

TEACHERS SERVICE COMMISSION



POLICY ON THE MANAGEMENT OF SALARY OVERPAYMENT

(2020)

VISION

To be transformative teaching service for quality education

MISSION

To professionalize the teaching service for quality education and development

CORE VALUES

- Professionalism
- Customer focus
- Integrity
- Team Spirit
- Innovativeness

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PREFACE

The Commission recognizes prudent financial management as a critical factor in the execution of its mandate in teacher management. It is, therefore, committed to ensuring that all employees maintain high ethical standards, integrity and accountability in performance of duties, reporting any incorrect payments or changes that may lead to salary overpayments. It is, therefore, the responsibility of the management to consider the potential consequences of making unnecessary salary overpayments to the employees.

A salary overpayment occurs when an employee, past or present receives money to which they are not entitled. An overpayment may be the result of late advice to payroll, incorrect or misinterpreted advice by the officer's responsible, late reporting of changes affecting an employee pay, incorrect documentation and processing or system error among others. Although overpayments may occur through no fault of the employee concerned, the Commission has an obligation to recover such overpayments and manage funds efficiently and effectively in accordance with the Financial Management Act regardless of the cause of the overpayment and to recover any amount paid to an employee to which they were not entitled with or without their consent until amount is repaid in full.

Similarly, all employees must understand that overpayment of salary and subsequent recovery of overpayments will impact on their future earnings and put them into a serious financial strain. They should, therefore, exercise due diligence by notifying the employer about any incorrect payment once identified, refund the money or negotiate and agree to a repayment plan within a reasonable timeframe.

Despite the presence of a policy framework to prevent, control and recover overpayments when and as appropriate, the problem of salary overpayments has persisted due to the various emerging issues, which included but not limited to operational, structural and technological changes. This policy is, therefore, intended to serve as a tool to prevent salary overpayments by describing transactional and communication responsibilities for activities that impact employee pay. It should be read and understood by all staff particularly those responsible for reporting and processing transactions that affect employee pay. In addition, they must ensure that any outstanding overpayment is repaid to the Commission as soon as possible.

All supervisors, field officers and heads of institution are expected to notify the Commission about any changes that may cause a salary overpayment to the serving employees and those who exit service within the reasonable time to avoid salary overpayment.

Dr. Lydia Nzomo, CBS

CHAIRPERSON

FOREWORD

The Teachers Service Commission has a responsibility to develop and adhere to the Prevention and Control of Salary Overpayment in accordance with the provision of Public Finance Management Act, 2012 and the Public Finance Regulations (2015) by ensuring that public finances are protected against the risk of irregular payments, which has been rated high in the category of operational risks.

Salary overpayment may occur for a variety of reasons ranging from absence and desertion of duty, exit of employment, professional misconduct resulting to a disciplinary process, involvement in criminal activities leading to court action, administrative errors, untimely processing of official leave such as study leave and sick leave among others.

This policy aims at identifying root causes of salary overpayment and instituting preventive mechanisms, defining roles and responsibilities of service areas and providing guidelines on sanctions to employees responsible for causing such payments. The policy outlines procedures for identification, prevention and control of salary overpayment and strategies put in place by the Commission to ensure that recoveries are made within the shortest time possible once discovered.

Prevention of salary overpayment and timely resolution of overpayment errors are important for proper and responsible management of the Commission's funds. Failure to correct salary overpayment promptly may put the Commission to a serious financial crisis. A timely communication from the key stakeholders is, therefore, critical to an effective prevention of salary overpayments. Teachers Service Commission officers at all levels and heads of institutions are expected to implement effective systems and practices for communicating activities that may affect employee pay salary causing overpayment.

The implementation of this policy will go a long way in ensuring accountability for funds assigned to the Commission by ensuring that they are well managed and officers responsible for causing overpayment are made to account.

