870	21.3	38,783	33.0
	County Assemblies	1,675	1.4		
	Commercial Sector State Corporations	7,064	6.0		
	Service Sector State Corporations	5,174	4.4		
46–60	County Executives	27,661	23.7	42,529	36.0
	County Assemblies	1,038	0.9		
	Commercial Sector State Corporations	6,913	5.9		
	Service Sector State Corporations	6,917	5.9		
Above 60 Years	County Executives	747	0.6	872	1.0
	County Assemblies	51	0.0		
	Commercial Sector State Corporations	25	0.0		
	Service Sector State Corporations	49	0.0		
Total	All sectors	116,889	100.0	116,889	100.0

Table 2.9 also shows that across the four categories of institutions sampled in the study, the county executives had the highest number of employees in each age cohort. That is, age cohort 18–34 years (19.9 percent), 35–45 years (21.3 percent), 46–60 years (23.7 percent), and above 60 years (0.6 percent). County assemblies had the lowest number of employees in each age cohort with the exception of those above 60 years. Commercial sector state corporations had the lowest number of employees above 60 years (0.0 percent) and more employees than service sector state corporations in each age cohort except for 46–60 years and above 60 years at 5.9 percent and 0.0 percent, respectively. County executives had the highest number of employees (747) above 60 years, while commercial sector state corporations had the highest number of employees in age cohorts 18–34, 34–45, and 46–60.

The high number of staff in the 46–60 years age cohort (36 percent), as shown in Table 2.9, indicates an aging workforce in the public service. The county executives have the highest number of employees in this age cohort. There is need, therefore, for the development and implementation of a succession planning policy for the public sector to address the aging workforce in the public sector.

2.2.2 Management of Career Progression

A total of 83.6 percent of the 122 respondent institutions had scheme(s) of service and/or career progression guidelines. This comprised service sector state corporations (38.5 percent), county executives (24.6 percent), county assemblies (23.8 percent), and commercial sector state corporations (13.1 percent), as shown in Table 2.10.

Table 2.10: Distribution of Institutions with Schemes of Service and/or Career Progression Guidelines

Sector	Frequency			Response within the Subsector (%)			Response across All Sectors (%)		
	Yes	No	Total	Yes	No	Total	Yes	No	Total
County Executives	25	5	30	83.3	16.7	100.0	20.5	4.1	24.6
County Assemblies	24	5	29	82.8	17.2	100.0	19.7	4.1	23.8
Commercial Sector State Corporations	14	2	16	87.5	12.5	100.0	11.5	1.6	13.1
Service Sector State Corporations	39	8	47	83.0	17.0	100.0	32.0	6.6	38.5
Total	102	20	122	83.6	16.4	100.0	83.6	16.4	100.0

Table 2.10 shows that whereas 83.6 percent of public institutions mostly use institution-specific guidelines to guide career progression for their employees, other documents commonly used include PSC's approved scheme of service and career progression for civil service (38.5 percent), followed by schemes of service developed by Society of Clerks at the Table in Kenya (SOCATT), and HR manuals (23.1 percent). Approved staff establishment (3.8 percent) and PMS (3.8 percent) are least used by public service institutions to guide career progression for their employees.

Figure 2.2: Distribution of Other Documents Guiding Career Progression

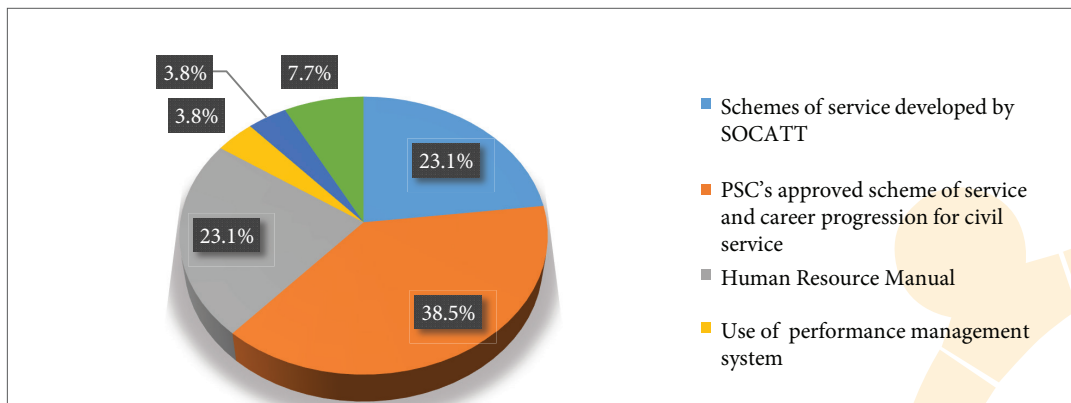


Figure 2.2 shows that schemes of service developed by SOCATT are mostly used by county assemblies (15.4 percent). PSC's approved scheme of service and career progression for civil service are predominantly used by county executives (19.2 percent). Service sector state corporations commonly use PSC's approved scheme of service and career progression for civil service (11.5 percent), and HR manuals (11.5 percent). There is need, therefore, for the harmonization of documents guiding career progression in the public sector to ensure accurate forecasting of the anticipated promotions and the corresponding wage bill expenditure for the public sector.

Table 2.11: Distribution of Other Documents Guiding Career Progression

Sector	Schemes of Service Developed by SOCATT	PSC's Scheme of Service and Career Progression for Civil Service	HR Manual	Use of PMS	Approved Staff Establishment	SCAC ^a Guidelines on Recruitment and Promotions	Total
	Percent						
County Executive	7.7	19.2	3.8	0.0	0.0	0.0	31.0
County Assemblies	15.4	3.8	3.8	0.0	0.0	0.0	23.0
Commercial Sector State Corporations	0.0	3.8	3.8	0.0	0.0	4.0	12.0
Service Sector State Corporations	0.0	11.5	11.5	3.8	4.0	4.0	35.0
Total	23.1	38.5	23.1	3.8	4.0	8.0	100.0

Note: a. State Corporations Advisory Committee.

2.3 Performance Management System

Armstrong and Baron (1998) define performance management as a “systematic process for improving organizational performance by developing the performance of individuals and teams. It is a means of getting better results from the organization, teams and individuals by understanding and managing performance within an agreed framework of planned goals, standards and competence requirements.”

Performance Management System in the public service in Kenya is guided by Performance, Rewards and Sanctions Framework for the Public Service (2016). Other instruments include institution-specific staff performance appraisal tools and performance contracting guidelines.

The PWBS sought to ascertain PMSs in place. The systems in place are performance contracting, manual performance appraisal, and automated performance systems to manage performance. The automated PMSs included 360 Degree Feedback, Enterprise Resource Planning (ERP), HR Inspiro, Balance Score Card, Microsoft Navision, ARUTI HRMIS, and SAP, among others.

Table 2.12 shows that more than half (75 percent) of the 120 respondent institutions had PMSs, out of which 36.7 percent were service sector state corporations, 13.3 percent were county assemblies and commercial sector state corporations, while county executives were 11.7 percent.

Table 2.12: Use of Performance Management System per Sector

Sector	Frequency			Response within the Sub Sector (%)			Response across All Sectors (%)		
	Yes	No	Total	Yes	No	Total	Yes	No	Total
County Executives	16	12	28	57.1	42.9	100.0	13.3	10.0	23.3
County Assemblies	14	15	29	48.3	51.7	100.0	11.7	12.5	24.2
Commercial Sector State Corporations	16	0	16	100.0	0.0	100.0	13.3	0.0	13.3
Service Sector State Corporations	44	3	47	93.6	6.4	100.0	36.7	2.5	39.2
Total	90	30	120	75.0	25.0	100.0	75.0	25.0	100.0

The study further revealed that the performance management process among the public sector institutions was that the top management develops and adopts performance targets from the strategic plan for the financial year. Subsequently, the targets are cascaded to departments and individual employees and used in development of work plans and setting up of individual targets. Quarterly and semiannual reviews are undertaken to assess progress, while performance appraisals are carried out by immediate supervisors at the end of the financial year.

2.3.1 Types of Rewards

The study revealed that most institutions use letters of commendation (22.8 percent) to reward performance, followed by promotions (16.5 percent), certificate of recognition (15.4 percent), and monetary award (13.8 percent), as shown in Figure 2.3.

Figure 2.3: Distribution of Rewards Administered

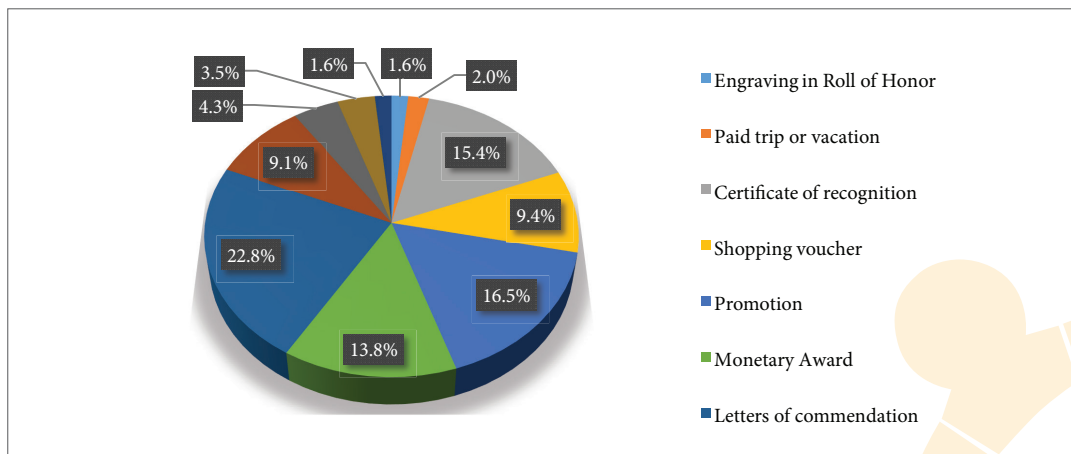


Table 2.13 reveals that less than half (46.1 percent) of the institutions that administer rewards are service sector state corporations, followed by commercial sector state corporations (24.8 percent). Rewards schemes are least administered by county assemblies (11.8 percent).

Table 2.13: Distribution of Rewards Administered

Sector	County Executives	County Assemblies	Commercial Sector State Corporations	Service Sector State Corporations	Total
	Percent				
Engraving in roll of honor	0.4	0.0	1.2	0.0	1.6
Paid trip or vacation	0.0	0.4	0.8	0.8	2.0
Certificate of recognition	2.8	0.8	4.3	7.5	15.4
Shopping voucher	0.0	0.4	3.1	5.9	9.4
Promotion	6.0	3.0	3.0	5.0	16.5
Monetary award	2.0	1.0	3.0	8.0	13.5
Letters of commendation	4.0	2.0	5.0	12.0	22.8
Assigned leadership responsibilities	1.6	3.1	1.6	2.8	9.1
Trophy or shield with engraving	1.6	0.0	1.6	1.2	4.3
Incremental credits	0.4	0.8	0.4	2.0	3.5
Luncheon	0.0	0.0	0.4	0.0	0.4
Appearance in internal magazine	0.0	0.0	0.0	0.4	0.4
Confirmation in appointment	0.0	0.0	0.0	0.4	0.4
Contract renewal	0.0	0.0	0.0	0.4	0.4
Total	17.3	11.8	24.8	46.1	100.0

The study also revealed that out of the 13.5 percent of the institutions that rewarded good performance used monetary rewards, 47.6 percent used 13th salary and 40.5 percent bonus. The 13th salary was the most preferred form of monetary reward for county executives and county assemblies at 7.1 percent and 4.8 percent, respectively. On the other hand, bonus was the most preferred form of monetary reward for service state corporations and commercial state corporations at 31.0 percent and 9.5 percent, respectively (Table 2.14).

Table 2.14: Distribution of Type of Monetary Awards

Sector	13 th Salary	Bonus	Employees of the Year Award ^a	Medallion Award	Total
	Percent				
County Executives	7.1	0.0	2.4	2.4	12.0
County Assemblies	4.8	0.0	2.4	0.0	7.0
Commercial Sector State Corporations	7.1	9.5	0.0	2.4	19.0
Service Sector State Corporations	28.6	31.0	2.4	0.0	62.0
Total	47.6	40.5	7.1	4.8	100.0

Note: a. Kshs.50,000 paid through cheque.

It is, therefore, evident from the foregoing findings that there is need to develop and fully implement a reward mechanism for productivity and performance framework for the public sector. This will ensure that the 75 percent of public institutions currently implementing PMSs are able to negotiate and set performance targets, monitor their implementation, evaluate the achievement of the targets and reward good performance for the period under review. The framework for the public sector would also outline requisite rewards and the corresponding monetary implication that comprises part of the wage bill.

2.3.2 Sanctions for Non-performance

A total of 86 institutions responded on the application of sanctions for non-performance. Out of all the sanctions specified during the study, oral reprimand was mostly used by institutions (27.0 percent), followed by written reprimand (25.2 percent), and deployment (15.7 percent), as shown in Table 2.15.

Retirement was the least used form of sanction at 3.0 percent. Oral reprimand was highly used among the county executives and county assemblies at 6.1 percent and 5.7 percent, respectively. Handwritten reprimand was highly used among the commercial state corporations and service state corporations at 4.0 percent and 13.0 percent, respectively.

Table 2.15: Distribution of Types of Sanctions Administered

Sector	Peer Review	Retirement in the Public interest	Delayed Promotion	Oral Reprimand	Written Reprimand	Redeployment	Demotion	Others (Specify)	Total
	Percent								
County Executives	1.7	0.9	3.5	6.1	5.0	6.0	1.0	0.4	23.9
County Assemblies	1.3	0.0	1.7	5.7	4.0	3.0	0.0	0.4	15.7
Commercial Sector State Corporations	0.9	1.3	1.7	3.9	4.0	3.0	2.0	0.9	17.8
Service Sector State Corporations	2.2	0.9	5.7	11.3	13.0	4.0	2.0	3.9	42.6
Total	6.1	3.0	12.6	27.0	25.0	16.0	5.0	5.7	100.0

To effect sanctions on non-performance, the PMS must be robust. It is recommended that other corrective measures such as coaching, on the job training, and counselling be explored to help improve performance.

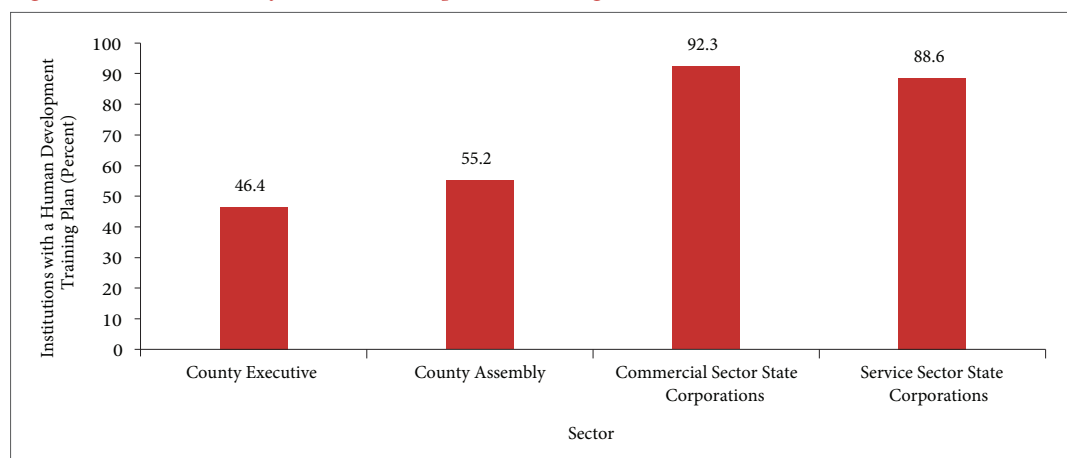
2.4 Training and Development

The development of human resources is important in ensuring employees are equipped with relevant skills, knowledge, and competences for effective performance. Organizations are required to develop training and development plans to guide human resources development initiatives. Government policy requires that at least 2 percent of the recurrent expenditure be set aside for training. To ensure value for public resources spent on training, it is important that public entities evaluate the impact of training on the performance and productivity of employees.

2.4.1 Human Development Training Plan

A total of 114 institutions out of the 126 sampled institutions responded on the existence of a training and development plan. Out of the responding institutions, 70.0 percent reported having human development plans in place. Whereas 92.3 percent of commercial state corporations and 88.6 percent of service state corporations had human development training plans in place, 46.4 percent of county executives, and 55.2 percent of county assemblies had human development training plans in place, as shown in Figure 2.4.

Figure 2.4: Distribution of Human Development Training Plan



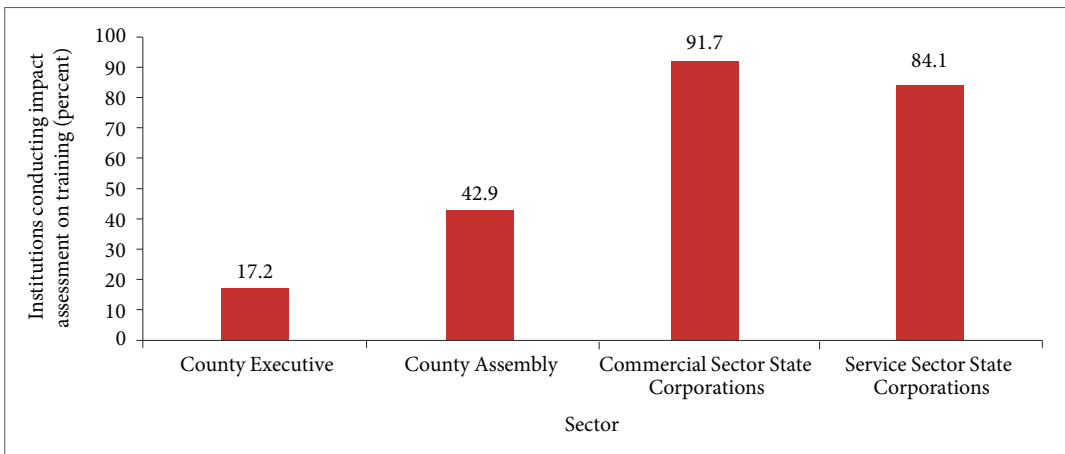
2.4.2 Training Expenditure and Impact of Training

The study sought to establish the expenditure on training and its impact to the institutions. Table 2.16 shows that service and regulatory state corporations spent the highest amount of approximately Kshs. 1.2 billion on training in FY 2016/17. This was followed by commercial and strategic state corporations (Kshs. 770 million).

Table 2.16: Distribution of Expenditure on Training between 2012/13 and 2017/18 (December 2017)

Financial Year	Executive	Assembly	Commercial	Service	Total
2012/13	9,508,635	13,380,000	765,532,342	665,255,776	1,453,676,753
2013/14	612,713,786	182,957,758	614,046,521	699,077,592	2,108,795,658
2014/15	776,549,927	297,769,920	618,864,548	850,971,656	2,544,156,052
2015/16	897,304,670	456,225,962	496,477,446	1,025,233,093	2,875,241,171
2016/17	751,717,618	471,397,666	770,995,186	1,172,616,587	3,166,727,057
2017/18 (December 2017)	323,349,317	186,545,355	245,693,404	482,389,241	1,237,977,318

Figure 2.5 shows that out of the Kshs.13.4 billion that was spent on training over the period under review, more than half (57.5 percent) of the institutions that undertook impact assessment on trainings conducted for staff which had an impact on their employees' performance. Commercial sector state corporations realized the highest impact of trainings conducted for staff (91.7 percent), followed by service sector state corporations (84.1 percent), and county assemblies (42.9 percent). The findings point to the need for strengthening impact assessment of trainings undertaken by public service institutions.

Figure 2.5: Distribution of Impact Assessment of Trainings

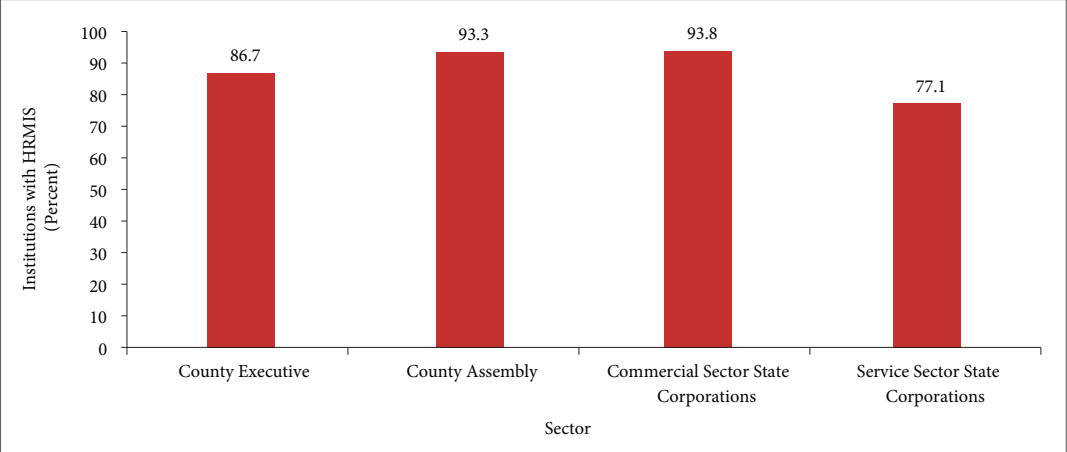
2.5 Human Resource Information Management System

It is a HR software that links a number of systems and processes to promote the efficient management of HR processes and data. It is an important decision-making tool that supports the effectiveness and adeptness of HR operations. Lack of such a system may lead to emergence of ghost workers, resulting in an inflated wage bill.

Prudent management of the public wage bill requires institutions in the public sector to manage their human resources so as to ensure that all public servants are accounted for over the entire cycle of employment from recruitment, issuance of a payroll number,

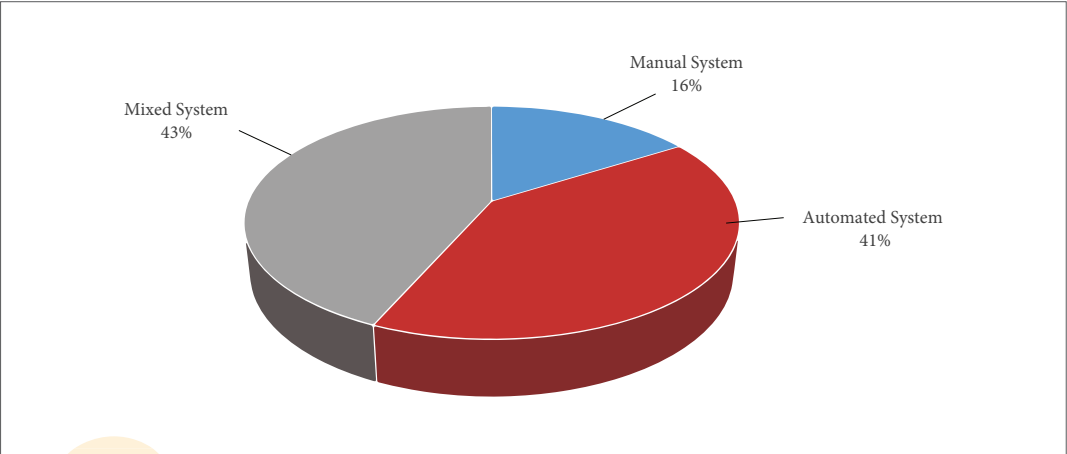
payment of wages, and exiting the service. Availability of HRMIS is an important aspect in achieving this goal. The study, therefore, sought to determine the level of usage of an HRMIS across the four participating sectors. A majority of 85 percent of institutions covered have an HRMIS in place (Figure 2.6).

Figure 2.6: Distribution of HRMIS



The study further revealed that institutions use automated systems, manual systems, or a mix of automated and manual systems. Of the institutions that responded, 43 percent used both systems, while automated system and manual is used by 41 percent and 16 percent, as shown in Figure 2.7.

Figure 2.7: Distribution of Types of HRMIS



Some of the HRMIS used by institutions are:

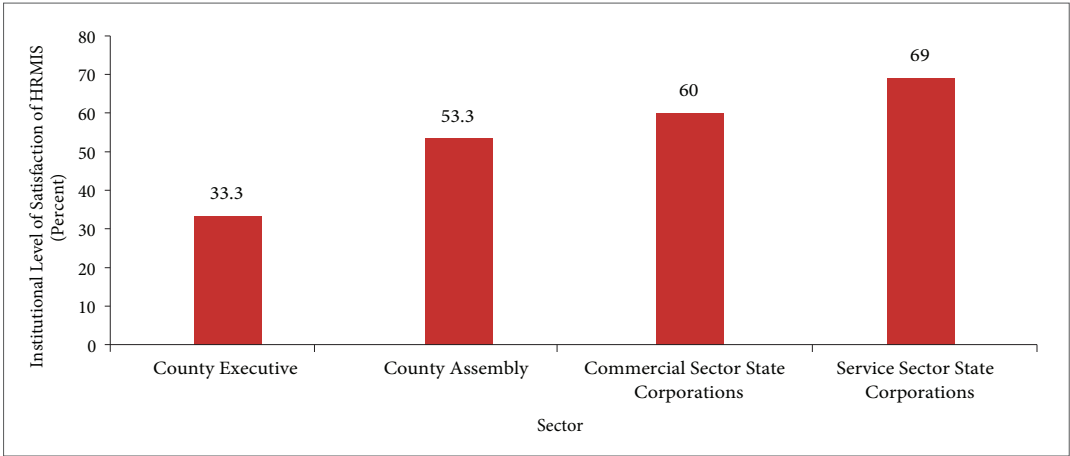
- (a) SAP-HCM has organizational management, personnel administration, payroll, medicare, performance appraisal, time management, overtime management, payroll, and discipline aspects;
- (b) ERP system has payroll and leave management, performance appraisal, and staff information module;
- (c) Manual system, which is mainly Excel based, has personnel files management, leave administration, performance appraisal, payroll, training and development, and medical scheme administration;
- (d) Integrated Payroll and Personnel Database (IPPD) is particularly used for payroll;
- (e) Government Human Resource Information System (GHRIS) provides leave module, personnel file management, performance appraisal, and accessing pay slips;
- (f) Integrated Human Resource (IHR) System is an HRMIS for health staff in the counties;
- (g) Inspiro People entails employee self-service, leave management, staff details, and payroll information;
- (h) Microsoft Dynamics - NAV 2015 has payroll, leave management, performance appraisal, and attendance monitoring;
- (i) PAYFLEX for Early Childhood Development Education (ECDE) teachers which runs separately from IPPD;
- (j) Reward Management Information System; and
- (k) County Sitting Allowance Management System which assists in computing members of county assemblies' sitting allowances.

The findings, therefore, show that some public institutions still use manual systems in the management of human resources. It is recommended that public service promotes the usage of an automated HRMIS, while strengthening IPPD and GHRIS usage.

2.5.1 Level of Satisfaction with HRMIS

Whereas 85.5 percent of institutions are currently using an HRMIS, 55.3 percent of them reported that the current HRMIS meets their expectations. In particular, 69 percent of service state corporations reported that HRMIS met their expectations followed by commercial sector state corporations (60 percent), and county assemblies (53.3 percent), as shown in Figure 2.8.

Figure 2.8: Distribution of Extent of How Systems Meet Expectations



2.6 Attraction and Retention of Employees

The ability to attract and retain talent is critical to the performance and stability of any organization. Exit interviews, therefore, can reveal patterns and the reasons employees leave an organization, thus providing useful solutions to the problem of high turnover and improving staff retention. The study, therefore, sought to determine the characteristics of attraction and retention in the public service.

2.6.1 Exited Workforce

Table 2.17(a) shows that a total of 17,011 employees exited the workforce between June 2013 and December 2017. Out of this, 6,768 employees exited the service through normal retirement, while 64 employees retired on public interest, 926 employees were dismissed, 1,153 employees retrenched, and 2,382 employees resigned. A total of 4,729 employees exited the county executives through normal retirement, while 728 resigned. In comparison to other sectors, the county executives institutions had the highest number of exits through normal retirement (4,729), contract expiry (2,237), and natural attrition (866). On the other hand, 689 employees exited county assemblies through contract expiry, while none exited through retirement on medical ground, public interest, and retrenchment. Majority of employees from commercial and strategic state corporations exited due to retrenchment (1,048 employees), compared to normal retirement (784 employees) reported by service and strategic state corporations.

Table 2.17(a): Distribution of Number of Workforce Exited the Service, by Institution

Sector	County Executives	County Assemblies	Commercial Sector State Corporations	Service Sector State Corporations	Total
Normal Retirement	4,729	39	784	1,216	6,768
Retirement on Medical Ground	9	0	23	50	82
Retirement on Public Interest	5	0	2	57	64
Resignation	728	68	614	972	2,382
Natural Attrition	866	39	403	310	1,618
Dismissal	83	11	433	399	926
Retrenchment	37	—	1,048	68	1,153
Contract Expiry	2,237	689	242	131	3,299
Others	440	10	132	137	719
Total	9,134	856	3,681	3,340	17,011

Table 2.17(b) reveals that FY2016/17 recorded the highest number of exits (5,157 employees), while FY2012/13 recorded the lowest number of exits (1,207). Apparently, county executives recorded the highest number of exits at 9,134 employees. It has had the highest number of exits year on year with the exception of FY2012/13, during which 75 employees exited the public service.

County assemblies, on the other hand, recorded the lowest number of exits at 629 employees. It had the lowest number of exits each year except for FY2017/18 (end of December 2017).

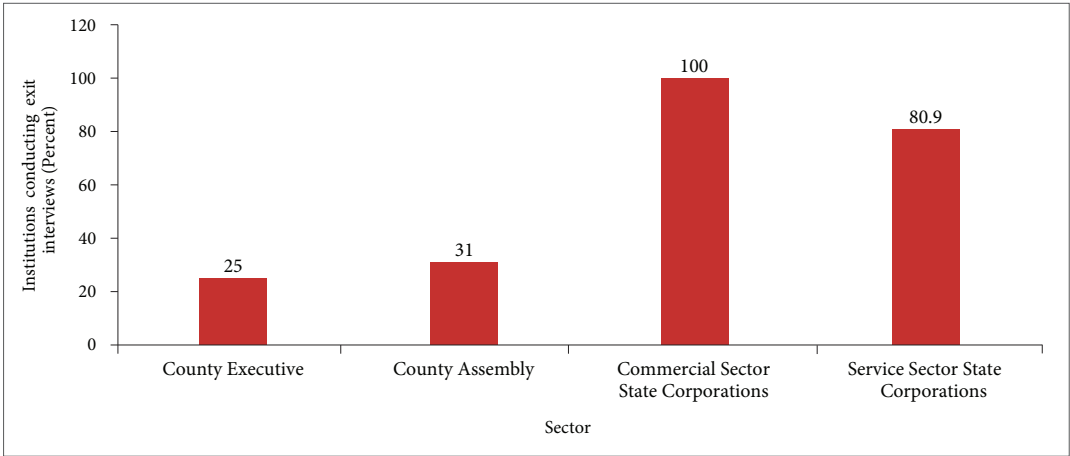
Table 2.17(b): Distribution of Number of Workforce Exited the Service, by Year

Sector	FY2012/13	FY2013/14	FY20-14/15	FY2015/16	FY2016/17	2017/18 (end of December 2017)
County Executives	75	695	1,607	1,498	3,700	1,559
County Assemblies	1	24	38	40	124	629
Commercial Sector State Corporations	683	552	620	763	688	375
Service Sector State Corporations	448	518	579	755	645	395
Total	1,207	1,789	2,844	3,056	5,157	2,958

2.6.2 Exit Interviews

Exit interviews conducted by institutions to employees exiting the organization provide an opportunity to receive feedback as to why they are exiting the organizations and which organizations they are moving to, among others. The study, therefore, sought to determine whether public sector institutions conduct exit interviews. The findings revealed that 58.3 percent of the institutions reported they conduct exit interviews for the employees; 25 percent of county executives and 31 percent of county assemblies reported they conduct exit interviews (Figure 2.9).

Figure 2.9: Distribution of Number of Exit Interviews



2.6.3 Employing Sector upon Resignation

The study sought to determine the employing sectors upon resignations by employees between July 2013 and December 2017. Table 2.18 shows that across all the sectors, 26.3 percent of employees exiting the public sector join county executives governments, followed by the national government (24.9 percent), state corporations (15.3 percent), and the private sector (11.8 percent). Employees exiting county governments (45.5 percent) join other county governments, while 44.1 percent join the national government. It is also evident that employees exiting commercial and strategic state corporations either join other state corporations (39.1 percent) or the private sector (28.1 percent). Those exiting service and regulatory state corporations either join other state corporations (33.9 percent) or the private sector (28.0 percent), implying intra movement across state corporations.

Table 2.18: Distribution of Exiting Employees across the Sector

Category	County Government	Commercial Sector State Corporations	Service Sector State Corporations	All Sectors
	Percent			
National Government	44.1	12.5	5.1	24.9
County Executives	45.5	7.8	8.3	26.3
County Assemblies	2.2	1.6	2.4	3.4
State Corporation	1.2	39.1	33.9	15.3
Commission and Independent Offices	1.7	1.6	9.8	4.3
Private Sector	0.2	28.1	28.0	11.8
Nongovernmental Organizations (NGOs)	0.7	4.7	5.9	3.0
Others	4.2	4.7	6.7	10.9

The distribution of exiting employees across the sector by financial year is shown in Table 2.19. An average of 100 employees exited various sectors between FY2012/13 and FY2017/18 (end of December 2017).

Table 2.19: Distribution Exiting Employees across the Sector between July 2012 and December 2017

Sector	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 (end of December 2017)
	Percent					
National Government	3	18	50	18	18	10
County Executives	8	49	26	36	18	15
County Assemblies	0	0	1	2	3	12
State Corporation	31	15	7	16	22	16
Commission and Independent Offices	14	4	3	6	6	1
Private Sector	31	9	9	10	13	13
NGOs	6	4	2	3	5	1
Others	8	0	2	9	14	32
Total	109	99	100	100	99	100

2.6.4 Reasons for Resignation

Table 2.20 shows that the major reason for resignations by employees is better terms of service at 44.5 percent offered by the recruiting institution, followed by career growth (18.7 percent). Domestic issues, medical grounds, and contract terms were ranked lowest at 1 percent each.

Table 2.20: Reasons for Resignation

Category	Frequency	Percent
Domestic issues	2	1.4
Greener pastures/New opportunities/Better terms of service	62	44.6
Political ambition	11	7.9
Further studies	4	2.9
Change of career	5	3.6
Career growth	26	18.7
Private business	3	2.2
Medical ground	1	0.7
Contract terms, moved to permanent terms/job security	2	1.4
Change of work environment /insecurity	11	7.9
Personal interest/reasons	12	8.6
Total	139	100.0

2.6.5 Resignation by Job Levels

It is worth noting that resignations and movements in employment are high within the technical cadre/staff (41.3 percent), followed by middle level support staff (33.5 percent), and senior managers (15.0 percent). The lowest number of resignations was reported among lower support staff (6.0 percent), as shown in Table 2.21.

Table 2.21: Distribution of Resignation in Counties and State Corporations

Category	County Executive	County Assemblies	Commercial Sector State Corporations	Service Sector State Corporations	All Sectors
	Percent				
Policy Makers	6.7	0.0	4.5	2.7	4.1
Senior Managers	10.1	22.8	17.8	16.3	15.0
Technical Staff	47.6	70.2	37.7	38.1	41.3
Support Staff (Middle)	29.6	5.3	35.8	35.9	33.5
Support Staff (Lower)	6.0	1.8	4.2	6.9	6.0

On a year by year analysis, Table 2.22 shows that majority of the technical staff resigned in FY2013/14.

Table 2.22: Distribution of Resignation across the Sector by Financial Year

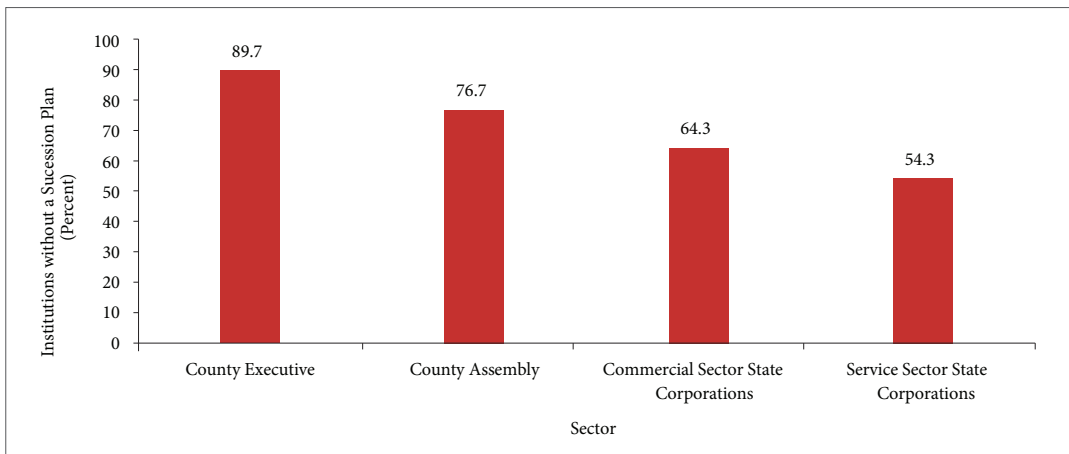
Category	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 (End of December 2017)
	Percent					
Policy Makers	5.0	3.0	2.0	4.0	6.0	6.0
Senior Managers	17.0	13.0	15.0	16.0	16.0	13.0
Technical Staff	40.0	41.0	46.0	44.0	38.0	38.0
Support Staff (Middle)	32.0	39.0	31.0	31.0	33.0	36.0
Support Staff (Lower)	6.0	5.0	5.0	5.0	7.0	7.0

2.7 Succession Planning

The Public Service Human Resource Planning and Succession Management Strategy for the Public Service (2017) defines succession management as a systematic process of determining critical roles within an organization, identifying and assessing possible successors, and providing them with appropriate skills and experience for present and future roles. Public institutions are required to put in place succession plans that will ensure there are no gaps in their staff establishment that may impede efficient and effective service delivery.