Dr. Nancy Njeri Macharia, CBS

COMMISSION SECRETARY

ABBREVIATION & ACRONYMS

ADS:	Authorized Data Sheet
IPPD:	Integrated payroll personnel data
PE:	Personal Emolument
HR:	Human Resource
SMS:	Short Message Service
SOG:	Salary Overpayment General
CD:	County Director
GP. 178:	Government Paper 178
DCSs	Data Control Sheets
TIMIS	Teacher Management Information System
D (HRM&D)	Director, Human Resource Management and Development
D (FS)	Director, Field Services
CORT	Code of Regulations for Teachers

DEFINITION OF TERMS

Bring-up:	Instruction to registry to mark the file to the action officer/section at a later date.
Control:	Strategies put in place to avoid the occurrence of overpayment.
Desertion:	Being away from duty without permission for period of 14 continuous days or more.
Irrecoverable overpayment:	Overpayment that has been followed up but is not recoverable due to various reasons.
Salary overpayment:	Any money paid to an employee by the employer to which they are not entitled personal emolument.
Prevention:	Measures put in place to hinder the occurrence of overpayment.
Recovery:	Mode of redeeming overpayment.
Sanction:	Penalty for breaching the laid down regulations/procedures.
Statutory deductions:	Recoveries that are required by law from employees' salaries and allowances such as PAYE, WCPS, NSSF, NHIF.
Stop order:	Instructions given to HR to stop payments.
Study leave:	Leave granted to employees to further their education.
Write off:	When the debt is officially cancelled.

1.0 BACKGROUND

The Teachers Service Commission (TSC) is an independent Commission established under Article 237(1) of the Constitution of Kenya, 2010 and regulated under Teacher Service Commission Act, 2012. Its functions include: registering trained teachers, recruiting and employing teachers, assigning teachers employed by the Commission, reviewing demand for and supply of teachers, advising the national government on matters relating to the teaching profession.

Under Section 11 of the TSC Act, 2012, the Commission is mandated to formulate policies, provide strategic direction, leadership and oversight to the secretariat, to manage payroll of teachers in its employment among other functions.

Currently, the Commission manages an establishment of approximately 320,000 employees. In its annual financial budget, personal emoluments account for 99% of the total allocation. In the course of performing its functions, the Commission experiences challenges, which result to salary overpayment. The risk of incurring salary overpayment is widespread right from school/institution administration, to the Commission's payroll management structure at the headquarters.

In 1982, a task force was formed to look into ways of addressing the problem of salary overpayments and erroneous payments. The task force recommended the establishment of Revenue Unit in Accounts to deal with issues of salary overpayments. Notwithstanding the establishment of Revenue Unit, incidents of salary overpayment continue to be on the rise.

In view of the magnitude of the problem, it was found necessary that a policy be formulated. Consequently, in 2006, an Overpayment Policy was developed to prevent, control and recover existing irregular/erroneous payments. As the Commission continued to implement this policy, new challenges have emerged thus rendering the policy ineffective in management of salary overpayments.

The challenges include misdirected salaries and arrears, undue and double payments, unwarranted sick leaves, delay in communication, delay in taking action and unauthorized salary adjustments. Such challenges have led to salary overpayment hence a contravention the provisions of the Constitution and Public Finance Management Act, 2015 on prudent and sound management of public funds. Thus, the Commission acknowledges its duty under the law to protect public finances hence, the need to have a comprehensive guide in the prevention and control of salary overpayment.

1.1 Rationale

The Commission has a constitutional responsibility to protect public funds and maintain a sound financial position. Failure to prudently manage public finances is unlawful with an adverse implication on service delivery both the Commission and education sector in general.

Although the Commission has a well-established system of recovering salary overpayment, figures have continued to grow as new cases continue to emerge. Similarly, the regulatory framework, operational and administrative structure in the commission has also changed necessitating the need for an overpayment policy.

1.2 Purpose

To provide policy guidelines for dealing with salary overpayment through prevention, control, recovery and sanction.

2.0 POLICY STATEMENT

The Commission is committed to establishing a sound and prudent management of public finance by providing guidelines aimed at eliminating salary overpayments at the institutional level and TSC offices for all employees on payroll and those who have exited employment.