Figure 2.10 shows the percentage of responding institutions that do not have succession plans in place with county executives at 89.7 percent and county assemblies at 76.7 percent.

Figure 2.10: Distribution of Existence of Succession Plan



Whereas these institutions do not have succession plans, the study found they used staff establishment, schemes of service, HR manual, assumptions of office act, career progression guidelines, and strategic plan to guide their succession process. Other institutions undertake departmental mentorship programs, on-the-job training, and job enrichments to prepare employees to take up jobs at higher levels.

CHAPTER 3

TRENDS IN PUBLIC SECTOR WAGE BILL

3.0 Background

Wage bill is defined as the total remuneration and benefits paid to employees by the employer, for work performed. Wage bill in the public sector comprises of basic salaries; remunerative allowances such as house and commuter; other allowances such as hardship, extraneous, domestic and risk; retirement benefits such as pension and gratuity; other benefits such as insurance covers for medical and personal accident; and rewards for performance such as bonuses and 13th month salary. Consequently, the total wage bill for the public sector is a function of the terms and conditions of employment and the number of employees in the service.

3.1 Terms and Conditions of Employment

Appointments in the public service fall into three categories: permanent, contractual, and casual terms. Further, employees may serve for limited periods on secondment terms, in and out of their parent organizations. These terms usually specify the basic salary entitlement, allowances and benefits such as pensions or gratuities, among others.

Table 3.1 shows the average number of employees in the public sector across the sampled institutions. On average, a majority of employees are in county executives (79,313), followed by commercial state corporations (15,448), and service and regulatory state corporations (10,929).

Table 3.1: Distribution of Average Number of Public Officers by Terms of Employment between July 2012 and December 2017

Category	Permanent	Contractual	Casual	Probation	Temporary	Interns	Secondment In	Secondment Out	Total
County Executives	54,733	8,812	4,854	8,273	1,257	12	1,366	6	79,313
County Assemblies	1,489	1,124	251	59	23	30	81	3	3,060
Commercial Sector State Corporations	10,294	1,289	297	8	3,423	59	72	6	15,448
Service Sector State Corporations	8,269	809	1,105	106	211	264	143	22	10,929

Table 3.2 reveals that between July, 2012 and December, 2017, the public sector witnessed a rise in the number of public officers. The number of public officers was 34,367 in FY2012/13. This number rose to 147,480 in June 2017 for the sampled institutions.

Table 3.2: Distribution of Number of Public Officers between July 2012 and December 2017

Financial Year	Permanent	Contractual	Casual	Probation	Temporary	Interns	Secondment In	Secondment Out	Total
2012/13	25,082	2,407	2,039	578	3,945	34	263	19	34,367
2013/14	70,396	7,627	2,326	4,326	5,763	58	405	35	90,936
2014/15	80,653	10,611	4,330	7,644	5,892	165	2,444	37	111,776
2015/16	87,515	12,494	7,638	13,177	4,962	329	2,360	28	128,503
2016/17	93,219	18,779	13,266	14,410	4,639	789	2,339	39	147,480
2017/18 (end of December 2017)	91,846	20,284	9,445	10,544	4,281	810	2,158	62	139,430

3.2 Remuneration for Public Officers

Based on the distribution of public servants across sectors, the study sought to establish the type and amount of remuneration and benefits payable to public officers. County executives employ different category of staff including state officers, civil servants, advisors to the governors, and members of the County Public Service Board (CPSB). County assemblies and state corporations employ Board members and technical staff in various departments. Advisors are, however, not employed by state corporations and county assemblies.

3.2.1 Total Wage Bill Expenditure

Table 3.3 presents the distribution of the total wage bill expenditure between July 2012 and December 2017. It reveals that the total wage bill for the sampled institutions grew by 63 percent from Kshs. 40.6 billion in FY2012/13 to Kshs. 76.5 billion in FY2013/14. A further growth of 47 percent was reported between FY2013/14 (Kshs. 76.5 billion) and FY2014/15 (Kshs. 122.9 billion).

Table 3.3: Distribution of Total Wage Bill Expenditure (Kshs. billions), July 2012 to December 2017

Category	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 (End of December 2017)
County Executives	0.4	18.0	64.9	38.1	44.5	30.5
County Assemblies	0.3	0.9	1.5	6.0	7.5	8.8
Commercial Sector State Corporations	21.6	34.4	32.3	35.2	49.0	21.0
Service Sector State Corporations	18.4	23.3	24.2	25.6	27.5	15.5
Total	40.6	76.5	122.9	104.9	128.5	75.7

Table 3.4 presents the distribution and composition of total wage bill expenditure. It reports that total wage bill expenditure majorly comprises of basic salary, remunerative allowances, other allowances, pension, and medical cover.

Table 3.4: Distribution and Composition of Total Wage Bill Expenditure (Kshs. billions), July 2012 to December 2017

Category	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 (End of December 2017)
Basic	17.3	36.5	60.8	51.8	66.7	34.3
Remunerative allowances	11.7	23.4	37.0	33.0	36.1	16.9
Other allowances	3.0	7.1	14.3	7.6	10.4	4.6
Wage to casuals	1.3	1.6	2.0	2.8	3.2	1.3
Pension	4.1	3.7	4.1	4.5	5.7	8.2
Medical cover	2.1	2.5	2.9	3.0	3.6	1.7
Group Life	0.4	0.4	0.5	0.2	0.3	0.4
Group Personal Accident	0.0	0.1	0.1	0.1	0.1	0.1
Gratuity	0.2	0.4	0.4	0.9	1.0	7.4
Bonus	0.2	0.5	0.3	0.4	0.4	0.4
Arrears	0.0	0.1	0.6	0.4	0.8	0.5
Top up salary	0.1	0.1	0.1	0.1	0.1	0.0
Total	40.6	76.5	122.9	104.9	128.5	75.7

3.2.2 Remuneration for State Officers

Implementation of devolution system in Kenya introduced a number of state officers both at the national and county levels. The Constitution provides for 12 state officers in each county executives comprising a Governor, a Deputy Governor, and 10 County Executives Committee members (CECs). State officers in the county assemblies comprise Speaker of County Assembly and Members of County Assemblies (MCAs). The numbers of MCAs vary across counties. The study sought to determine the number of state officers and the wage bill expenditure for state officers between July 2012 and December 2017.

Table 3.5 shows that wage bill expenditure payable to state officers was Kshs. 8.9 billion for the county executives and Kshs. 14.9 billion for county assemblies. This translated to Kshs. 23.9 billion over the period under review, implying that each state officer in the sampled institutions earned an annual average remuneration of Kshs. 2.2 million.

Table 3.5: Distribution of Wage Bill Expenditure for State Officers, July 2012 to December 2017

Category	Wage Bill Expenditure for State Officers (Kshs.)
County Executives	8,933,135,018
County Assemblies	14,964,988,104
Total	23,898,123,122

3.2.3 Remuneration for Public Officers in County Government

There exist at least three different remuneration and benefits structures in county governments. First, the employees inherited by the county government from the defunct local authorities enjoy a remuneration structure that was determined through Collective Bargaining Agreement (CBA) before the advent of county governments. Second, remuneration structure payable to all staff devolved from the national government; and third, remuneration structure payable to the staff recruited by the CPSBs and the County Assembly Services Boards (CASBs). The study, therefore, sought to determine the number of public officers employed in the county governments and corresponding wage expenditures between July 2012 and December 2017.

Table 3.6 reveals that between July 2012 and December 2017, the public sector witnessed a rise in the number of public officers. The number of public officers was 10,707 in FY2012/13, rising to 77,567 in June 2017 for the sampled institutions.

Table 3.6: Distribution of Public Officers, July 2012 to December 2017

Financial Year (FY)	Staff Recruited by CPSB	Staff Recruited by CASB	Staff Devolved from National Government	Staff Inherited from Defunct Local Authorities	Total
2012/13	825	435	7	9,440	10,707
2013/14	7,521	701	26,640	11,648	46,510
2014/15	14,532	1,117	26,571	10,810	53,030
2015/16	25,362	2,819	28,693	10,906	67,780
2016/17	35,163	4,716	27,351	10,337	77,567
2017/18 (end of December 2017)	35,056	2,974	25,646	9,816	73,492

The total wage bill for the sampled county government executives and assemblies expended in FY2016/17 was Kshs. 33.9 billion, compared to Kshs. 1.8 billion in FY2012/13 (Table 3.7).

Table 3.7: Distribution of Wage Bill Expenditure (Kshs. billions) for Public Officers, July 2012 to December 2017

Financial Year	Staff Recruited by CPSB	Staff Recruited by CASB	Staff Devolved from National Government	Staff Inherited from Defunct Local Authorities	Total
2012/13	0.7	0.1	—	0.9	1.8
2013/14	4.2	0.3	12.0	3.6	20.0
2014/15	6.2	0.6	13.1	3.7	23.5
2015/16	9.9	1.7	15.8	4.1	31.5
2016/17	13.1	2.0	15.2	3.6	34.0
2017/18 (end of December 2017)	10.8	1.2	9.7	2.0	23.6

3.2.4 Remuneration for Advisors in County Executive Governments

The Transition Authority (TA) advised each county government to recruit three advisors for their Governors: Legal, Political, and Economic. The remuneration and benefits for these advisors were determined by SRC in 2013.

Table 3.8 shows that by half year of FY2017/18, there were 96 advisors, followed by 91 advisors in FY2016/17, compared to 25 advisors in FY2012/13. The advisors were paid Kshs. 26.8 million in FY2012/13 compared to Kshs. 166.5 million in FY2016/17; translating to an annual average salary of Kshs. 1.7 million per advisor over the period under review.

Table 3.8: Distribution of Wage Bill Expenditure for Advisors, July 2012 to December 2017

Financial Year	Number of Advisors		Total Wage Bill Expenditure for Advisors (Kshs.)	
Sector	Average	Total	Average	Total
2012/13	2	25	1,911,112	26,755,563
2013/14	3	56	4,686,209	98,410,390
2014/15	3	75	7,503,879	195,100,851
2015/16	3	85	5,734,854	154,841,050
2016/17	3	91	6,167,826	166,531,290
2017/18 (End of December 2017)	3	96	3,504,180	91,108,679

3.2.5 Remuneration for Board Members in National and County Government Institutions

Board members are employed in county executive governments, county assemblies, and state corporations. Table 3.9 shows that by half year of FY2017/18, there were 475 Board members; 506 in FY2016/17; and 299 in FY2012/13. The Board members were paid Kshs. 406.8 million in FY2012/13 compared to Kshs. 1.1 billion in FY2016/17; translating to an annual average salary of Kshs. 1.9 million per Board member over the period under review.

Table 3.9: Wage Bill Expenditure for Board Members, July 2012 to December 2017

Financial Year	Number of Board Members		Total Wage Bill Expenditure for Board Members	
	Average	Total	Average	Total
2012/13	6	299	8,302,791	406,836,779
2013/14	6	399	9,427,322	622,203,280
2014/15	6	445	17,863,046	1,321,865,371
2015/16	6	494	13,167,654	1,053,412,311
2016/17	6	506	13,372,385	1,083,163,166
FY2017/18 (end of December 2017)	6	475	6,015,462	457,175,087

3.3 Wage Bill Adjustment

Wage bill forecasting is the ability of an institution to project the level of wage bill to be realized in the near future. It is an important component in public wage bill management. The study revealed that 44.6 percent of the institutions adjust remuneration on the basis of automatic annual increments, 32.8 percent on previous FY's expenditure, 12.3 percent on anticipated promotions and recruitments, and 10.3 percent adjust wages based on inflation or Consumer Price Index (CPI), as shown in Table 3.10.

Table 3.10: Distribution of Wage Bill Forecasting Methods

Sector		County Executives	County Assemblies	Commercial Sector State Corporations	Service Sector State Corporations	Total
Frequency	Adjustments on the basis of previous FY's expenditure	20	14	8	22	64
	Adjustments on the basis of automatic annual increments	23	25	9	30	87
	Automatic adjustment of wages to changes in inflation/CPI	2	3	8	7	20
	Anticipated promotions and recruitments	10	2	5	7	24
	Total	55	44	30	66	195

3. Trends In Public Sector Wage Bill

Sector		County Executives	County Assemblies	Commercial Sector State Corporations	Service Sector State Corporations	Total
Response within the subsector (%)	Adjustments on the basis of previous FY's expenditure	36.4	31.8	26.7	33.3	32.8
	Adjustments on the basis of automatic annual increments	41.8	56.8	30.0	45.5	44.6
	Automatic adjustment of wages to changes in inflation/CPI	3.6	6.8	26.7	10.6	10.3
	Anticipated promotions and recruitments	18.2	4.5	16.7	10.6	12.3
	Total	100.0	100.0	100.0	100.0	100.0
Response across all sectors (%)	Adjustments on the basis of previous FY's expenditure	10.3	7.2	4.1	11.3	32.8
	Adjustments on the basis of automatic annual increments	11.8	12.8	4.6	15.4	44.6
	Automatic adjustment of wages to changes in inflation/CPI	1.0	1.5	4.1	3.6	10.3
	Anticipated promotions and recruitments	5.1	1.0	2.6	3.6	12.3
	Total	28.2	22.6	15.4	33.8	100.0

CHAPTER 4

PAYROLL MANAGEMENT AND CONTROL MECHANISMS

4.0 Background

Payroll management is defined as the process of managing an organization's employee remuneration and benefits and associated aspects such as employee identification, statutory requirements, and financial obligations. It integrates aspects of employee identification, national and organization policies, and third-party requirements. Payroll management is a critical driver of the organization's employee relations.

An integrated payroll management system with unique identifier for each public officer is important in capturing comprehensive payroll data and entrenches controls to reduce the risk of overpayment of remunerations and benefits to ghost workers that would in turn cause a bloated wage bill expenditure. A robust payroll management system further ensures that manual processes are automated, hence conducting payroll audits and wage bill analysis and forecasting become more efficient.

The study, therefore, sought to assess payroll management practices and processes in the public sector, with a view to determine its effectiveness. Data were gathered on payroll practices as well as benefits and challenges encountered by public sector institutions.

4.1 Payroll Management Practices

Organizations use various ways to identify their employees. In the public service, the national and county governments apply payroll numbers allocated and managed by the MPSY&GA, while most state corporations use institution-specific numbers. They also use diverse mechanisms to make payment computations and payments to the employees including manual calculations, automated (system-based) calculations and/or a mixture of the two. Various policies and legislation have also been mainstreamed into the organizations' processes and procedures that guide payroll management. Regular HR and payroll audits, both internal and external, enable organizations to identify areas that require strengthening and review.

The study, therefore, sought to establish what type of systems public service institutions use in paying salaries and wages and, by extension, managing payroll. Table 4.1 shows that 68.3 percent of respondents use a mixed system, 22.3 percent use automated payroll systems, while 9 percent use manual payroll systems. The use of mixed system was most common among the county executives (96.3 percent) and county assemblies (93.3 percent). Some of the automated payroll systems used by the sampled institutions include IPPD, Microsoft Dynamics, MS Excel, ERP, SAP, Prosoft, ERP System Navision 2010, ABN, HIRIS-ERP, PayFox, and Aren.

Table 4.1: Distribution of Systems for Managing Payroll

Sector	Frequency				Response within the Subsector (%)				Response across all Sectors (%)			
	System based	Manual based (Excel and Vouchers)	Mixed	Total	System based	Manual based (Excel and Vouchers)	Mixed	Total	System based	Manual based (Excel and Vouchers)	Mixed	Total
County Executives	1	0	28	29	3.4	0.0	96.6	100.0	0.8	0.0	22.8	23.6
County Assemblies	2	0	28	30	6.7	0.0	93.3	100.0	1.6	0.0	22.8	24.4
Commercial Sector State Corporations	5	1	10	16	31.3	6.3	62.5	100.0	4.1	0.8	8.1	13.0
Service Sector State Corporations	20	10	18	48	41.7	20.8	37.5	100.0	16.3	8.1	14.6	39.0
Total	28	11	84	123	22.8	8.9	68.3	100.0	22.8	8.9	68.3	100.0

4.2 Payroll Control Mechanism

Payroll data are classified under highly sensitive information, which should be kept safe to prevent any form of fraud and identity theft. This is ensured through utmost confidentiality and limiting access to payroll data/information. It is also accomplished through creation of strong passwords for software and hardware access, logging off when the system is not in use, locking up hard copies, and frequently changing passwords for all accounts in case of termination of employment or staff changes on the payroll department.

The controls are both internal and external, and for purposes of implementation, access should be restricted to specific people who run the payroll. The records should be inspected to ensure accuracy and a separate dedicated bank account should be created specifically for payroll. Records should be audited periodically, and use of other security measures implemented such as locking up records to block unauthorized people from access and familiarizing with emerging trends to track fluctuations and effect corrective action.

The main components of internal controls are monitoring activities, information and communication, risk assessment, and control environment. Through control environment, organizations establish protocols that define published code of ethics, personnel knowledge and skills, employee supervision, segregation of duties, training on policies, and management commitment. To mitigate payroll-related risks, organizations place emphasis on authorization, safeguarding assets through management processes, information accuracy, reliability and timeliness, and segregation of duties assigned for controls in recording and processing.

Payroll control mechanisms in the public service include regular payroll audits, both internal and external, controlled employee identification number allocation, harmonized pay structures, harmonized allowances and benefits (for instance, house, commuter), and automation of payroll management systems.

The study, therefore, sought to establish whether institutions undertake internal and external payroll audits in public sector institutions. Table 4.2 shows that 33.7 percent of the sampled institutions conduct internal payroll audits on an annual basis. The audits are mostly carried out by the OAG as a regular system audit.

Table 4.2: Distribution of Frequency of Internal Payroll Audits

Sector		County Executive	County Assembly	Commercial Sector State Corporations	Service Sector State Corporations	Total
Frequency	Monthly	7	12	6	13	38
	Quarterly	4	5	2	11	22
	Semiannual	2	0	0	0	2
	Annually	6	6	4	17	33
	Others	1	0	1	1	3
	Total	20	23	13	42	98
Response within the Subsector (%)	Monthly	35.0	52.2	46.2	31.0	38.8
	Quarterly	20.0	21.7	15.4	26.2	22.4
	Semiannual	10.0	0.0	0.0	0.0	2.0
	Annually	30.0	26.1	30.8	40.5	33.7
	Others	5.0	0.0	7.7	2.4	3.1
	Total	100.0	100.0	100.0	100.0	100.0
Response across all Sectors (%)	Monthly	7.1	12.2	6.1	13.3	38.8
	Quarterly	4.1	5.1	2.0	11.2	22.4
	Semiannual	2.0	0.0	0.0	0.0	2.0
	Annually	6.1	6.1	4.1	17.3	33.7
	Others	1.0	0.0	1.0	1.0	3.1
	Total	20.4	23.5	13.3	42.9	100.0

Certain benefits accrue from an automated payroll management system, including ensuring transparency, accountability, and reducing risks associated with payroll processing; ensuring compliance with statutory obligations; preventing system abuse; authenticating payroll calculations and making efficient payment in terms of time, reduced errors, easy retrieval, ad hoc reporting, and audit.