3.0 LEGAL FRAMEWORK

This policy principally derives its authority from the following:

- (i) The Constitution of Kenya, 2010, Cap 237.
- (ii) Teachers Service Commission Act, No. 20 of 2012.
- (iii) The Code of Regulation for Teachers (2015) Regulation 168.
- (iv) Code of Conduct and Ethics for Teachers (2015).
- (v) Human Resource Policies and Procedure Manual for Secretariat Staff (2018) Number 134 (5).
- (vi) Public Finance Management Regulations 2015, Regulation 126 (1&2).
- (vii) Public Finance Management Act, 2012, Cap 152 (5).
- (viii) The Pensions Act, Cap 189 (Revised 2012).
- (ix) The Public Officer and Ethics Act, No. 4 of 2003.
- (x) Employment Act, 2007.
- (xi) The Study Leave Policy.

4.0 OBJECTIVES

4.1 General Objectives

To provide guidelines on management of salary overpayments.

4.2 Specific Objectives

Specific objectives of this policy is to:

- (i) Identify root causes of salary overpayment in the Commission.
- (ii) Establish preventive mechanisms to minimize the occurrence of salary overpayment.
- (iii) Define roles and responsibilities of employees and service areas in regard to management of salary overpayments.
- (iv) Provide guidelines on sanctions to employees responsible for causing overpayments.

5.0 SCOPE

This policy shall apply to all employees both Teachers and Secretariat staff including those who have exited service with salary overpayment.

6.0 POLICY PRINCIPLES

Effective implementation of this policy shall be guided by the following principles:

- Equity:** The Commission shall apply this policy in a fair and impartial manner.
- Consistency:** Implementation of this policy shall be consistent with relevant government statutes and regulations.
- Accountability:** All employees shall be held personally/collectively liable for any overpayment occasioned in the cause of discharging their duties and responsibilities.
- Transparency:** All Commission employees shall be required to disclose all known material information in regard to salary overpayments.
- Integrity:** All employees are expected to discharge their duties with honesty and faithfulness.
- Professionalism:** All employees shall apply their skills, knowledge and competences in performance of duties and service to customers.

7.0 POLICY IMPLEMENTATION

The Commission Secretary (CEO) shall use the existing administrative structures to implement this policy. Although all employees and service areas have the responsibility to prevent and control salary overpayment at their own levels, Revenue section has the overall responsibility of managing salary overpayment in the Commission.

7.1 Roles and Responsibilities: Policy Implementation Matrix:

Station/Section /Level	Action	Responsibility
Employee	Upon discovery of salary overpayment, an employee shall notify the Commission immediately and refund the extra salary.	Employees
Head of Institution	<p>Submit accurate entry/exit report to the Commission as stipulated in the Code of Regulation for Teachers (CORT).</p> <p>Submit accurate exit reports within 48 hours with regard to absenteeism, desertion, sickness without evidence, resignation, retirement, study leave, compassionate leave, transfer of service, maternity leave, paternity leave, special leave and death in accordance with the Code of Regulation for Teachers (CORT) and other relevant guidelines.</p> <p>Submit BOM minutes and interdiction letters to the County Offices and TSC Headquarters upon occurrence.</p> <p>Submit comments on the T-Pay control sheet for teachers not in that station.</p>	<p>County Director</p> <p>Sub County Director</p> <p>Head of institutions</p>

Station/Section /Level	Action	Responsibility
<p>County & Sub County Office</p>	<p>Submit accurate exit reports within 48 hours with regard to absenteeism, desertion, sickness without evidence, resignation, retirement, study leave, Compassionate leave, transfer of service, maternity leave, paternity leave, death and special leave in accordance with the Code of Regulation for Teachers and other relevant guidelines for head of institutions.</p> <p>Submit interdiction letters to the TSC headquarters as per disciplinary guidelines.</p> <p>Submit reports on employees who fail to take up duties on posting/transfer/deployment in accordance with the CORT and HR manual.</p> <p>Submit decisions of discipline cases to Director (Field Services) as per the CORT.</p> <p>Confirm removal or teacher’s salary adjustment as a requirement before progressing with a discipline case.</p> <p>Communicate and sensitize teachers on the TSC policies.</p> <p>Obtain employees current contact address, Email, post office address and mobile number.</p>	<p>County Director</p> <p>Sub County Director</p>