Other payroll control mechanisms employed by public sector institutions include

- (a) Central issuance of passwords to access payroll system, in particular for accessing IPPD;
- (b) Conducting regular departmental head count;
- (c) Adherence to circulars issued by accounting officers and MPY&GA. For example, in requesting for personnel numbers through letters of authority and following defined procedures for adding or deleting employees from the payroll;
- (d) Regular payroll audits and monitoring of trends in wage bill to eliminate ghost workers;
- (e) Creating unique payroll numbers through a centralized system;
- (f) Authenticating the payroll processes to reduce risk of irregular payments;
- (g) Payment of salaries through electronic bank transfers anchored on the Integrated Financial Management Information System (IFMIS);
- (h) Use of HR staff checklist form (that is, staff must avail signed appointment letters, certified copies of CV, and certificates);
- (i) Ensuring transparency and accountability in administration of payroll to reduce risks associated with payroll processing such as collusion; and
- (j) Ensuring compliance with statutory obligations during processing of payrolls.

4.3 Emerging Payroll Challenges

Common institutional payroll issues surround the management of overtime, misclassification of employees, ineffective time records, and untimely payroll processing. Such challenges have been managed by ensuring compliance with legislation and institutionalizing the right balance between optimized national processes and local flexibility.

Table 4.3 shows that 27.6 percent of public service institutions experience challenges in creating or obtaining payroll identification numbers. While major challenges are experienced in the county executives (62.1 percent) and county assemblies (30 percent), commercial and strategic state corporations (92.3 percent) and service and regulatory state corporations (90.9 percent) do not face major challenges in creating or obtaining payroll identification numbers.



Table 4.3: Distribution of Challenges in Creating or Obtaining Payroll Identification Numbers

Sector	Frequency			Response within the Subsector (%)			Response across All Sectors (%)		
	Yes	No	Total	Yes	No	Total	Yes	No	Total
County Executives	18	11	29	62.1	37.9	100.0	15.5	9.5	25.0
County Assemblies	9	21	30	30.0	70.0	100.0	7.8	18.1	25.9
Commercial Sector State Corporations	1	12	13	7.7	92.3	100.0	0.9	10.3	11.2
Service Sector State Corporations	4	40	44	9.1	90.9	100.0	3.4	34.5	37.9
Total	32	84	116	27.6	72.4	100.0	27.6	72.4	100.0

Table 4.4 shows that 18.3 percent of public service institutions experience challenges in processing pay changes in the payroll.

Table 4.4: Distribution of Challenges in Processing Pay Changes in the Payroll

Sector	Frequency			Response within the Subsector (%)			Response across All Sectors (%)		
	Yes	No	Total	Yes	No	Total	Yes	No	Total
County Executives	10	19	29	34.5	65.5	100.0	9.6	18.3	27.9
County Assemblies	6	23	29	20.7	79.3	100.0	5.8	22.1	27.9
Commercial Sector State Corporations	0	10	10	0.0	100.0	100.0	0.0	9.6	9.6
Service Sector State Corporations	3	33	36	8.3	91.7	100.0	2.9	31.7	34.6
Total	19	85	104	18.3	81.7	100.0	18.3	81.7	100.0

The specific challenges experienced by the public service institutions in managing payroll include:

- (a) Limited system rights to modify personnel details;
- (b) Aggregated designations within IPPD, hence non-equivalent job designations are used for non-existing designations in the system;
- (c) Mismatch in IPPD and GHRIS designation configuration;
- (d) Few system codes for most allowances;
- (e) Difficulty in reactivation of payroll numbers for former civil servants;
- (f) Delay in assigning new employees IPPD identification numbers;
- (g) Lack of provision for processing of mortgage and insurance relief in the payroll system;
- (h) Delays in staff release/transfer of services/transfer of data from state departments and institutions;
- (i) Weak network coverage at the county level for seamless operationalization of IPPD system;
- (j) Where manual system is used, reliance on payroll managers' institutional memory;

- (k) Fragmented and inconsistent payroll management which limits the ability to make sound decisions on wage bill management, HR management, and budget planning; and
- (l) Low quality payroll audit reports that are combined with general HR reports under systems audit. The internal payroll audit reports were also inaccessible as the internal audit team tends to relate more with the Board of Directors and not the Executive.



CHAPTER 5

LEVEL OF COMPLIANCE WITH ADVISORIES

5.0 Background

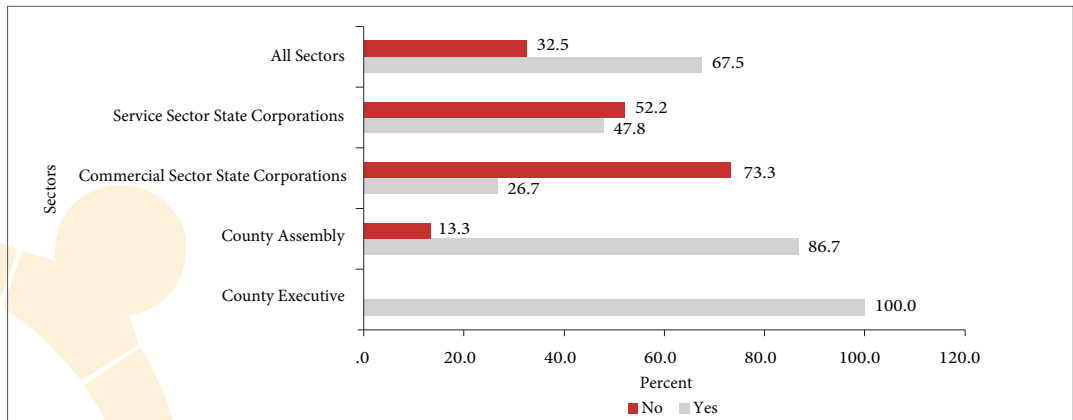
The Commission, in 2012 and 2015, undertook a comprehensive job evaluation to establish the relative worth of jobs in the public service and to guide review of pay for public officers. The exercise evaluated state officers' and other public officers' jobs in the civil service; commercial and strategic state corporations; service and regulatory state corporations; public universities, research and tertiary institutions; constitutional commissions and independent offices and teaching service; discipline services and county governments. This was aimed at enabling informed and effective decision making in the review of remuneration and benefits for employees in the public service. Based on the results of the job evaluation, the Commission has advised national and county governments on salary structures for each institution.

The study, therefore, sought to establish the status and experiences of implementing job evaluation results, consolidate feedback on emerging issues on grading and salary structure, and measure the level of compliance with SRC circulars and advisories.

5.1 Status of Implementation of Salary Structures

Figure 5.1 shows that 67.5 percent of the sampled institutions had implemented the salary structures as advised by the Commission. Specifically, 100 percent of county executives had implemented the salary structure for job evaluation followed by county assemblies (86.7 percent), service and regulatory state corporations (26.7 percent), and commercial and strategic state corporations (47.8 percent). Full implementation of job evaluation salary structure by county executives was due to seamless updating of salary structure for job evaluation for the sector within the IPPD system.

Figure 5.1: Distribution of Job Evaluation Salary Structure Implementation Status



5.2 Experiences from Implementation of Salary Structures

The study sought to determine the experiences realized by institutions during the implementation of the salary structure for job evaluation. These experiences are as follows:

- (a) **Different categories of staff:** County governments inherited their employees from defunct local authorities, absorbed staff from the national government performing devolved functions, and recruited additional staff through CPSB and CASB due to the expanded mandate. Each category of staff had its own salary structure causing pay disparities for county government's employees. The salary disparities among the three categories of staff were not harmonized by the job evaluation salary structure.
- (b) **Legal battles:** SRC evaluated jobs in the county governments (both Executive and Legislature) in 2016. However, the county secretaries, the Kenya National Union of Nurses (KNUN), and SOCAT contested the grading structures in court, thus delaying the implementation of salaries for job evaluation of the affected staff.
- (c) **Inability to map jobs:** A majority of the state corporations had pay structures with set salary limits, and the salary structures arising from job evaluation were not based on already existing pay structures but rather on the Paterson grading structure. Institutions, thus, had difficulties in mapping various designation with the Paterson grading system. The job evaluation grading structures resulted in re-organization of the existing structures in the public service institutions. This posed challenges in mapping of the existing grading into the Paterson grading.
- (d) **Developing conversion table:** There was a challenge within implementing units in developing conversion tables for the new salary structure. This resulted in delays in the implementation of the salary structure for job evaluation.
- (e) **Organizational restructure:** The process of job evaluation was conducted between 2015 and 2017 during which period several institutions had organizational restructuring. Consequently, the grading structure developed did not reflect the new structure.
- (f) **Missing jobs:** During the process of job descriptions validation, some jobs were omitted, and new jobs were created in some institutions. Such jobs were never evaluated, and they were not included in the subsequent grading and salary structure.
- (g) **Budget constraints:** The new salary structure resulted in increased wage bill in some institutions. A majority of service state corporations depend on the exchequer for financing of their wage bill, and the National Treasury budgeted for implementation of the salary structure. The commercial state corporations generate their own revenue to finance their operations, hence no budget was allocated to finance the new salary structures. Some commercial state corporations, however, were not able to finance their new salary structures.
- (h) **Pending job evaluation appeals:** Institutions with pending job evaluation appeals were hesitant to implement the salary structures pending their outcome.

5.3 Level of Compliance

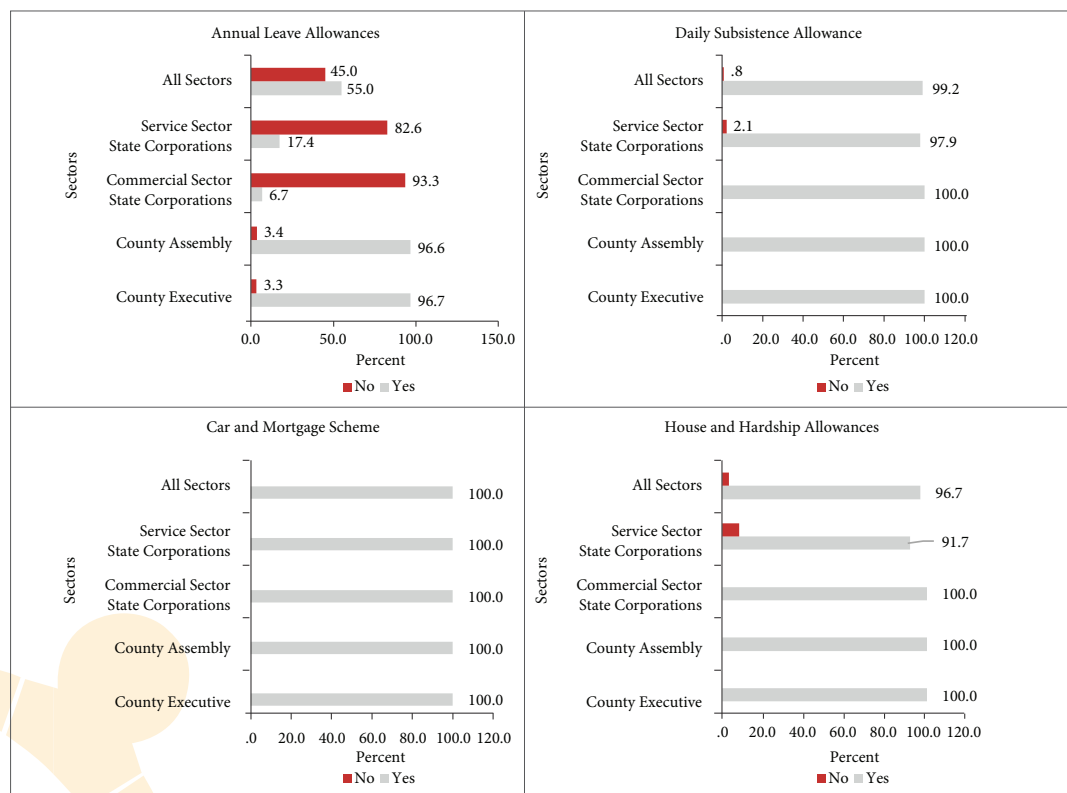
In fulfilling its Constitutional mandate, the Commission has issued a number of circulars and advisories on remuneration and benefits. The Commission undertakes regular compliance checks to determine the extent of implementation of advisories, regulations, circulars, and Commission's decisions by public service institutions and to build partnerships and synergies with stakeholders who consume and/or implement SRC circulars. It makes recommendations based on the findings of the compliance checks. Institutions based on their compliance levels are classified as high, medium, or low risk.

The study, therefore, sought to establish the respondents' level of knowledge and understanding of SRC's circulars and advisories, level of compliance, and emerging challenges during the implementation of the circulars.

5.3.1 Knowledge of SRC Circulars

Figure 5.2 reveals the level of awareness of various SRC's circulars by the sampled institutions. It shows that 55 percent of the sampled institutions had received the circular on annual leave allowance, 99.2 percent had received the circular on revised daily subsistence allowance, 100 percent had received the circular on car loan and mortgage, and 96.7 percent had received the circular on house and hardship allowances.

Figure 5.2: Distribution of Knowledge of SRC Circulars



The study also revealed that institutions that had not received SRC circulars relied on advisories from SCAC (20.0 percent), MPSY&GA (35.0 percent), Boards of Management — BOM (35.0 percent), and provisions in CBAs (10.0 percent) for unionized employees, as shown in Table 5.1.

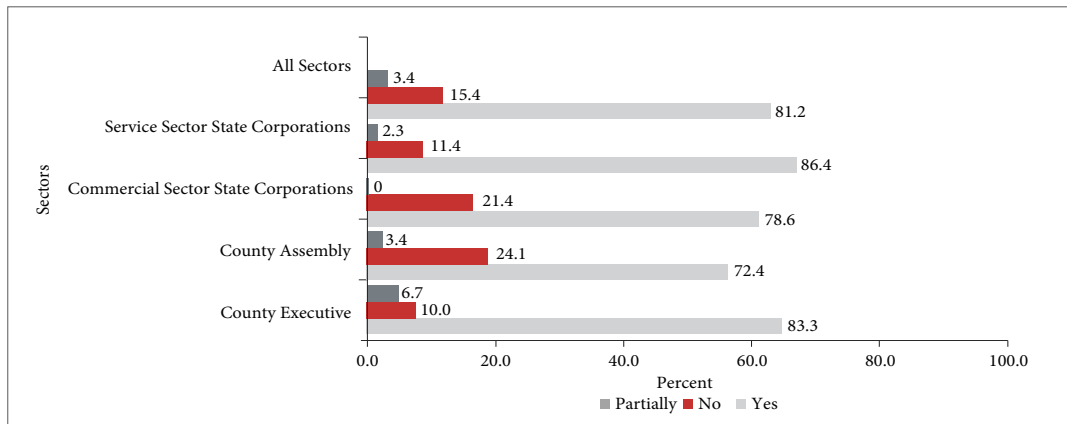
Table 5.1: Distribution of Institutions that have received SRC Circulars

Category	SCAC's Advisories	MPSY&GA Advisories	BOM Advisories	CBAs Provisions
	Percent			
County Executive	0.0	100.0	0.0	0
County Assemblies	0.0	100.0	0.0	0
Commercial Sector State Corporations	33.3	33.3	16.7	16.7
Service Sector State Corporations	15.4	30.8	46.2	7.7
All Sectors	20.0	35.0	35.0	10.0

5.3.2 Understanding of SRC Circulars

Figure 5.3 reveals the level at which the sampled institutions understand various SRC circulars. It shows that 81.2 percent of the sampled institutions understand SRC's circulars and advisories, 15.4 percent do not understand, and 3.4 percent partially understand them.

Figure 5.3: Distribution of Understanding of SRC Circulars



Some of the challenges in not understanding the SRC's circulars are:

- They are not clear on taxation, for example, remuneration for Board members;
- Civil service equivalent grades for allowances such as house and daily subsistence allowance (DSA) are not clear;
- The circular on implementation of the house and hardship allowances is not clear in relation to retaining the previous rates for existing employees;
- Contradiction of circulars, for example, two circulars were issued for the leave travel allowance;

- (e) The circulars are generic, hence there are challenges in trying to customize them as per the organizational needs;
- (f) Some circulars are open to abuse of interpretation;
- (g) Effective date for circulars is, at times, not appropriate, for example, the effective date of July 1, 2017, for remuneration and benefits for external CASB members has resulted in demand for current benefits by previous members since they were still in office;
- (h) Communication challenges: Circulars for CPSB should not be sent through county secretaries. Timely communication between Council of Governors (COG) and counties is lacking.