Station/Section /Level	Action	Responsibility
Staffing	<p>Reconcile staff transfers with exit and entry returns and liaise with the Directorate of Human Resource Management and Development for appropriate action.</p> <p>Ensure teachers who report back from study leave are posted within 14 days upon receipt of their requests.</p> <p>Follow up on all files with 'bring up' minutes from records management when they are due.</p> <p>Shall submit a report to Human Resource Management on cases where a teacher does not report within the stipulated time.</p>	<p>Director (Staffing)</p> <p>Director (HRM&D)</p>
Field Services (Discipline)	<p>Promptly act on interdiction letters received within the payroll month. Salaries should be adjusted accordingly (stoppage, half salary).</p> <p>Maintain an up to date database of all interdicted teachers both at Headquarters and County Offices.</p> <p>Maintain a summary of discipline decisions on teachers who are due for posting.</p> <p>Implement discipline decisions as per the CORT.</p> <p>Obtain employees current contact address (Email address, post office address, mobile number).</p> <p>Receive investigation reports from Director Internal Audit for necessary action.</p> <p>Follow up on all files with 'bring up' minutes from Records Management when they are due.</p>	<p>Director (FS)</p> <p>CDs</p>

Station/Section /Level	Action	Responsibility
Quality Assurance and Standards (QAS)	<p>Verify and authenticate the correctness of certificates of teachers being registered and employed by the Commission.</p> <p>Maintain an accurate database of all registered teachers.</p>	D(QAS)
Record Management	<p>Receive, correctly file correspondences and minute the file to the respective service area.</p> <p>Ensure that all communication related to recovery/stoppage/removals due to absenteeism, desertion, sickness without evidence, resignation, retirement, study leave, transfer of service, maternity leave, paternity leave, special leave and death are given priority and submitted to Human Resource within 24 hours.</p> <p>Make available all files with 'bring up' minutes to the officers who requested for them on the date requested.</p> <p>Deliver to relevant service areas transfer all letters and applications for posting from study leave within 24 hours upon receipt.</p>	D(AS)
Integrity	<p>Compile and report cases of non-compliance with the provisions of the Public Officers Ethics Act, 2003.</p>	D(AS)

Station/Section /Level	Action	Responsibility
Human Resource Management & Development	<p>Receive entry and exit reports with regards to absenteeism, desertion, sickness without evidence, resignation, retirement, study leave, transfer of service, maternity leave, paternity leave, death, and special leave and act in accordance with the CORT and other relevant guidelines.</p> <p>Stop salary upon receipt of information from authorized officers within the payroll month and immediately communicate to the employee.</p> <p>Accurately code the employees' work station, within the payroll month upon receipt of documents.</p> <p>Monitor and ensure compliance with the provision of the Study Leave Policy.</p> <p>Effect salary stoppage before processing of insurance last benefits claim.</p> <p>Raise salary overpayment notifications for all cases with salary overpayment, institute recovery on payroll and submit a copy of overpayment notification to Revenue.</p> <p>Recover any outstanding salary overpayment from payment of arrears.</p> <p>Receive investigation reports from Director Internal Audit for action.</p>	D(HRM&D)

Station/Section /Level	Action	Responsibility
Pensions	<p>Effect salary stoppage before processing the insurance last benefits claim.</p> <p>Stop salary for teachers exiting employment within the payroll month.</p> <p>Generate and forward a list of teachers due for retirement to the county directors and Revenue Unit one year before the retirement date.</p> <p>Forward all cases with salary overpayments to Revenue Unit for follow up and recovery before processing pension claims.</p> <p>Capture on GP.178 any salary overpayment as outstanding government liability.</p> <p>Issue last pay certificate for all teachers exiting on transfer of service/release.</p> <p>Maintain and report to Revenue unit all cases of transfer of service.</p>	D(HRM&D)
IPPD	<p>Carry out payroll analysis before generating the payroll.</p> <p>Ensure accurate implementation of salary adjustment circulars/instructions.</p> <p>Accurately code new work station within the payroll month upon receipt of documents.</p> <p>Periodically cleanse the payroll.</p>	D(HRM&D)