5.4 Issues Weakening Full Compliance Levels

The following are the findings weakening the attainment of full compliance with government guidelines and advisories:

- (a) **Different government agencies issue guidelines on remuneration and benefits:** The study noted that several institutions including PSC, SCAC, Directorate of Public Service Management (DPSM), and BOM issue guidelines on remuneration and benefits in public service. CBAs are also in force for unionized employees. In some cases, these guidelines and advisories are contradictory, hence affecting implementation.
- (b) **Non-compliance with SRC circulars and advisories:** During the study, it was noted that compliance with the Commission's circulars and advisories was high across all the 126 respondent institutions, except for some that showed some levels of non-compliance. These non-compliant institutions displayed different understanding of the Commission's circulars and advisories. Some of the areas of non-compliance include the following:
 - (i) MCAs relocate their offices to the periphery of their wards so as to earn more mileage allowance;
 - (ii) Some former MCAs did not clear their car loans and mortgage as required by the scheme legislation;
 - (iii) Staff attending duties taking less than a day outside their work station receive DSA;
 - (iv) Some Governors employ more than three advisors contrary to SRC advisories, for example, Information and Communication Technology (ICT) and Communications, HIV and AIDS, Spiritual, and so on;
 - (v) CASB employing staff with low academic qualifications at high job grades, for example, a certificate holder is employed at job group 'K', diploma holder at job group 'L', and degree holder job group 'N' as entry points;
 - (vi) County assemblies using SOCAT designations/pay structures against SRC's advice;

- (vii) County assemblies providing MCAs with imprest for public participation and ward operations which is never accounted for;
 - (viii) Irregular issuance of clearance certificates to people with minor disabilities to enable them take advantage of increased retirement age and benefits associated with persons living with disability (PLWD);
 - (ix) Some counties in Northern Kenya have not operationalized the car land mortgage scheme for the state officers and public officers, since the terms of the schemes are in conflict with the Islamic religion;
 - (x) Personal aides/assistants to PLWD requested to have a job group for facilitation purposes when they accompany the PLWD and travel out of the county. These aides also need to be entrenched in the staff establishment of the counties; and
 - (i) The Office of the Deputy Governor requested to be provided with advisors to assist in discharging the functions of its offices.
- (c) **Budgetary challenges:** The study noted that most public institutions find it difficult to implement SRC's circulars with financial implications as they are released after the Medium Term Expenditure Framework (MTEF) budget process.
- (d) **Payroll systems:** Some payroll systems have not been configured to provide for mortgage and insurance relief.
- (e) **Legal challenges:** Where a court ruling has been made against an SRC circular/ advisory, implementation is a challenge.
- (f) **Lack of stakeholder engagement:** Most stakeholders requested engagement with SRC on various remuneration and benefits issues.
- (g) **Internal payroll audits:** Internal payroll audit reports were not available in most institutions, even though the exercise is conducted regularly.
- (h) **Different salary structures in counties:** There is concern over discrepancies in salaries and allowances between the staff employed by the CPSB/CASB, those devolved from the national government, and those from defunct local authorities. These differences have brought challenges in promotions, job allocation, and budget management. There are also disparities in house allowance paid to employees recruited by the CPSB/CASB before 2015 and those recruited after the SRC's circular of 2015.
- (i) **Disparities in medical scheme:** There exist disparities in medical schemes in public service institutions. For example, medical cover benefit across counties is not standard. Some counties have medical cover schemes, while others have only the National Hospital Insurance Fund (NHIF) for inpatient services. In addition, the devolved staff are covered under the comprehensive NHIF Civil Servant Scheme (including outpatient), while the rest are not.
- (j) **Job evaluation salary structure:** Most counties have no compliance issues relating to implementation of salary structures as advised by the Commission. However, in some state corporations, the salary structures have not been implemented.

CHAPTER 6

RECOMMENDATIONS AND CONCLUSION

6.0 Recommendations

It is evident that there is room for improving public wage bill management by addressing the following thematic recommendations:

- (a) **HR Policies and Practices:** Various documents guide HR practices in line with terms and conditions of service. This has led to disparities in recruitments and promotions in the public service. To address these, there is need for:
 - (i) Harmonization and consolidation of HR policies and procedure manuals in the public service;
 - (ii) Harmonization of career progression guidelines across the public sector;
 - (iii) Linking human capital development to recruitment and selection, career development, talent, and succession management;
 - (iv) Development and implementation of recruitment plans, policies and procedures;
 - (v) Mainstreaming confirmation of availability of funds as a binding constraint prior to recruitment processes for various jobs in the public sector;
 - (vi) Centralization of recruitment at the counties to uphold national interests, promote fairness, cohesion, and equality in recruitment;
 - (vii) Development and implementation of a succession planning policy for the public sector to address challenges of aging workforce;
 - (viii) Equipping employees in the public service with requisite skills and knowledge for performance and effective service delivery;
 - (ix) Entrenchment of norms and standards in public service management for effective performance and productivity;
 - (x) Strengthening impact assessment of trainings undertaken by public service institutions to ensure there is value for funds; and
 - (xi) Strengthening the use of an integrated HRMIS for the public sector that incorporates existing functionalities in IPPD and GHRIS across public sector institutions.
- (b) **Remuneration and Benefits:** To promote attainment of sustainable wage bill, the following recommendations are made:
 - (i) Develop and fully implement a Productivity and Performance Framework in the public sector;

- (ii) Review and harmonize remuneration, benefits, and allowances within the public sector;
 - (iii) Develop and implement guidelines for wage bill forecasting within public sector;
 - (iv) Review guidelines on car loan and mortgage scheme toward aligning it to provisions in Sharia Law;
 - (v) Confirm budgetary allocation prior to issuance of circulars that require budgetary provisions;
 - (vi) Review and fully implement guidelines on absorption of skilled employees of defunct local authorities into the current grading and salary structures;
 - (vii) Harmonize the three salary and allowance structures paid to county government employees;
 - (viii) Develop and fully implement a policy on compensated exits of employees of defunct local authorities whose job cannot fit in the current grading and salary structures; and
 - (ix) Conduct further research on the ideal terms of service for public officers and corresponding optimal staffing levels and ceilings on personnel emoluments in the public sector.
- (c) **Payroll Management:** Payroll management and control is key in managing employees' remuneration and benefits. Public sector institutions use various mechanisms to process payments with majority using mixed system in management of payroll. To address challenges faced in management of the payroll, the following are recommended:
- (i) Develop a HR data warehouse that effectively consolidates HR data across the public service in a standard format integrated with IFMIS, PMIS and all public service payroll systems;
 - (ii) Automate and integrate payroll management systems, HRMIS, and financial systems, that is, IPPD to GHRIS and IFMIS in public sector;
 - (iii) Entrench a unified payroll numbering system for public officers;
 - (iv) Undertake regular payroll audit for all public service institutions;
 - (v) Conduct regular audit of human resource practices in the public sector in line with Article 234 (d) of the Constitution of Kenya;
 - (vi) Review and fully implement pay policy toward mainstreaming payment of all salaries and benefits (including for casuals), through an automated payroll system; and
 - (vii) Strengthen collection and storage of payroll data to ensure that HR and payroll data are consolidated and consistent for sound decision making on wage bill management, human resource management, and budget planning.

- (d) **Adherence to SRC Advisories:** To enhance compliance with SRC's advisories in line with job evaluation and, in particular, the salary structure, the study recommends the following:
- (i) Fast-track hearing and determination of institutional appeals arising from job evaluation;
 - (ii) Provide technical support to institutions in developing salary conversion tables for job evaluation salary structures to ensure their seamless implementation;
 - (iii) Regularly check compliance on implementation of SRC circulars for sealing loopholes and grey areas prone to abuse by implementing public sector institutions; and
 - (iv) Provide a common figure for payment of mileage allowance for the nominated MCAs instead of basing it on the place of residence within the nominating county.
- (e) **Stakeholder Engagement:** Stakeholder engagement is essential because it enhances stakeholders' understanding of the Commission's mandate and considerations. In this regard, the report recommends that SRC:
- (i) Undertakes regular sensitization meetings with stakeholders to disseminate its advisories and circulars and to receive feedback from the stakeholders on areas for further improvement;
 - (ii) Strengthens transparency in the Commission's decision-making process. The Commission to regularly update its website by uploading new circulars for easy accessibility by stakeholders;
 - (iii) Develops and operationalizes desk officers for national and county governments' institutions;
 - (iv) Provides guidance on implementation of SRC advisories, especially when there is a court ruling disrupting the implementation of its advisories;
 - (v) Mainstreams alternative dispute resolution mechanisms on areas pertaining its mandate;
 - (vi) Works with the CRA on separating the county assemblies budget from the county executives budget; and
 - (vii) Strengthens collaboration among public service institutions such as SRC, CRA, OAG, OCOB, DPSM, SCAC, PSC, and National Treasury in the development of relevant policies to promote policy coherence.

6.1 Conclusion

Efficient delivery of public services requires prudent management of public wage bill at all levels of government. To attain a fiscally sustainable wage bill that is able to attract and retain requisite skills, there is need for a deeper understanding of practices in the public service with regard to wage bill management controls, prevailing human resource practices and level of implementation of corrective measures advised. It is for this reason that this study was undertaken in public institutions such as state corporations and county governments (both executive and legislative arm). While public wage bill management is the core function of SRC, getting feedback from and winning support of public institutions adds value to the Commission's processes.

This report focused on HR policies, practices, and measures used to manage the public wage bill. The study revealed that majority (79 percent) of institutions have HR policies, suggesting that there are good controls on recruitment and promotions. However, staff establishment is not primarily used by institutions to guide recruitment. Corroborating the CARPS report, the study found that the public service is characterized by an aging population, a situation that needs government attention so that service delivery is not compromised.

Performance management is predominant in the public service with institutions using varied systems—the common one being performance contracting operationalized in the public sector from 2004. Further, rewards are given to employees for meeting or exceeding set targets in a financial year. The common monetary rewards used in the public service are the 13th salary and bonus. Although, this is a remarkable step, uniformity in the amount payable varies across institutions.

The study also evaluated HRMIS used in the public service. Although some institutions have fully operational and efficient systems, others use manual systems. Payroll audits are undertaken in 97 percent of institutions and carried out regularly by the OAG. While this helps to check on anomalies in the payroll and advise on corrective measures, internal audit is less practiced in the public service.

SRC has continually advised public institutions on remuneration and benefits. One of the milestones achieved is the Job Evaluation for Public Service. The main outcome was the release of the grading and the salary structure to the public service. Implementation of the structures has been characterized by many challenges, leading to 67 percent implementation rate. It was reported that the challenges faced during implementation were mainly budget constraints, and ongoing or planned restructuring of institutions. Implementation of other circulars issued by the Commission was reportedly satisfactory. The report has also highlighted non-compliance in a number of areas and challenges faced in implementation of these circulars which include budgetary and differences in salary structures across counties. Overall, stakeholder engagement was a great achievement, an undertaking that was highly solicited for by institutions.

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APPENDICES

**Appendix 1: Staff Complement within Age Cohort Disaggregated by Job Groups
as of December 2017**

Institution	Age in Years			
	18–34	35–45	46–60	Above 60
County Executive				
County Executive of Kisii	1,920	2,110	1,567	23
County Executive of Bomet	215	408	488	43
County Executive of Narok	2,187	1,618	1,248	27
County Executive of Garissa	187	301	283	2
County Executive of Kitui	1,289	1,015	968	8
County Executive of Machakos	1,851	1,301	1,516	81
County Executive of West Pokot	632	582	428	14
County Executive of Trans Nzoia	658	882	983	61
County Executive of Nandi	1,387	1,276	913	6
County Executive of Kakamega	1,725	2,214	2,120	22
County Executive of Busia	628	913	694	24
County Executive of Vihiga	1,305	820	636	30
County Executive of Kisumu	680	1,168	1,626	17
County Executive of Isiolo	230	327	505	3
County Executive of Marsabit	538	583	397	263
County Executive of Samburu	696	750	447	27
County Executive of Nakuru	548	1,389	2,739	8
County Executive of Muranga	626	610	1,404	11
County Executive of Laikipia	418	400	1,052	2
County Executive of Nyandarua	394	388	908	8
County Executive of Meru	1,205	1,705	1,728	14
County Executive of Tharaka Nithi	1,045	767	747	15
County Executive of Kirinyaga	566	607	1,062	14
County Executive of Mombasa	710	1,486	2,169	9
County Executive of Kwale	1,230	903	722	7
County Executive of Taita Taveta	441	347	311	8
County Assemblies				
County Assembly of Kericho	50	23	12	—
County Assembly of Kisii	75	46	16	—
County Assembly of Bomet	37	19	10	2
County Assembly of Narok	56	62	3	—
County Assembly of Garissa	51	22	10	2
County Assembly of Kitui	37	28	27	—

Institution	Age in Years			
	18–34	35–45	46–60	Above 60
County Assembly of Machakos	50	48	57	4
County Assembly of West Pokot	634	582	428	14
County Assembly of Trans Nzioa	54	50	26	1
County Assembly of Kakamega	41	25	16	—
County Assembly of Busia	181	124	74	6
County Assembly of Siaya	41	55	23	6
County Assembly of Vihiga	22	92	26	—
County Assembly of Kisumu	22	48	43	3
County Assembly of Isiolo	56	30	6	2
County Assembly of Marsabit	40	26	18	—
County Assembly of Samburu	42	33	17	2
County Assembly of Nakuru	36	30	30	1
County Assembly of Muranga	29	18	24	1
County Assembly of Nyeri	32	41	22	2
County Assembly of Laikipia	28	24	19	—
County Assembly of Nyandarua	54	25	5	—
County Assembly of Meru	33	31	9	1
County Assembly of Tharaka Nithi	33	11	1	—
County Assembly of Embu	87	76	28	3
County Assembly of Kirinyaga	28	21	15	1
County Assembly of Mombasa	60	31	52	—
County Assembly of Taita Taveta	28	15	11	—
County Assembly of Kajiado	35	39	10	—
Commercial Sector State Corporations				
National Commission for Science, Technology and Innovation	1	10	16	—
Geothermal Development Company	540	416	127	—
Kenya Pipeline	270	743	739	3
Kenya Meat Commission	115	109	85	2
National Housing Corporation	18	70	133	2
Kenya National Trading Corporation	31	20	10	—
Kenyatta International Convention Centre	40	61	34	—
Numerical Machine Complex	24	48	45	—
Kenya Railways Corporation	87	59	49	3
National Water Conservation and	42	90	91	—
Kenya Literature Bureau	17	84	101	—
Kenya Airports Authority	727	662	596	1

Institution	Age in Years			
	18–34	35–45	46–60	Above 60
Kenya National Examination Council	45	159	207	3
Kenya Electricity Generating Company	751	793	979	2
Kenya Power	3,565	3,740	3,701	9
Service Sector State Corporations				
Agricultural Development Corporation	63	96	165	2
Kenya Veterinary Vaccine Production Institute	13	57	97	1
National Cereals and Produce Board	97	201	545	1
Kenya National Library Services	93	235	326	1
Kenya Plant Health Inspectorate Service	66	174	147	—
National AIDS Control Council	43	50	50	1
Sacco Societies Regulatory Authority	32	20	17	—
Export Promotion Council	5	12	28	1
Communication Authority of Kenya	108	18	89	—
Water Services Regulatory Board	9	10	15	—
National Environment Management Authority	78	175	149	2
National Council for Population and Development	12	27	50	—
LAPSSET Corridor Development Authority	27	12	10	—
Export Processing Zones Authority	35	77	56	—
Kenya Institute of Curriculum Development	23	108	219	2
School Equipment Production Unit	2	4	19	—
Tourism Fund	52	74	79	—
Higher Education Loans Board	140	55	50	—
National Social Security Fund	207	419	757	2
Information and Communications Technology Authority	157	34	17	—
Kenyatta National Hospital	532	1,632	2,350	23
Kenya Academy of Sports	6	4	6	—
Kenya Year Book Editorial Board	14	6	6	—
National Council for Persons with Disability	31	48	18	—
Jomo Kenyatta Foundation	9	59	52	—
Retirement Benefits Authority	11	23	20	—
Kenya Intellectual Property Inst	14	14	59	—
Commission for University Education	7	28	57	1
National Biosafety Authority	8	27	3	—
Kenya Broadcasting Corporation	133	275	459	1
Kenya Water Tower Agency	27	10	12	—

Institution	Age in Years			
	18-34	35-45	46-60	Above 60
Women Enterprise Fund	258	83	4	—
Kenya Bureau of Standards	292	391	310	3
Insurance Regulatory Authority	13	19	48	—
Kenya National Bureau of Statistics	93	70	33	1
Kenya Tourism Board	1	55	14	—
Kenya Civil Aviation Authority	220	268	291	5
Kenya Copyright Board	16	18	9	—
Kenya Law Reform Commission	21	15	30	2
Kenya Film Classification Board	68	9	6	—
Kenya Leather Development Council	7	5	10	—
Kenya Accountants and Secretaries National Examination Board	7	59	61	—
Kenya National Highways Authority	99	198	174	—

- Implies there were no persons aged 60 years and above

**Appendix 2: Expenditure on Training (Kshs.) between FY2012/13 and FY2017/18
(End of December 2017)**

Institution	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 (End of December 2017)
County Executive						
County Executive of Kericho	—	25,164,172	30,002,720	33,420,918	41,000,212	42,582,085
County Executive of Narok	—	63,442,506	147,183,371	96,415,171	37,337,202	112,269,413
County Executive of Kitui	3,045,716	52,420,355	81,067,095	107,098,158	102,642,135	17,619,415
County Executive of Machakos	—	—	—	1,350,000	6,500,000	6,750,000
County Executive of Trans Nzoia	—	57,725,703	60,037,779	153,561,490	70,581,130	21,528,140
County Executive of Nandi	—	—	175,414,741	6,339,954	53,609,579	1,775,280
County Executive of Kakamega	—	88,650,000	50,140,000	140,577,787	70,645,938	59,137,371
County Executive of Isiolo	—	22,928,768	42,552,973	15,352,402	11,260,710	—
County Executive of Marsabit	—	19,200,000	27,875,000	40,957,000	48,100,000	—
County Executive of Samburu	4,694,719	22,882,361	38,528,530	70,271,538	67,698,475	4,589,878
County Executive of Muranga	—	—	—	—	—	10,204,644
County Executive of Nyandarua	—	5,100,000	14,862,858	25,275,200	21,878,635	16,367,672
County Executive of Meru	1,768,200	86,037,247	27,349,470	91,142,566	96,802,018	780,300
County Executive of Kirinyaga	—	29,069,489	16,020,000	34,896,000	63,100,000	18,047,282
County Executive of Mombasa	—	93,844,160	10,009,159	23,194,498	20,963,154	10,699,790
County Executive of Kwale	—	46,249,025	54,956,531	56,217,459	38,136,130	—
County Executive of Taita Taveta	—	—	549,700	1,234,529	1,462,300	998,047
County Assemblies						
County Assembly of Kisii	—	9,874,544	4,370,477	7,845,560	16,974,700	—
County Assembly of Bomet	—	—	6,460,096	56,878,754	38,099,087	31,870,233
County Assembly of Garissa	—	3,000,000	—	31,560,000	12,243,965	16,183,864
County Assembly of Kitui	—	2,081,400	2,809,240	5,379,469	3,218,668	1,263,414
County Assembly of Machakos	—	32,385,129	28,311,271	29,937,098	27,380,078	7,235,769
County Assembly of West Pokot	—	45,536,561	60,989,624	40,579,987	35,060,325	2,524,310
County Assembly of Nandi	—	—	21,644,882	72,593,920	138,627,768	—
County Assembly of Kakamega	—	18,699,129	9,710,424	9,710,424	9,810,435	2,891,333
County Assembly of Siaya	—	—	—	49,004,687	21,756,869	24,142,637
County Assembly of Vihiga	—	—	—	8,842,800	13,840,680	5,200,180
County Assembly of Kisumu	—	13,750,000	10,600,000	11,750,000	12,750,000	6,750,000
County Assembly of Isiolo	—	3,500,000	4,200,000	5,800,000	6,200,000	1,200,000
County Assembly of Marsabit	—	4,000,000	27,000,000	18,450,000	19,950,000	9,225,000
County Assembly of Samburu	3,500,000	3,600,000	3,800,000	4,200,000	4,400,000	4,500,000
County Assembly of Nakuru	—	—	13,000,000	7,300,000	10,000,000	9,500,000

Institution	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 (End of December 2017)
County Assembly of Murang'a	—	—	18,866,643	15,620,438	5,884,960	5,265,932
County Assembly of Nyeri	9,880,000	8,976,000	9,700,000	9,564,000	9,246,500	4,500,000
County Assembly of Laikipia	—	—	4,284,543	—	3,789,186	3,059,640
County Assembly of Nyandarua	—	3,000,000	4,000,000	6,966,986	7,251,267	3,905,643
County Assembly of Meru	—	6,000,000	7,928,980	25,924,463	31,457,506	12,495,250
County Assembly of Tharaka Nithi	—	10,444,000	10,429,000	8,095,000	11,500,000	10,500,000
County Assembly of Embu	—	1,854,439	8,141,580	5,248,422	17,916,100	2,947,650
County Assembly of Kirinyaga	—	16,256,556	41,307,160	6,849,954	4,438,312	10,477,500
County Assembly of Mombasa	—	—	—	—	—	—
County Assembly of Taita Taveta	—	—	216,000	624,000	822,000	357,000
County Assembly of Kajiado	—	—	—	17,500,000	8,779,260	10,550,000
Commercial Sector State Corporations						
National Commission for Science, Technology and Innovation	—	—	6,500,626	2,151,514	4,269,233	1,085,670
Geothermal Development Company	157,404,157	119,152,949	146,531,253	86,323,708	84,657,899	75,706,300
Kenya Pipeline	63,670,334	53,448,677	94,185,215	77,994,701	164,378,683	98,680,634
Kenya Meat Commission	1,774,491	118,105	971,151	4,340,438	6,493,796	2,360,500
National Housing Corporation	4,322,049	6,042,000	17,715,000	7,170,000	14,900,000	14,626,282
Kenya National Trading Corporation	163,973	110,800	98,185	508,229	298,709	73,850
Kenyatta International Convention Centre	10,725,176	24,141,861	22,257,964	23,967,048	22,969,738	4,252,438
Numerical Machine Complex	3,146,528	4,616,814	3,338,321	907,062	1,106,399	101,700
Kenya Railways Corporation	18,031,840	19,768,640	19,708,421	42,240,282	10,918,662	6,426,531
National Water Conservation and	11,199,167	1,741,723	22,500	72,310	205,203	8,198,359
Kenya Literature Bureau	4,999,381	4,060,434	5,029,804	12,863,235	14,239,182	5,708,506
Kenya Airports Authority	—	—	—	—	67,118,800	—
Kenya National Examination Council	24,190,380	22,247,293	31,813,009	15,914,144	43,311,657	6,050,496
Kenya Power	465,904,866	358,597,225	270,693,099	222,024,774	336,127,226	22,422,138
Service Sector State Corporations						
Agricultural Development Corporation	2,513,000	1,685,000	1,810,000	2,309,000	2,302,000	758,000
National Cereals and Produce Board	2,333,998	1,173,510	3,403,886	7,435,356	6,351,513	5,351,633
Kenya National Library Services	1,983,834	1,983,834	7,036,880	4,176,687	4,624,284	2,144,708

Institution	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 (End of December 2017)
Kenya Plant Health Inspectorate Service	6,204,456	8,093,000	6,336,000	5,774,000	5,512,000	3,301,402
National AIDS Control Council	3,000,000	4,500,000	12,000,000	13,000,000	10,000,000	18,000,000
Sacco Societies Regulatory Authority	4,469,380	11,525,085	—	—	—	—
Export Promotion Council	5,174,862	11,646,129	7,860,858	5,301,030	8,127,235	—
Communication Authority of Kenya	112,782,452	125,897,361	177,889,691	143,128,247	169,790,894	—
Water Services Regulatory Board	8,418,310	2,400,785	9,256,083	13,311,021	5,385,693	5,280,420
National Environment Management Authority	4,371,584	3,433,853	4,538,225	21,105,675	19,558,493	5,970,886
National Council for Population and Development	2,357,904	4,160,550	3,443,334	3,530,913	2,138,467	1,307,408
Kenya Institute of Curriculum Development	5,018,951	6,434,674	6,412,360	5,171,619	7,496,829	559,237
National Industrial Training Authority	1,045,000	27,967,000	27,769,000	24,064,000	32,952,000	10,591,000
School Equipment Production Unit	—	—	—	—	—	—
Tourism Fund	22,138,298	18,396,758	18,032,177	20,876,695	32,666,344	10,719,107
Higher Education Loans Board	12,438,617	17,569,799	19,560,742	20,728,900	23,554,295	7,018,927
National Social Security Fund	61,072,000	48,183,000	42,596,000	68,566,000	62,572,000	35,852,000
Pharmacy and Poisons Board	38,560,401	14,312,455	27,710,216	36,120,027	42,591,245	49,529,258
Kenyatta National Hospital	82,957,000	92,488,000	128,121,000	160,494,000	87,864,000	60,258,000
Kenya Academy of Sports	—	—	—	—	193,000	200,000
Tourism Regulatory Authority	—	—	—	—	640,200	512,170
Kenya Year Book Editorial Board	395,048	442,300	830,823	582,562		484,400
National Council for Persons with Disabilities	13,107,539	4,014,758	4,754,813	11,266,648	4,927,857	2,789,882
Jomo Kenyatta Foundation	4,332,000	7,186,000	3,866,000	5,194,000	9,764,000	1,686,000
Retirement Benefits Authority	15,600,000	19,500,000	18,100,000	22,000,000	26,400,000	24,500,000
Kenya Intellectual Property Institute	2,124,108	4,140,646	5,676,625	7,996,581	8,383,049	1,978,777
Commission for University Education	2,155,427	1,963,123	1,427,239	4,373,549	19,589,847	5,208,562
National Biosafety Authority	3,543,243	4,941,227	634,219	733,090	488,694	639,192
Engineers Board of Kenya	—	—	—	—	926,110	718,500
Kenya Broadcasting Corporation	—	—	1,201,811	1,502,987	14,416,500	-
Kenya Water Tower Agency	—	—	—	—	4,248,620	745,100
Kenya Cultural Centre	—	—	—	—	178,000	58,650
Women Enterprise Fund	11,710,804	16,438,908	19,498,407	33,144,707	13,625,320	6,597,405
Kenya Bureau of Standards	33,819,222	16,338,593	40,371,789	63,679,251	81,803,114	26,823,777

Institution	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 (End of December 2017)
Insurance Regulatory Authority	37,389,792	51,092,686	56,488,557	63,520,490	72,051,288	20,860,194
Kenya National Bureau of Statistics	20,379,392	14,340,269	14,210,309	29,052,680	51,224,152	21,661,264
Kenya Tourism Board	6,823,477	6,720,136	9,575,429	9,748,458	13,296,543	841,411
Kenya Civil Aviation Authority	54,533,975	90,159,562	103,205,775	126,735,163	181,954,898	97,971,539
Kenya Copyright Board	3,563,527	2,392,493	1,168,756	689,500	7,445,504	3,647,570
Kenya Law Reform Commission	-	-	6,035,589	9,136,544	24,296,050	15,431,535
Kenya Film Classification Board	4,880,741	3,988,793	8,839,278	5,445,991	11,260,423	5,531,579
Kenya Leather Development Council	1,388,200	823,248	635,555	622,950	2,297,362	428,590
Kenya Accountants and Secretaries National Examination Board	11,173,770	11,858,285	18,486,974	20,257,963	26,632,018	13,479,077
Kenya National Highways Authority	61,495,465	40,885,772	32,187,256	54,456,810	73,086,746	12,952,082

- means missing data

Appendix 3: Number and Wage Bill Expenditure for State Officers from July 2012 to December 2017

Institution	2012/13		2013/14		2014/15		2015/16		2016/17		2017/18 (End of December 2017)	
	No. of State Officers	Total Wage Bill (Kshs.)	No. of State Officers	Total Wage Bill (Kshs.)	No. of State Officers	Total Wage Bill (Kshs.)	No. of State Officers	Total Wage Bill (Kshs.)	No. of State Officers	Total Wage Bill (Kshs.)	No. of State Officers	Total Wage Bill (Kshs.)
County Executive												
County Executive of Kericho	2	—	19	46,011,172	19	46,011,172	19	59,901,132	19	64,444,212	19	30,998,846
County Executive of Kisii	2	4,983,724	12	41,901,172	12	45,303,108	12	56,919,132	12	64,817,292	12	20,403,519
County Executive of Bomet	47	9,349,411	48	12,673,756	45	11,497,435	11	5,058,343	11	8,297,565	11	5,609,953
County Executive of Narok	33	11,543,793	60	141,784,655	59	232,102,705	12	88,228,837	11	59,125,607	11	24,477,664
County Executive of Garissa	—	—	61	268,901,868	60	321,456,732	9	50,792,376	8	48,799,212	11	8,063,125
County Executive of Machakos	—	—	31	—	34	—	34	—	30	—	25	—
County Executive of West Pokot	23	680,481,172	45	70,467,264	45	70,467,264	8	24,307,962	9	47,057,292	2	1,203,875
County Executive of Trans Nziya	28	21,029,529	52	225,557,904	52	268,466,124	11	60,545,712	11	54,926	11	40,071,000
County Executive of Nandi	—	—	60	13,184,868	60	14,788,331	12	5,007,226	11	4,963,941	—	—
County Executive of Kakamega	—	279,249,546	98	403,557,168	98	65,603,964	98	52,819,212	10	—	14	24,039,930
County Executive of Busia	187	16,136,793	527	172,033,428	591	192,157,200	82	63,454,212	66	22,681,500	—	—
County Executive of Vihiga	—	—	—	—	—	—	—	—	—	944,000	—	—
County Executive of Kisumu	—	—	62	162,193,776	57	254,211,888	11	54,521,712	10	54,002,262	—	—
County Executive of Isiolo	—	—	30	77,115,680	30	95,750,076	9	48,240,128	9	129,195,798	—	—
County Executive of Marsabit	—	—	—	—	12	21,342,898	12	66,588,162	12	57,597,062	12	21,151,613
County Executive of Samburu	—	—	—	—	—	—	11	—	11	—	—	—
County Executive of Muranga	46	27,611,724	60	153,907,776	61	174,396,588	61	76,539,622	12	60,302,292	12	41,752,500
County Executive of Nyeri	—	—	60	158,432,484	58	254,074,824	11	57,387,962	9	50,141,712	10	11,719,570

Institution	2012/13		2013/14		2014/15		2015/16		2016/17		2017/18 (End of December 2017)	
	No. of State Officers	Total Wage Bill (Kshs.)	No. of State Officers	Total Wage Bill (Kshs.)	No. of State Officers	Total Wage Bill (Kshs.)	No. of State Officers	Total Wage Bill (Kshs.)	No. of State Officers	Total Wage Bill (Kshs.)	No. of State Officers	Total Wage Bill (Kshs.)
County Executive of Laikipia	17	49,782,996	17	52,116,696	17	65,946,132	17	71,188,812	13	56,269,512	13	28,134,756
County Executive of Meru	—	—	80	16,399,753	81	18,203,433	12	5,019,726	11	4,898,316	14	3,055,182
County Executive of Tharaka Nithi	24	19,048,376	35	136,207,269	10	49,318,632	10	52,726,712	10	52,217,292	9	20,186,250
County Executive of Kirinyaga	—	—	35	20,874,063	41	170,497,763	11	55,416,132	10	54,919,212	12	24,479,510
County Executive of Mombasa	60	51,868,852	58	151,943,616	56	227,556,192	69	92,576,374	12	62,509,212	12	31,254,606
County Executive of Kwale	—	—	—	—	45	136,289,150	11	76,287,556	10	57,399,982	9	24,562,257
County Executive of Taita Taveta	23	—	54	—	54	—	18	—	17	—	7	—
County Executive of Kajiado	—	—	12	39,298,833	12	68,287,388	12	71,875,212	12	76,552,292	—	—
County Assemblies												
County Assembly of Kericho	48	—	48	111,467,658	48	178,812,836	48	195,627,343	48	190,113,775	48	49,924,178
County Assembly of Kisii	—	—	—	—	72	101,847,993	72	240,831,451	72	288,214,166	70	65,168,788
County Assembly of Bomet	36	—	36	—	36	—	36	154,101,945	36	171,934,203	36	54,248,330
County Assembly of Narok	31	10,428,800	48	157,182,544	48	241,490,809	48	248,766,919	48	256,043,029	48	109,199,645
County Assembly of Kitui	—	—	—	—	—	—	57	120,150,915	57	151,243,020	55	58,283,021
County Assembly of Machakos	60	—	60	—	60	—	60	163,697,946	60	190,568,688	60	72,463,316
County Assembly of Trans Nzoia	—	—	40	176,782,200	40	176,782,200	40	176,782,200	40	102,557,875	40	22,296,276
County Assembly of Kakamega	88	73,321,652	88	366,164,976	88	379,312,398	88	392,458,596	88	405,606,018	88	134,588,217
County Assembly of Busia	—	—	—	—	—	—	54	284,251,272	54	281,484,351	54	278,955,199
County Assembly of Siaya	49	—	49	—	49	—	49	160,026,726	49	191,904,901	43	49,320,210
County Assembly of Vihiga	—	—	—	—	—	—	40	148,342,160	40	156,178,561	39	65,428,163

Institution	2012/13		2013/14		2014/15		2015/16		2016/17		2017/18 (End of December 2017)	
	No. of State Officers	Total Wage Bill (Kshs.)	No. of State Officers	Total Wage Bill (Kshs.)	No. of State Officers	Total Wage Bill (Kshs.)	No. of State Officers	Total Wage Bill (Kshs.)	No. of State Officers	Total Wage Bill (Kshs.)	No. of State Officers	Total Wage Bill (Kshs.)
County Assembly of Kisumu	—	—	—	—	—	—	50	132,090,696	50	135,150,696	49	—
County Assembly of Isiolo	—	—	—	—	—	—	21	89,681,352	21	89,681,352	21	47,848,900
County Assembly of Marsabit	—	—	—	—	—	—	34	86,319,435	34	104,157,825	31	39,347,107
County Assembly of Samburu	27	73,879,500	27	73,879,500	27	73,879,500	27	73,879,500	28	50,802,000	—	—
County Assembly of Nakuru	—	—	75	—	72	201,041,975	75	216,084,299	75	224,054,010	79	191,057,190
County Assembly of Murang'a	—	—	—	—	—	—	50	98,047,399	49	117,604,001	49	69,298,597
County Assembly of Nyeri	31	110,019,000	48	170,340,480	48	170,340,480	47	166,791,720	47	166,791,720	44	47,256,000
County Assembly of Laikipia	24	—	24	—	24	—	24	43,780,905	24	55,155,364	25	19,494,414
County Assembly of Nyandarua	26	—	41	125,747,854	42	124,847,386	42	204,068,420	42	159,127,779	40	49,255,106
County Assembly of Meru	70	—	70	—	70	—	70	146,066,246	70	185,438,830	69	71,756,745
County Assembly of Tharaka Nithi	25	97,577,064	25	100,865,952	25	104,154,564	25	107,443,452	25	101,732,064	25	32,438,092
County Assembly of Embu	—	—	—	—	34	127,429,917	34	136,910,501	34	43,550,941	—	—
County Assembly of Kirinyaga	30	28,000,000	30	103,769,418	30	131,397,571	30	122,771,120	30	127,433,269	34	54,985,890
County Assembly of Mombasa	—	—	—	—	46	182,094,564	44	184,484,004	43	111,700,788	43	55,850,394
County Assembly of Taita Taveta	—	—	36	88,615,193	36	218,273,507	36	171,104,518	36	231,231,229	36	231,231,229
County Assembly of Kajiado	42	—	42	—	42	—	42	85,720,252	42	91,026,184	42	84,777,675

- Implies missing data

Appendix 5: Number and Wage Bill Expenditure for Board Members, July 2012 to December 2017, Remuneration and Benefits

Institution	2012/13		2013/14		2014/15		2015/16		2016/17		2017/18 (End of December 2017)	
	No. of Board Members	Total Wage Bill (Kshs.)	No. of Board Members	Total Wage Bill (Kshs.)	No. of Board Members	Total Wage Bill (Kshs.)	No. of Board Members	Total Wage Bill (Kshs.)	No. of Board Members	Total Wage Bill (Kshs.)	No. of Board Members	Total Wage Bill (Kshs.)
County Executive												
County Executive of Kericho	—	—	6	—	7	18,135,000	7	19,587,540	7	21,220,776	7	22,434,012
County Executive of Kisii	6	6,523,260	6	15,245,820	7	17,190,000	7	18,315,000	6	17,640,000	4	2,940,000
County Executive of Bomet	6	795,532	6	1,199,857	7	1,511,192	7	1,915,604	7	1,894,501	6	1,574,501
County Executive of Narok	—	—	6	15,111,508	6	15,684,367	6	16,587,540	6	17,613,423	5	9,319,653
County Executive of Garissa	8	52,608,132	8	52,608,132	8	52,608,132	8	52,608,132	8	52,608,132	8	30,304,116
County Executive of Kitui	5	17,052,000	5	17,052,000	5	17,052,000	5	17,052,000	5	17,052,000	5	8,526,000
County Executive of Machakos	—	—	6	—	5	—	5	—	5	—	5	—
County Executive of West Pokot	—	—	7	16,932,588	7	19,347,540	7	123,234,376	7	25,674,012	7	12,837,006
County Executive of Trans Nzoia	—	—	7	8,353,794	7	19,587,540	7	21,220,776	7	22,434,012	7	11,217,006
County Executive of Nandi	—	—	7	15,315,289	7	12,134,304	7	17,907,540	7	19,120,776	7	7,200,000
County Executive of Kakamega	—	—	6	15,138,960	6	17,010,000	6	18,135,000	6	19,260,000	—	—
County Executive of Busia	—	—	5	10,435,747	8	43,491,404	15	25,735,836	14	23,798,760	15	14,715,012
County Executive of Siaya	—	—	7	1,672,442	7	1,695,000	7	14,100,000	7	15,000,000	7	15,900,000
County Executive of Vihiga	—	—	—	—	—	—	—	—	—	—	5	1,192,442
County Executive of Kisumu	—	—	—	—	7	14,678,128	7	17,083,364	7	18,441,600	7	7,307,505
County Executive of Isiolo	—	—	5	10,166,529	6	10,476,343	6	15,743,892	6	19,127,823	5	8,516,653
County Executive of Marsabit	—	—	—	—	6	8,346,534	6	16,083,750	6	18,225,150	6	4,074,000
County Executive of Samburu	—	—	7	13,470,940	7	19,320,000	7	23,133,600	7	25,956,000	4	14,832,000
County Executive of Muranga	—	—	7	15,315,289	6	1,520,304	6	16,935,540	6	18,445,776	6	9,222,888
County Executive of Nyeri	—	—	7	16,986,888	7	19,954,304	7	20,447,856	6	17,665,776	6	8,112,888