Station/Section /Level	Action	Responsibility
Finance and Accounts	<p>Raise Salary Overpayment notifications for all cases, institute recovery on payroll and submit a copy to revenue unit.</p> <p>Recover any salary overpayment in full from payment of arrears.</p> <p>Issue a journal voucher to record salary overpayment.</p> <p>Confirm that recoveries are running on payroll and monitor fallouts.</p> <p>Follow up on all salary overpayment recorded for employees not on payroll.</p> <p>Liaise with pension Division and reconcile the overpayment liability recorded in the GP. 178 with the amount recovered from National Treasury.</p> <p>Receipt all recovered salary overpayments.</p> <p>Establish and maintain an accurate database for all salary overpayments.</p> <p>Recover all overpayments made to third parties.</p> <p>Identify risks and emerging issues using a salary overpayment risk matrix (APPENDIX II).</p> <p>Make recommendations to management on issues related to salary overpayments.</p> <p>Generate monthly reports of new incidences of Salary Overpayments and forward to Director (HRM&D) and any other relevant service area for further investigations.</p> <p>Facilitate Inter-departmental meetings to address the emerging issues.</p> <p>Oversee implementation of this policy.</p>	<p>D(FIN&ACCS)</p> <p>D(HRM&D)</p>

Station/Section /Level	Action	Responsibility
Legal Directorate	Offer legal advice on a need basis and institute proceedings for recovery of salary overpayments on matters referred to the Division.	D(Legal)
ICT	<p>Roll out and maintain the online entry/exit report module.</p> <p>Develop and roll out a T-Pay control sheet for all County offices/institutions/schools.</p> <p>Automate the salary overpayment processes and offer technical support on all the systems in use.</p>	<p>D (ICT)</p> <p>D (Staffing)</p> <p>D (FS)</p> <p>D (HRM&D)</p> <p>CDs</p>
Risk Management	<p>Assist service areas to identify and evaluate risks and emerging issues.</p> <p>Assist service areas in developing and implementing mitigation measures.</p>	DD(Risk)
Internal Audit	<p>Offer assurance that all internal controls in regard to prevention and management of salary overpayments are effective.</p> <p>Present investigation report based on the outcome of investigations to D(HRM&D)/ D(FS) for further action.</p> <p>Offer assurance to the Board that management is in compliance with all provisions of this policy.</p> <p>Offer advice and make recommendations to management on issues related to overpayment.</p>	D(IA)

7.2 Computation of Salary Overpayment

Overpayment shall be computed as gross earnings less statutory deductions where applicable and not on net pay. It may occur in any of the following incidences:

7.2.1 Absence

Overpayment shall be computed as basic salary for the number of days the employee is absent. There shall be no reductions with any statutory deduction.

7.2.2 Desertion

Overpayment shall be computed as basic salary plus all allowances less statutory deductions to give the net overpayment.

7.2.3 Exits from Service

An overpayment may occur if an employee remains on payroll after the date of exit from service due to resignation, transfer of service, dismissal or retirement. An overpayment shall be recorded as basic salary plus allowances less statutory deductions.

(a) Resignation

- (i) If an employee resigns while on probation, s/he shall be give seven (7) days' notice or pay equivalent of seven (7) days' salary *in lieu* of notice.
- (ii) If an employee resigns after probation, one (1) months' notice shall be given in writing or payment of one (1) month's salary *in lieu* of notice.

(b) Transfer of service

Any employee who is offered employment in the public service shall be required to submit the following documents:

- (i) An application in writing.
- (ii) A copy of the appointment letter.
- (iii) A clearance certificate.

Upon submission of the above requirements, the Commission shall issue last pay certificate and a formal release letter.

(c) Retirement

- (i) Salary overpayment may occur if an employee remains on payroll after compulsory retirement. It is recorded as basic salary plus allowances less statutory deductions.
- (ii) Any employee who may wish to retire voluntarily from service shall be required to give three months' notice in writing or pay one month's salary *in lieu* of notice.

(d) Death

A salary overpayment may occur if a teacher remains on payroll after death. It and shall be computed from the next day after the date of death until date of removal from payroll. However, the house allowance for the month of death shall be paid in full.

(e) Economic Crimes and other serious offences

Any employee who is confined in lawful custody shall not be entitled to any payment during that period. However, after being charged with the offence in the court of law, s/he shall be suspended from work from the date they were charged and shall be entitled to half (1/2) basic salary, medical allowance and house allowance. Any overpayment that occurs during this period shall be computed if an employee is on payroll on full salary after the date of the charge.

(f) Professional Misconduct

This includes but is not restricted to negligence of duty, insubordination, infamous conduct and exam irregularities. Once an employee has been interdicted for any of these offenses, s/he is entitled to half (1/2) basic salary plus house allowance until the determination of the case. Any overpayment that occurs shall be computed if an employee is paid full pay during the period of interdiction.

(g) Other offences

These include but not restricted to immoral behaviour, misappropriation or mismanagement of funds, use of fake certificates, forgery, impersonation, collusion and chronic absenteeism. Any employee interdicted for these offenses shall not be entitled to any pay hence put on zero salary.

Any overpayment that occurs if an employee remains on payroll after the interdiction date shall be computed on full basic salary plus all allowances less statutory deductions.

7.2.4 Leave

The Commission may grant different types of leave to its employees that include annual leave, sick leave, study leave, special leave, compassionate leave, maternity and paternity leave.

An overpayment may occur if an employee remains on payroll after failing to report back for assignment of duties upon expiry of the specified leave. This overpayment shall be computed as basic salary plus allowances less statutory deductions.

(a) Sick leave

In a case where an employee is on a prolonged sickness, the sick leave shall be granted as follows:

- (i) First three (3) months the employee to be granted full pay,
- (ii) Next three (3) months the employee to be granted $\frac{1}{2}$ basic salary with full allowances,
- (iii) After six (6) months the employee to be granted sick leave without pay until resumption date.

An overpayment shall be computed where the above conditions are not adhered to.

(b) Study leave without pay

Salary overpayment may occur if an employee remains on payroll after proceeding on unpaid study leave. Such an overpayment shall be computed on basic salary plus all allowances from the date the teacher stops teaching until date of removal from the payroll.

7.3 Mitigations of Salary Overpayment

The Commission shall adopt various preventive, control and recovery strategies as well as sanctions to mitigate the risk of incurring salary overpayments.

7.3.1 Prevention strategies

The Commission shall implement the following preventive mechanisms to minimize occurrence of salary overpayments:

- (i) Regularly sensitize secretariat staff and heads of institution about their roles and responsibilities in curbing salary overpayments.
- (ii) Induction of all newly employed secretariat staff and heads of institution on their roles and responsibilities in the prevention and control of salary overpayments.

7.2.2 Control strategies

The Commission shall put in place appropriate internal control measures to reduce the occurrence of salary overpayments, which include but not limited to compiling and timely submission of the entry and exit reports for immediate action. The following strategies shall apply:

(a) Payroll verification

- (i) Human Resource and Personal Emolument shall verify IPPD DCSs information against pay entries on payroll to ensure that there are no salary overpayments.

- (ii) IPPD shall carry out pre-audit of the payroll to detect anomalies before processing of the payroll.

(b) Payroll cleansing

The commission shall update and maintain TIMIS data on real time basis in order to validate teachers' payroll.

(c) Segregation of duties

The commission shall assign various activities to different officers in order to create checks and balances.

(d) System access rights

The systems shall have access rights assigned to different personnel according to their responsibilities.

(e) Data analysis

Analysis of prevalence of causes of salary overpayments shall be done and reports on findings shared with the management for decision making.

(f) Risk management

Service areas shall identify risks in their processes, propose and implement mitigation measures.

(g) Internal audit

The directorate of internal audit shall conduct periodic audits to:

- (i) Give assurance to the Board on the effectiveness of internal controls put in place.
- (ii) Ensure that management undertakes annual review of controls to monitor and address emerging issues.