Institution	2012/13		2013/14		2014/15		2015/16		2016/17		2017/18 (End of December 2017)	
	No. of Board Members	Total Wage Bill (Kshs.)	No. of Board Members	Total Wage Bill (Kshs.)	No. of Board Members	Total Wage Bill (Kshs.)	No. of Board Members	Total Wage Bill (Kshs.)	No. of Board Members	Total Wage Bill (Kshs.)	No. of Board Members	Total Wage Bill (Kshs.)
County Executive of Laikipia	7	7,725,912	7	15,368,588	7	18,710,304	7	20,749,140	6	20,049,576	6	10,024,788
County Executive of Meru	—	—	7	1,680,799	7	1,394,192	7	1,490,295	7	1,506,398	7	722,501
County Executive of Tharaka Nithi	—	—	6	3,533,768	7	8,618,304	7	9,411,540	7	16,059,540	4	3,432,000
County Executive of Kirinyaga	—	—	4	6,897,680	4	10,320,000	4	11,040,000	4	11,760,000	4	6,240,000
County Executive of Mombasa	7	3,261,630	7	14,593,380	7	16,245,000	6	16,248,000	5	14,520,000	5	8,100,000
County Executive of Kwale	—	—	—	—	7	18,581,083	7	19,960,849	5	20,517,003	5	8,160,000
County Executive of Taita Taveta	—	—	6	—	6	—	5	—	5	—	5	—
County Executive of Kajiado	—	—	7	17,245,824	7	19,259,304	7	22,657,248	7	22,194,012	7	—
County Assemblies												
County Assembly of Kericho	—	—	1	—	1	264,000	1	288,000	1	288,000	1	144,000
County Assembly of Kisii	—	—	1	1,848,000	1	1,848,000	1	2,016,000	1	672,000	2	932,000
County Assembly of Bomet	—	—	1	1,862,400	1	1,862,400	1	1,862,400	1	—	—	—
County Assembly of Narok	1	768,000	1	7,680,000	1	7,680,000	1	7,680,000	1	7,680,000	1	3,840,000
County Assembly of Trans Nzoia	—	—	—	—	5	4,416,000	5	4,416,000	5	4,416,000	5	1,840,000
County Assembly of Nandi	4	5,808,000	4	5,808,000	4	5,808,000	4	5,808,000	4	5,808,000	4	2,904,000
County Assembly of Kakamega	4	304,000	4	3,648,000	—	3,648,000	5	4,704,000	5	3,222,000	5	1,389,000
County Assembly of Busia	—	—	—	—	—	—	1	2,016,000	1	2,016,000	1	2,016,000
County Assembly of Siaya	5	—	5	—	5	—	5	1,680,000	5	2,016,000	5	1,009,000
County Assembly of Vihiga	1	—	1	—	1	1,152,000	1	1,152,000	1	1,152,000	2	1,422,000
County Assembly of Kisumu	—	—	—	—	—	—	1	—	1	—	2	—
County Assembly of Isiolo	—	—	—	—	—	—	1	4,096,000	1	4,096,000	1	2,084,000

Institution	2012/13		2013/14		2014/15		2015/16		2016/17		2017/18 (End of December 2017)	
	No. of Board Members	Total Wage Bill (Kshs.)	No. of Board Members	Total Wage Bill (Kshs.)	No. of Board Members	Total Wage Bill (Kshs.)	No. of Board Members	Total Wage Bill (Kshs.)	No. of Board Members	Total Wage Bill (Kshs.)	No. of Board Members	Total Wage Bill (Kshs.)
County Assembly of Marsabit	—	—	—	—	1	1,248,000	1	1,248,000	1	1,248,000	1	208,000
County Assembly of Samburu	2	2,000,000	2	2,000,000	2	2,000,000	2	2,000,000	2	2,000,000	2	2,000,000
County Assembly of Nakuru	—	—	—	—	1	364,000	1	1,076,000	1	764,000	—	—
County Assembly of Muranga	—	—	—	—	—	—	5	6,996,285	5	6,489,151	5	6,313,880
County Assembly of Nyeri	5	1,632,000	5	4,896,000	5	5,184,000	5	5,184,000	5	5,184,000	6	2,976,000
County Assembly of Laikipia	5	—	5	—	5	5,250,971	5	5,686,650	5	5,732,929	6	656,000
County Assembly of Nyandarua	—	—	5	8,257,656	5	8,064,000	5	5,916,000	5	5,916,000	6	1,349,008
County Assembly of Meru	1	—	1	—	1	—	1	360,000	1	360,000	2	130,000
County Assembly of Tharaka Nithi	—	—	1	2,088,000	1	1,968,000	1	1,968,000	1	1,968,000	1	552,000
County Assembly of Embu	—	—	1	1,068,000	1	1,068,000	1	1,068,000	1	1,068,000	2	1,574,000
County Assembly of Kirinyaga	—	—	1	—	1	—	1	—	1	—	2	—
County Assembly of Mombasa	—	—	—	—	—	—	5	6,048,000	5	6,048,000	5	6,048,000
County Assembly of Taita Taveta	1	1,740,000	1	1,740,000	1	1,740,000	1	1,740,000	1	1,740,000	2	4,380,000
County Assembly of Kajiado	—	—	5	—	5	—	5	7,980,000	5	8,094,000	6	8,208,000
Commercial Sector State Corporations												
National Commission for Science, Technology and Innovation	—	—	—	—	7	7,252,200	7	5,982,400	7	4,795,397	9	138,000
Kenya Pipeline	13	13,114,000	13	13,511,000	10	14,886,000	11	27,876,853	14	22,160,000	10	4,180,000
Kenya Meat Commission	11	18,199,807	11	10,705,651	11	2,928,052	11	18,483,008	11	15,578,968	11	4,709,952
Kenya Railways Corporation	15	32,852,693	10	43,226,568	12	40,575,041	14	49,720,933	13	48,003,819	9	18,643,064
Kenya Airports Authority	7	54,462,000	7	30,268,000	8	26,853,000	9	23,113,000	9	32,247,000	9	8,060,545

Institution	2012/13		2013/14		2014/15		2015/16		2016/17		2017/18 (End of December 2017)	
	No. of Board Members	Total Wage Bill (Kshs.)	No. of Board Members	Total Wage Bill (Kshs.)	No. of Board Members	Total Wage Bill (Kshs.)	No. of Board Members	Total Wage Bill (Kshs.)	No. of Board Members	Total Wage Bill (Kshs.)	No. of Board Members	Total Wage Bill (Kshs.)
Kenya Power	—	47,669,037	—	72,979,318	—	609,697,313	—	56,874,289	—	103,081,500	—	13,804,109
Service Sector State Corporations												
Agricultural Development Corporation	12	3,971,000	11	10,122,000	14	8,363,000	14	18,458,000	14	13,831,000	7	3,132,000
National Cereals and Produce Board	9	7,825,085	9	7,224,056	9	7,843,007	7	5,946,134	9	10,395,072	9	3,414,493
Kenya National Library Services	14	6,060,000	1	6,880,000	1	2,080,000	10	1,100,000	9	5,920,000	10	1,660,000
Kenya Plant Health Inspectorate Service	7	3,997,376	7	3,008,000	7	2,287,000	10	9,181,000	9	15,210,000	9	13,036,702
National AIDS Control Council	15	1,900,000	15	1,900,000	15	2,100,000	15	1,900,000	15	2,000,000	15	2,200,000
Sacco Societies Regulatory Authority	—	8,426,918		6,569,876		7,861,435	—	10,512,888	—	14,625,557	5	18,733,577
Export Promotion Council	8	11,183,011	8	14,232,602	8	13,705,853	8	13,807,171	8	13,540,046	—	—
School Equipment Production Unit	7	560,000	7	560,000	7	560,000	7	560,000	7	560,000	5	400,000
Tourism Fund	7	2,355,156		80,000		147,230	7	18,745,064	7	30,278,876	6	6,756,155
Higher Education Loans Board	11	16,508,776	12	10,390,689	11	11,270,596	11	8,802,087	11	8,305,066	9	2,127,372
Kenya Intellectual Property Institute	—	6,512,145	—	5,001,379	—	2,531,198	—	8,413,585	—	10,063,867	—	5,450,000
Commission for University Education	—	9,650,327	—	6,937,929	—	10,482,933	—	16,575,709	—	12,652,305	—	4,274,608
National Biosafety Authority	16	20,792,784	16	18,274,201	16	6,552,781	16	6,338,509	16	5,505,906	16	6,684,649
Engineers Board of Kenya	—	—	—	—	—	—	—	—	12	8,069,270	11	4,983,160
Kenya Broadcasting Corporation	—	—	—	5,443,000	—	10,671,000	—	8,625,000	—	7,858,000	—	—

Institution	2012/13		2013/14		2014/15		2015/16		2016/17		2017/18 (End of December 2017)	
	No. of Board Members	Total Wage Bill (Kshs.)	No. of Board Members	Total Wage Bill (Kshs.)	No. of Board Members	Total Wage Bill (Kshs.)	No. of Board Members	Total Wage Bill (Kshs.)	No. of Board Members	Total Wage Bill (Kshs.)	No. of Board Members	Total Wage Bill (Kshs.)
Kenya Water Tower Agency	8	4,062,805	7	4,632,215	8	15,096,008	8	14,377,014	10	19,307,310	10	6,861,363
Kenya Cultural Centre	10	248,565	10	1,251,008	9	3,820,865	9	4,262,733	11	10,308,357	11	2,154,175
Insurance Regulatory Authority	10	10,280,000	9	7,080,000	8	3,546,000	9	7,420,000	9	10,400,000	9	6,160,000
Kenya National Bureau of Statistics	9	7,080,899	9	1,523,592	9	6,131,596	9	10,127,770	9	10,639,529	—	—
Kenya Tourism Board	—	—	—	1,162,051	—	—	6	6,953,702	6	14,064,054	6	2,970,768
Kenya Copyright Board	12	360,000	12	360,000	16	360,000	14	90,000	13	780,000	18	360,000
Kenya Law Reform Commission	—	—	7	—	7	28,653,120	7	29,798,470	7	30,081,724	7	15,004,862
Kenya Film Classification Board	9	10,197,061	4	3,888,900	9	12,872,236	9	17,567,124	9	29,933,014	5	13,168,900
Kenya Leather Development Council	12	3,770,867	8	3,762,366	8	1,504,058	8	5,306,715	10	9,968,002	10	6,786,775
Kenya National Highways Authority	9	4,578,000	9	6,007,000	9	4,798,200	9	6,119,400	9	7,236,400	9	2,440,000

- Implies missing data

Appendix 6: Total Wage Bill Expenditure (Kshs.) From July 2012 to December 2017

Institution	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 (End of December 2017)
County Executive						
County Executive of Kericho	—	1,404,245,000	1,822,225,000	1,996,799,000	1,919,620,000	917,473,324
County Executive of Kisii	—	1,864,178,419	2,041,031,732	3,076,446,080	3,795,140,622	242,385,480
County Executive of Bomet	16,685,592	799,547,592	1,899,422,516	1,796,216,274	2,211,338,429	1,264,287,201
County Executive of Narok	—	1,362,535,654	2,196,007,704	2,406,493,175	2,748,464,420	1,566,136,176
County Executive of Kitui	198,964,977	3,727,011,651	7,004,190,394	7,996,978,914	9,022,631,322	2,329,362,237
County Executive of Machakos	—	—	—	8,501,311,350	9,438,362,744	2,809,412,574
County Executive of West Pokot	—	—	297,518,475	1,177,019,179	1,371,861,090	816,148,999
County Executive of Trans Nzoia	—	3,494,054,713	4,470,521,598	5,741,953,932	6,195,229,773	1,512,296,700
County Executive of Nandi	—	2,904,838,119	4,547,195,539	4,623,492,237	4,776,631,245	397,021,209
County Executive of Kakamega	351,778,282	5,459,504,851	7,955,680,995	10,880,369,107	12,366,386,571	6,165,121,778
County Executive of Busia	107,054,123	941,748,058	1,526,699,476	162,562,046	1,744,805,444	1,187,959,278
County Executive of Siaya	44,172,033	796,204,776	1,412,437,419	1,501,252,176	1,877,909,073	1,029,298,773
County Executive of Vihiga	—	—	—	—	—	1,493,065,158
County Executive of Kisumu	—	3,840,789,123	2,457,266,571	2,777,480,400	3,442,254,102	2,132,769,352
County Executive of Isiolo	—	1,915,096,909	3,084,540,982	2,860,739,721	2,928,672,553	1,031,177,065
County Executive of Marsabit	22,000,000	584,000,000	946,900,000	1,218,000,000	1,443,000,000	835,000,000
County Executive of Samburu	—	—	—	3,913,127,388	4,208,814,684	268,924,977
County Executive of Nakuru	—	4,454,461,885	4,429,938,345	4,917,531,516	5,110,659,086	2,327,630,010
County Executive of Muranga	146,790,880	1,121,531,890	1,992,953,034	2,287,907,164	2,545,549,049	1,418,587,797
County Executive of Nyeri	—	2,347,151,825	2,665,434,185	2,481,069,667	2,641,815,716	1,470,036,176
County Executive of Laikipia	366,450,210	1,541,203,986	1,622,576,348	1,683,817,080	2,229,826,186	1,114,913,093
County Executive of Meru	101,169,913	2,448,439,511	2,588,854,591	3,267,808,090	3,534,151,955	2,200,033,184
County Executive of Tharaka Nithi	53,654,676	1,022,068,797	1,206,837,955	1,426,351,863	1,718,123,704	1,042,116,258
County Executive of Kirinyaga	—	328,896,960	1,770,671,181	1,805,437,369	2,022,156,426	1,206,179,970
County Executive of Mombasa	—	2,063,799,003	3,567,203,649	3,384,012,356	3,675,039,059	2,012,453,448
County Executive of Kwale	—	—	—	1,462,480,306	1,749,130,388	1,053,829,680
County Executive of Taita Taveta	—	598,012,007	1,272,259,450	1,425,116,452	1,732,454,629	1,070,220,831
County Executive of Kajiado	—	1,005,347,084	1,492,826,388	1,545,502,477	1,809,228,189	1,070,220,831
County Assemblies						
County Assembly of Kisii	—	—	—	280,616,345	423,257,110	140,265,648
County Assembly of Bomet	—	—	—	244,006,425	281,686,300	110,044,613
County Assembly of Narok	—	—	—	—	312,022,140	156,011,070
County Assembly of Garissa	—	—	—	630,344,895	659,804,632	388,269,059
County Assembly of Kitui	—	225,908,864	467,184,977	824,657,093	750,200,187	213,076,719
County Assembly of Machakos	63,630,119	212,203,721	774,003,068	836,149,041	936,140,270	—

Institution	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 (End of December 2017)
County Assembly of Trans Nzioa	—	—	512,286,695	498,398,759	534,271,010	530,452,425
County Assembly of Nandi	—	—	—	478,124,118	551,225,101	151,230,355
County Assembly of Kakamega	—	—	505,231,420	360,357,151	899,723,889	359,284,104
County Assembly of Busia	—	—	—	320,629,035	369,014,773	129,596,323
County Assembly of Siaya	—	—	—	205,704,275	263,798,737	85,665,100
County Assembly of Vihiga	—	—	—	224,480,163	230,971,244	94,820,500
County Assembly of Kisumu	—	—	—	207,704,237	218,722,685	78,354,638
County Assembly of Isiolo	—	—	—	394,610,000	524,970,000	187,378,634
County Assembly of Marsabit	—	—	404,951,499	502,570,775	506,269,982	178,001,292
County Assembly of Samburu	470,000,000	470,000,000	470,000,000	511,373,841	523,361,791	544,035,585
County Assembly of Nakuru	—	—	—	293,153,745	303,470,432	133,996,022
County Assembly of Muranga	—	—	—	191,495,351	282,115,802	146,686,120
County Assembly of Nyeri	—	—	—	210,435,370	234,041,009	75,462,003
County Assembly of Laikipia	—	—	—	121,030,966	152,182,927	76,598,183
County Assembly of Nyandarua	—	146,679,290	192,742,162	314,812,669	279,746,276	125,419,930
County Assembly of Meru	—	—	—	205,995,977	263,070,362	115,356,506
County Assembly of Tharaka Nithi	—	207,433,000	372,632,499	320,170,729	342,000,000	190,000,000
County Assembly of Embu	—	84,189,334	181,612,595	193,341,105	219,635,161	100,524,362
County Assembly of Kirinyaga	—	117,401,881	151,833,097	207,057,232	229,456,421	84,563,777
County Assembly of Mombasa	—	—	—	418,751,674	418,578,999	162,355,409
County Assembly of Taita Taveta	—	88,615,193	292,295,505	253,412,669	309,426,005	312,660,845
County Assembly of Kajiado	—	—	66,860,807	173,519,573	201,149,100	210,467,844
Commercial Sector State Corporations						
National Commission for Science, Technology and Innovation	—	—	4,860,226	86,845,393	112,895,564	47,246,655
Geothermal Development Company	1,100,035,209	1,334,131,431	1,539,882,588	1,803,813,205	1,903,081,545	1,088,250,433
Kenya Pipeline	10,712,351,449	10,374,929,404	12,854,952,944	11,882,138,727	14,581,420,721	7,720,025,917
Kenya Meat Commission	466,324,462	549,172,737	413,418,362	470,852,910	306,155,522	-
National Housing Corporation	642,298,357	792,138,843	800,954,073	912,870,381	825,448,821	426,591,590
Kenya National Trading Corporation	110,212,852	107,664,953	96,920,210	125,635,032	124,533,838	62,290,972
Kenyatta International Convention Centre	125,932,893	124,987,067	159,591,452	153,612,054	142,219,025	68,081,560
Numerical Machine Complex	167,155,055	164,549,622	146,170,371	155,442,008	141,061,910	65,475,660
Kenya Railways Corporation	850,874,600	1,159,366,256	1,208,133,385	1,119,791,335	1,458,015,562	5,672,060,910
National Water Conservation and	618,137,339	437,303,041	423,760,873	480,612,337	469,829,344	435,226,064
Kenya Literature Bureau	1,298,424,864	1,605,521,312	1,627,546,655	1,879,259,937	2,140,785,989	844,712,024
Kenya Airports Authority	5,808,933,000	6,535,408,000	8,073,860,000	9,728,067,000	10,931,041,000	2,285,217,590