7.2.3 Recovery strategies

The Commission shall adopt various strategies to redeem salary overpayments, which include but not limited to:

- (i) Recovering salary overpayments of at least 1/3 of the basic salary for all employees on payroll and ensuring each employee retains 1/3 of their basic salary as their net pay.
- (ii) Full recovery of all outstanding overpayment from salary arrears and any balance thereof through the payroll.
- (iii) Use of pay increment and/or salary adjustment to adjust the rate of recovery of salary overpayment.

- (iv) Notifying employee upon discovery of any overpayment by use of a demand letter (Appendix I).
- (v) Initiating proceedings to follow up salary overpayments from employees who have exited service.
- (vi) Recommending for write-off for any irrecoverable overpayment in accordance with Section 157 of the Public Finance Management Act, 2015. These shall include the Commission secretary being satisfied that:
 - Reasonable steps are taken to recover the losses and that the loss is irrecoverable.
 - Further efforts to recover the loss would be uneconomical:
 - It would be to the advantage of the Commission to effect a settlement of its claim or waive the claim.

Note: *If the employee leaves the commission before all the overpayment has been recovered, the full amount of any outstanding balance will immediately become due and payable in accordance with the government regulations.*

7.4 SANCTION

All TSC employees shall be expected to exercise trust and act in good faith whenever overpayment occurs. Lack of good faith will be implied if an employee who is aware of an overpayment:

- (i) Suppressed a material fact that affected the amount payable;
- (ii) Deliberately or carelessly failed to ensure that relevant information affecting the amount payable was received by the Commission;
- (iii) Knowingly failed to bring an overpayment to the Commission's attention;
- (iv) Failed to make enquires or check employment particulars with the Commission when they could reasonably have done so;
- (v) Failed to notify the Commission of an obvious error;
- (vi) Failure to act in good faith shall be considered as a serious offence that could lead to disciplinary action and criminal proceedings.

7.4.1 Disciplinary action

- (i) Disciplinary action shall be taken against any employee found culpable of causing an overpayment of salary in accordance with the Code of Regulation for Teachers and Human Resource Policies and Procedure Manual for secretariat staff (2018).
- (ii) Regulation 168 of CORT and 134 (5) Human Resource Policies and Procedure Manual for secretariat staff stipulates that a head of institution or supervisor who fails to report an employees' exit shall be liable to disciplinary action and surcharged to the extent of any loss occasioned to the commission.

- (iii) In order to institute a surcharge against any employee who cause salary overpayments, the following guidelines shall apply:
- Where salary overpayments have been declared irrecoverable, the Commission shall recover the amount in full from the employee(s) who occasioned the loss.
 - Where the salary overpayment is recoverable, a surcharge equal to the Central Bank interest rate may be levied.
 - Whereupon Director Human Resource Management and Development (HRM&D) and/or Director, Field Services (FS) find an employee/staff culpable of causing salary overpayments, the matter will be referred for disciplinary action.

7.4.2 Criminal proceedings

The Commission in collaboration with other State Agencies may recommend institution of criminal proceedings against ANY suspected employees and their accomplices.

8.0 MONITORING AND EVALUATION

Director, Finance and Accounts shall hold meetings, prepare and submit quarterly reports to the CS on the progress of implementation of this policy.

9.0 POLICY REVIEW

This policy shall be reviewed on need basis to accommodate emerging issues and comply with relevant government legislative requirements.

APPENDIX I: SALARY OVERPAYMENT DEMAND LETTER

TEACHERS SERVICE COMMISSION

TSC/.....

To.....

Thro'.....

RE: NOTIFICATION OF SALARY OVERPAYMENT

This is to bring to your attention that you were paid undue amount of Ksh..... for the period.....to.....This overpayment was in respect of.....

The commission demands that you settle the said amount in cash payable to **Teachers Service Commission A/C No. 01001000905000** National Bank of Kenya, Harambee Avenue, Nairobi.

In an event of your failure to honor this demand, the commission shall proceed to recover the said amount in accordance with the laid down procedures and without further communication on the matter.

**FOR: SECRETARY/CHIEF EXECUTIVE
TEACHERS SERVICE COMMISSION**

APPENDIX II: SALARY OVERPAYMENT RISK MATRIX

Objective	Risk	Causes	Mitigations	Responsibility
Maintain an accurate payroll	Irregular payments	Inaccurate entry/exit reports from the heads of institutions	<ul style="list-style-type: none"> • Verification of entry/exit reports of their accuracy before action. • Sensitize/induct the heads of institutions. • Impose sanction/surcharge on heads of institutions who fail/delay in submitting the entry/exit reports. 	D (S) D(HRM&D) CDS
		Failure/delay in submission of exit reports	<ul style="list-style-type: none"> • Implement an online entry/exit report module. • Implement the bulk SMS for official communication. • Build the capacity of staffing officers. • Field officers to make use of telephone calls and emails to report stoppage reports to the HQS. • Impose sanction/surcharge on heads of institutions who fail/delay in submitting the entry/exit reports. 	D(ICT) D(HRM&D) CDS

Objective	Risk	Causes	Mitigations	Responsibility
		Failure/delay in acting on the received exit reports	<ul style="list-style-type: none"> • HR to embrace use of the online entry/exit report module. • Prompt action upon receipt of an entry/exit report. • Recall undue salaries from the bank. • Build capacity for Records Management staff. • Impose sanction/surcharge on officers who fail/delay in taking action. 	D(HRM&D) D(ICT) D(S) D(AS)
		Failure/delay in communicating interdictions to the headquarters	<ul style="list-style-type: none"> • Prompt submission of interdiction letters. • Timely adjustment of salaries (half or zero salary). • Timely processing of discipline cases. • Build capacity for field staff. 	D(FS) CDS
		Erroneous conversion of salaries from CBA implementation	<ul style="list-style-type: none"> • Test proposed CBA conversion programs before implementation. • Payroll cleansing. 	D(ICT) D(HRM&D)

Objective	Risk	Causes	Mitigations	Responsibility
		Erroneous computation of salaries, allowances and arrears	<ul style="list-style-type: none"> • Build capacity HRM and Personal Emolument staff both at the headquarters and county offices. • Verify entries on the IPPD DCSS. • Impose sanction/ surcharge on officers. 	D(F&ACC) D(HRM&D)
		Errors and omissions in data entry into the payroll	<ul style="list-style-type: none"> • Verify entries on the IPPD DCSS. • Payroll verification • Impose sanction/ surcharge on officers. 	D(F&ACC) D(HRM&D)
		Unwarranted sick leaves	<ul style="list-style-type: none"> • Adhere to the CORT. • Restrict application of belated sick leaves. • Conduct investigations on any suspected irregular sick leave applications. • Impose sanction/ surcharge on officers. 	D(HRM&D) D(IA)

Objective	Risk	Causes	Mitigations	Responsibility
		Failure to follow up on employees on transfer	<ul style="list-style-type: none"> • Embrace use of the TIMIS. • County directors to follow up reporting of teachers transferred to their counties. • Generate a T-Pay control sheet report for heads of institutions on monthly basis. • Impose sanction/ surcharge on officers. 	D(HRM&D) D(S) D(ICT) CDS
		Misfiling of documents	<ul style="list-style-type: none"> • Verify received mails before filing. • Verify documents against file details before taking action. • Expedite the digitization process of records. 	D(AS) D(HRM&D)

Objective	Risk	Causes	Mitigations	Responsibility
		Fraud	<ul style="list-style-type: none"> • Conduct a fraud mapping for salary payment process. • Implementation of payroll with inbuilt internal controls. • Staff register and payroll reconciliations. • Impose sanction/surcharge on officers. 	D (F&ACC) D(HRM&D)
		Misdirected salaries	<ul style="list-style-type: none"> • Verify change of pay point particulars against the supporting documents and file details. • Recall undue salaries from the bank. • Impose sanction/surcharge on officers who occasion misdirection of salaries. 	D(AS) D(HRM&D)

Note: The causes presented in this matrix are not exhaustive. Risks are dynamic and there is need to keep reviewing and updating them from time to time.