Institution	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 (End of December 2017)
Kenya National Examination Council	4,576,429,794	4,245,578,313	4,980,191,668	5,193,535,721	686,928,991	3,827,270,713
Kenya Electricity Generating Company	4,813,404,079	5,220,663,624	6,012,475,377	6,799,903,379	7,514,223,560	3,917,206,271
Service Sector State Corporations						
Agricultural Development Corporation	1,320,745,000	1,189,839,000	1,676,971,000	1,358,001,000	1,177,857,000	404,346,000
National Cereals and Produce Board	892,910,370	906,084,060	920,231,301	902,389,677	913,131,568	472,013,270
Kenya National Library Services	397,429,996	404,343,003	463,670,281	454,720,045	548,443,501	240,753,650
Kenya Plant Health Inspectorate Service	907,429,625	935,325,000	991,957,000	1,109,127,000	989,480,000	579,010,000
National AIDS Control Council	169,351,798	171,887,767	173,241,101	250,334,724	254,834,736	146,507,854
Sacco Societies Regulatory Authority	193,512,973	272,790,041	279,766,692	327,517,130	318,050,187	350,485,680
Export Promotion Council	333,275,171	409,324,677	421,809,727	445,370,100	716,581,675	—
Communication Authority of Kenya	1,783,471,039	2,234,427,085	2,826,347,603	3,850,345,909	4,020,315,710	—
Water Services Regulatory Board	164,080,911	152,372,647	244,164,748	250,313,927	242,166,521	120,168,685
National Drought Management Authority	1,002,917,066	2,304,861,365	5,223,773,700	6,826,426,794	6,423,268,104	4,023,762,082
National Environment Management Authority	1,105,305,000	1,187,687,000	1,219,953,000	1,321,976,000	1,410,226,000	529,013,000
Export Processing Zones Authority	334,745,943	400,280,266	497,276,540	486,467,110	482,101,497	219,169,849
National Industrial Training Authority	50,795,000	270,077,000	317,350,000	577,217,000	690,138,000	302,292,000
School Equipment Production Unit	—	10,881,884	15,963,407	14,820,506	146,741,242	—
Tourism Fund	276,535,723	297,879,578	306,016,132	320,929,997	318,923,911	180,042,217
Higher Education Loans Board	748,000,000	809,000,000	998,000,000	1,000,000,000	1,100,000,000	786,000,000
National Social Security Fund	6,999,145,730	6,255,245,120	5,548,840,949	5,356,518,605	6,103,900,124	2,673,888,270
Pharmacy and Poisons Board	370,473,753	441,293,879	463,604,862	617,762,029	807,104,422	375,248,245
Kenyatta National Hospital	6,001,637,114	7,929,473,211	7,245,531,324	7,698,143,196	8,207,621,753	4,727,784,268
Kenya Academy of Sports	—	—	—	3,624,489	8,727,157	6,336,528
Tourism Regulatory Authority	—	—	—	—	136,616,589	55,358,007
Kenya Year Book Editorial Board	102,336,050	99,869,507	87,003,854	69,994,434	93,594,257	—
National Council for Persons with	804,048,589	530,132,674	2,167,243,297	1,688,396,031	2,147,554,185	460,745,483
Jomo Kenyatta Foundation	429,072,000	514,836,000	530,336,000	622,908,000	610,270,000	545,839,000
Retirement Benefits Authority	485,997,825	535,287,549	582,186,138	610,756,286	690,932,250	518,370,006
Kenya Intellectual Property Inst	140,096,527	173,200,562	197,947,697	199,343,937	234,094,572	145,452,804
Commission for University Education	152,515,540	144,658,626	131,475,826	185,395,451	198,185,064	99,174,029
National Biosafety Authority	149,819,492	141,614,422	119,709,522	115,871,992	102,062,332	72,407,150
Engineers Board of Kenya	—	—	—	—	31,191,628	27,529,578

Institution	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 (End of December 2017)
Kenya Broadcasting Corporation	—	7,547,630,000	8,058,455,000	10,545,707,000	9,782,056,000	
Kenya Water Tower Agency	53,322,393	203,832,515	354,535,219	306,293,767	291,184,098	117,630,905
Kenya Cultural Centre	6,236,343	6,178,662	15,516,559	15,751,288	14,646,880	10,082,604
Women Enterprise Fund	237,765,137	233,148,457	230,247,539	305,804,493	304,367,708	174,546,524
Insurance Regulatory Authority	311,288,891	346,719,367	368,720,674	366,437,020	394,486,870	190,313,597
Kenya National Bureau of Statistics	469,300,832	478,054,680	553,790,202	498,329,973	617,939,329	328,697,248
Kenya Tourism Board	1,034,384,191	1,169,546,063	1,020,775,306	1,487,929,445	1,940,412,668	601,125,941
Kenya Copyright Board	35,741,119	55,924,191	57,789,650	57,473,462	61,426,002	31,293,332
Kenya Law Reform Commission	—	—	58,012,830	107,835,630	148,222,642	70,360,933
Kenya Film Classification Board	154,644,078	151,846,202	157,863,989	192,873,761	447,656,532	270,072,233
Kenya Leather Development Council	20,891,383	22,506,580	16,462,823	22,607,929	31,733,362	22,883,327
Kenya Accountants and Secretaries National Examination Board	327,426,144	355,109,498	408,009,139	463,666,826	456,099,241	220,874,927
Kenya National Highways Authority	619,154,820	703,610,177	709,142,197	779,845,765	776,451,107	665,180,050

- implies missing data

Appendix 7: Data Collection Questionnaire

QUESTIONNAIRE FOR A STUDY ON PUBLIC WAGE BILL MANAGEMENT

Introduction

SRC is collecting data to inform public wage bill management mechanisms. You are requested (*representatives from the HR, payroll, and finance departments*) to spare some time and answer all relevant questions regarding wage bill management in your institution. The objective of this study is to support and strengthen management of public wage bill, and make the wage bill affordable, competitive, equitable, transparent, and sustainable. Kindly note that the responses you provide during this study will be treated with *strict confidentiality*. Draft report from this study will be shared with your institution for additional inputs and/or your concurrence before dissemination.

Definition of Terms

Wage bill: Refers to total salaries, wages, and remunerative allowances and benefits payable to public servants.

This questionnaire is divided into two parts. Part 1 contains technical questions that can be filled beforehand and reviewed by the team during the meeting. Part 2 contains discussion questions to be responded to in the meeting.

SECTION A: GENERAL INFORMATION

Name of the Institution:	Type of institution	Tick as appropriate
	National Government	
	State Corporation (Specify SCAC category)	
	County Government	
	Constitutional Commission and Independent Offices	
	Others (specify)	

Respondents	Tick as appropriate
Clerk, County Assembly	
Secretary, County Public Service Board	
Head of Human Resource	
Head of Finance	
Head of Accounts	
Director in charge of (specify)	
Others (specify)	

Name of Enumerator:
Date:

4. How many officers were promoted in your institution per job level [policy makers, senior managers, technical staff, support staff (middle), and support staff (lower)] between 2012/2013 and 2017/18 (end of December 2017)? Please provide detailed summary of the grades (Previous grade to new grade upon promotion) in a separate sheet.

FY	Policy Makers	Senior Managers	Technical Staff	Support Staff (middle)	Support Staff (lower)
2012/13					
2013/14					
2014/15					
2015/16					
2016/17					
2017/18 (end of December 2017)					

Key: Civil Service job group or equivalent

Policy Makers	S – V
Senior Managers	P – R
Technical Staff	K – N
Support Staff (Middle)	G – J
Support Staff (lower)	A – F

5. Does your institution have a Scheme(s) of service and/or career progression guidelines?

Yes ☐ No ☐

a) If Yes, please provide a copy.

b) If No, how is career progression managed in your institution?

.....

6. Does your institution have a performance management system?

Yes ☐ No ☐

If Yes,

i) Specify the system used to manage performance in your institution.

.....

ii) How is the system applied in managing performance in your institution?

.....

7. What type of rewards are administered? (*Tick as appropriate*)

Engraving in Roll of Honor	<input type="checkbox"/>	Paid trip or vacation	<input type="checkbox"/>
Certificate of recognition	<input type="checkbox"/>	Shopping voucher	<input type="checkbox"/>
Promotion	<input type="checkbox"/>	Monetary award	<input type="checkbox"/>
Letters of commendation	<input type="checkbox"/>	Assigned leadership responsibilities	<input type="checkbox"/>
Trophy or shield with engraving	<input type="checkbox"/>		

Others (specify)

8. If the answer to question 7 is monetary award, please list the type of award(s) and the frequency at which they are awarded, using the table below:

Type of Monetary award (e.g. 13 th salary, bonus, etc.)	Frequency, e.g. once off; continuous/permanent

9. What type of sanctions are used for non-performers? (*Tick as appropriate*)

Peer review	<input type="checkbox"/>	Retirement in public interest	<input type="checkbox"/>
Delayed promotion	<input type="checkbox"/>	Oral reprimand	<input type="checkbox"/>
Written reprimand	<input type="checkbox"/>	Redeployment	<input type="checkbox"/>
Demotion	<input type="checkbox"/>		<input type="checkbox"/>

Others (specify)

10. Does your institution have a human development/training plan?

Yes ☐ No ☐

11. Specify how much was used in training for the period 2012/13–2017/18

	Total Expenditure (from Government funds) on Training
2012/13	
2013/14	
2014/15	
2015/16	
2016/17	
2017/18 (end of Dec 2017)	

a) Does your institution carry out impact assessment of trainings?

Yes ☐ No ☐

b) If Yes, what is the impact of training on performance and productivity of employees?

.....

.....

.....

12. Does your institution have a Human Resource Management Information System? (*This can either be manual or automated*)

Yes ☐ No ☐

a) If Yes, please specify. (Does it include personnel file management, performance appraisal, attendance monitoring, etc.?)

.....

.....

.....

13. Does the system in 12 above meet your expectation?

Yes ☐ No ☐

If No please explain the limitations of the system in meeting the expectation of your institution?

.....

.....

.....

14. How many members of your workforce exited the service between 2012/13 and 2017/18 under the following categorization?

Category	Period (FY) - Number of employees					
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 (end of December 2017)
Normal retirement						
Retirement on medical grounds						
Retirement on public interest						
Resignation						
Natural attrition						
Dismissal						
Retrenchment						
Contract expiry						
Others (Specify)						

15. Does your institution conduct exit interviews?
(please provide a sample of the tool used to conduct exit interviews in your institution)

Yes ☐ No ☐

16. Indicate in the table below, where the staff exiting your institution through resignation, moved to.

Institution	Financial year					
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 (end of December 2017)
	Number of employees					
National Government						
County Executive						
County Assembly						
State Corporation						
Commission and Independent Offices						
Private Sector						
NGOs						
Others (specify)						

- a) What reason(s), if any, did majority of those resigning provide for their resignation?
.....
.....
.....
- b) Please provide the number of staff per category (junior, middle level, or senior staff) that left your institution through resignation?

FY	Officers leaving the institution through resignation				
	Policy Makers	Senior Managers	Technical Staff	Support Staff (middle)	Support Staff (lower)
2012/13					
2013/14					
2014/15					
2015/16					
2016/17					
2017/18 (end of December 2017)					

17. Does your institution have a succession plan?

Yes ☐ No ☐

- a) If Yes, please provide a copy of the succession plan.
- b) If No, what guides succession in your institution?
.....
.....
.....

SECTION C: SALARIES, WAGES, AND ALLOWANCES

18. How many employees in your institution had served or are serving in different terms of employment?

(Please provide information for financial years (FY) 2012/13 to 2017/18).

FY	Number of Public officers							
	Perma- nent	Con- tractual	Casual	Proba- tion	Tempo- rary	Interns	Second- ments in	Second- ment out
2012/13								
2013/14								
2014/15								
2015/16								
2016/17								
2017/18 (end of December 2017)								

(Indicate whether Secondment in or Secondment out)

19. How many employees are there in your institution by mode of recruitment, and what is the total wage bill for each category? - FOR COUNTIES ONLY

(Please provide information for financial years (FY) 2012/13 to 2017/18).

FY	Staff Recruited by CPSB		Staff Recruited by CASB		Staff Devolved from National Gov- ernment		Staff Inherited from Defunct Local Authorities	
	Total Num- ber Of Staff	Tota Wage bill in K Sh	Total Num- ber Of Staff	Tota Wage bill in K Sh	Total Num- ber Of Staff	Tota Wage bill in K Sh	Tiotal Num- ber Of Staff	Tota Wage bill in K Sh
2012/13								
2013/14								
2014/15								
2015/16								
2016/17								
2017/18 (end of Dec 2017)								

- a) What challenges, if any, do the different salary structures pose to your institution?

.....

.....

.....

20. How many employees in your institution are state officers, and what is the cost of their remuneration and benefits?

(Please provide information for financial years (FY) 2012/13 to 2017/18)

FY	State officers (no)	Total Wage Bill Expenditure (K Sh)
2012/13		
2013/14		
2014/15		
2015/16		
2016/17		
2017/18 (end of December 2017)		

21. How many employees in your institution are advisors and what is the cost of their remuneration and benefits?

(Please provide information for financial years (FY) 2012/13 to 2017/18)

FY	Advisors (No)	Total Wage Bill Expenditure (K Sh)
2012/13		
2013/14		
2014/15		
2015/16		
2016/17		
2017/18 (end of December 2017)		

22. How many employees in your institution are Board members and what is the cost of their remuneration and benefits?

FY	Board Member (No)	Total Wage Bill Expenditure (K Sh)
2012/13		
2013/14		
2014/15		
2015/16		
2016/17		
2017/18 (end of December 2017)		

23. How much was your institution's total expenditure for the period FY2012/13 to FY2017/18?

FY	Total Wage bill Expenditure (K Sh)
2012/13	
2013/14	
2014/15	
2015/16	
2016/17	
2017/18 (end of December 2017)	

24. What type of retirement benefits provision do you have?

Pension scheme benefits

☐

Gratuity scheme

☐

Both gratuity and pension

☐

25. If the benefits in 24 above are pension benefits; please tick below if:

a) the pension benefits design is a Defined Contribution

(Where the benefits at retirement is an accumulation of contributions and investment income and the contributions are known)

☐

b) the pension benefits design is a Defined Benefits Scheme

(Where the benefit at retirement is known by an accrual formula)

☐

26. If the benefits in 25 above is Defined Contribution scheme:

c) State the rates/amount of contributions for employee/employer

☐

d) What is the pensionable pay in your institution?

Basic pay only

Basic pay plus allowances

☐

27. If the benefits in 24 above are in form of gratuity, please specify the formula for payment of gratuity.

.....

.....

.....

.....

28. What is the scope of retirement benefits to your staff?

a) Are all staff covered in your retirement benefits?

Yes ☐ No ☐

b) Are the board members (if any) covered in the retirement benefits?

Yes ☐ No ☐

c) Are the retirement benefits for the board members the same as those of the staff?

Yes ☐ No ☐

29. How much is your total wage bill (that is, salaries, wages and pension/gratuity contribution/payments) for the period FY2012/13 to FY2017/18?

	Total Wage Bill (K Sh)	Pension (K Sh)
2012/13		
2013/14		
2014/15		
2015/16		
2016/17		
2017/18 (end of Dec 2017)		

Please provide Wage Bill data (monthly payroll data and others PE related expenditures) for the above FY broken down into Job Grades.

30. How much of the total compensation (in 29 above) was paid as:

Category	Period (FY) K Sh					
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 (end of Dec 2017)
Basic salary						
Remunerative Allowances ¹						
Other allowances e.g. sitting allowances						
Wages to casuals						
Pension						

¹ Remunerative allowances include house allowance, commuter, leave,

Category	Period (FY) K Sh					
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 (end of Dec 2017)
Medical Cover						
Group life Cover						
Group Personal Accident						
Gratuity						
Bonus						
Arrears						
Top-up salary						
Others (specify)						

31. How does your institution forecast its wage bill?

(Tick as appropriate)

Adjustments on the basis of
previous FY's expenditure

☐

Adjustments on the basis of
automatic annual increments

☐

Automatic adjustment of wages to
changes in inflation/CPI

☐

Others (specify)

32. What are the different types of remunerative allowances paid in your institution to both State Officers and Public Officers in the format below?

Name of Re- munerative Allowances	Approving Authority (e.g. SRC, PSC, etc.)	Eligible Staff by Grade	Rate of Payment/ amount (K Sh)	Mode of payment (e.g. payroll, cash or voucher)	Frequency of payment (e.g. Monthly, annually, etc)

SECTION D: PAYROLL MANAGEMENT

33. Do you undertake internal payroll audit for your institution?

Yes ☐ No ☐

a) If Yes,

i) How regularly do you undertake the audits?

Monthly
Quarterly
Semiannual
Annually
Others (Specify)

ii) When was the date of the last internal audit for your institution?
(Please provide a copy of the last internal payroll audit reports)

.....
.....
.....

b) What other controls are in place to manage your payroll? (e.g. biometric certification, entry procedures of additional employees on the payroll, etc.)

.....
.....
.....

c) How do the payroll controls identified in 33 (c) above assist your institution?

.....
.....
.....

34. How regularly do you undertake external payroll audits for your institution?

Monthly
Quarterly
Semiannual
Annually
Others (Specify)

a) When was the last external audit undertaken for your institution?
(Please provide a copy of the last external payroll audit reports)

.....
.....
.....

35. What are the payroll mechanisms used to pay salaries and wages in your institution?

System based (specify)			Manual based (Excel and Vouchers)	
Mixed				

36. How much was paid through each type of payroll mechanisms?

Category	K Sh, millions					
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
System based						
Manual based						

37. Payroll identification numbers:

a) Do you have any challenges creating or obtaining payroll identification numbers?

Yes ☐ No ☐

b) Do you have any challenges in processing pay changes in the payroll?

Yes ☐ No ☐

If YES, what are respective challenges associated with 37 a) and b) above?

.....

38. Has your institution implemented the job evaluation salary structure that was advised by SRC?

Yes ☐ No ☐

a) If No, what are the challenges?

.....

b) If yes, what is the experience in implementing the job evaluation salary structure in your institution?

.....

40. Do you have any challenges in managing your institution's wage bill, as per the requirements of section 107 of the Public Finance Management Act 2012? (section 107 of the Public Finance Management Act 2012 requires that wage bill should not be more than 35 percent of total ordinary revenue)

.....

.....

.....

41. What suggestion/recommendation would you propose to improve public sector HR policies and procedures in the following areas?

a) Recruitment

.....

.....

.....

b) Promotions

.....

.....

.....

c) Performance management

.....

.....

.....

d) Incentives (Rewards and Sanctions)

.....

.....

.....

42. Service gratuity:

a) What is the eligibility criteria for payment of service gratuity

.....

.....

.....

b) How is service gratuity treated in the event of early separation (either through resignation, dismissal, or death)?

.....

.....

.....

c) Given a choice, would you like to maintain gratuity scheme or pension scheme or both?

d) Are there members of your staff who have opted to pay their gratuity into the pension scheme while serving their contract? If so, how is it administered?

e) Does your organization set aside funds for gratuity entitlements every year or at the end of the contract term only?
(please tick the type of gratuity entitlement as appropriate)

Set aside gratuity funds every year

Set aside gratuity funds only at the end of the contract term

Please provide details about your answer to 42 (e).

.....

f) In your view, is the quantum of benefits provided for in the gratuity adequate compared to that provided for in the pension scheme?

Yes ☐ No ☐

Please explain your answer to 42 (f) above.

.....

43. What other suggestion/s/recommendation/s would you propose to improve the management of payroll?

.....

44. What other information on wage bill management can you share with the commission?

.....

THANK YOU FOR YOUR RESPONSES

SRC



Salaries & Remuneration Commission

Rewarding productivity

Salaries & Remuneration Commission

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