TEACHERS SERVICE COMMISSION

OVERPAYMENT POLICY

DRAFT
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The ultimate goal of this new overpayment policy, is to eliminate completely, the occurrence of irregular/erroneous payments. It is also intended to put in place preventive and control mechanisms that will address all aspects leading to the said overpayment, and at the same time enhancing the existing recovery methods.

If properly implemented, the policy shall enhance existing guidelines towards determination of discipline cases and create collaborative systems that will ensure effective stoppage of irregular/erroneous payments, more importantly, strengthen the current recovery of overpayment methods.

It is hoped that, if properly and fully implemented, it will be particularly beneficial to the Management who have the vital role of ensuring that the commission’s affairs are run efficiently and effectively, and at the same time serve as a quick reference to Managers of various service areas in their day to day endeavours towards achievements of set goals.

One interesting aspect of this policy document is that, it has been designed to be used either independently by the service areas as a reference document or as a flexible set of material which can be supplemented by the existing policy guidelines available at different service areas.

Finally, it is felt that the formulation of this new policy is a break-through to TSC fraternity and it is hoped that it will be a valuable working instrument for managers who have interest and obligations to serve the Commission effectively.
FOREWARD

In 1982, a task force committee was formed and mandated to look into the ways of addressing the issue of irregular and erroneous payments which was generating to be a major issue by then. Upon completion of its work, the committee recommended the establishment of an independent unit to deal with issues of overpayment. The establishment of the Unit did not completely eliminate the overpayment problem as anticipated, and so, after ten years of the unit’s existence, it was found viable, to upgrade it to a full-fledged Division – this led to the creation of Revenue Division in 1992.

The creation of the Revenue Division did not eliminate the problem of overpayment as intended, implying that the problem has persisted over the years leading to huge sums of money owed to the Commission.

The current position is that, overpayment has become such a major issue/problem to the commission, to the extent that it overburdens the commission’s ability to meet its financial obligations and other deserving commitments.

The issue of overpayment also implies overstretching the commission’s financial resources by the amount equivalent to the overpayment, meaning that, if not properly checked, the practice could lead to serious financial deficits to the Commission and to Government at large.

The overpayment may occur due to various reasons some of which include the time lag/lapse between the person’s documentary removal from payroll and the actual removal; the delay in determination of discipline cases and time lag between effecting the transfer and reconciliation of records with Casualty Returns. Communication breakdown between the Commission and agents as well as breakdown of communication between officers at the service areas among others contribute to overpayment as well.

In view of the magnitude of the problem, it has been found necessary that a policy be formulated to prevent, control and recover existing and future irregular/erroneous payments.
1.0 INTRODUCTION

Overpayment is a major problem in the Commission because it overburdens its ability to meet its financial obligations to the rightfully deserving commitments. Overpayment implies overstretching the financial resources by the amount equivalent to the overpayment, meaning that if not properly checked the practice could lead to serious financial deficits to the commission.

Overpayment may occur due to various reasons some of them unintended. The time lag between the person’s documentary removal from the payroll and the actual removal contributes greatly to the phenomenon.

1.1 BACKGROUND

In 1982 a task force was formed to look into the ways of addressing the problem of irregular and erroneous payments. The task force recommended the establishment of an independent unit to deal with issues of overpayment. However the problem has persisted over the years leading to huge sums of money owed to the Commission.

1.2 RATIONALE

Delay in determination of discipline cases, time lag between effecting the transfer and reconciling the records with casualty returns, communication breakdown between the commission and agents on issues related to teacher management among other factors.

These and other related control mechanisms do contribute significantly to salary overpayment.

It should be noted, despite the efforts directed towards elimination of irregular and erroneous payments, the problem has escalated due to factors mentioned herein above.

In view of the magnitude of the problem, it has become necessary that a policy be formulated to prevent, recover and control existing and future irregular/erroneous payments.

2.0 POLICY STATEMENT

This policy is intended to eliminate the occurrence of irregular/erroneous payments. It will also control all aspects leading to the said payments and enhance effort to recover all such payments.

3.0 AUTHORITY

This policy derives its authority from:

(i) TSC Act Cap 212 of the Laws of Kenya.
(ii) Codes of Regulation (Teachers and Secretariat Staff).
(iii) Decisions derived from the Discipline Panels.
(iv) Exchequer and Audit Act.
(v) Procurement Manual.
(vi) Government Financial Regulations.
(vii) Pensions Act.
4.0 OBJECTIVES

The aim of this policy is to:-
(i) Prevent occurrence of irregular/erroneous payments.
(ii) Enhance existing guidelines in determining discipline cases.
(iii) Create collaborative systems that will ensure effective stoppage of irregular/erroneous payments.
(iv) Strengthen the existing mechanism for recovery of overpayments.

5.0 SCOPE

This policy applies to all Teachers, Secretariat staff, Commissioners and any other party that may/might have been overpaid.

6.0 PRINCIPLES

(i) The policy will apply to all equitably without bias, favouritism or discrimination.
(ii) It will be consistent with Government payment systems and regulations.

7.0 ROLES AND RESPONSIBILITIES

The following will play key roles in the implementation and execution of the policy.

(i) **Human Resource:**
   Human Resource Division will raise PCAs for stoppage of salary within 48 hours upon receipt of casualty returns for desertion, death, retirement, resignation and any letter or information warranting stoppage of salary. The PCAs in the above instances may even be issued without files.

(ii) **Revenue:**
   Will ensure all overpayments are recorded and recovered appropriately.
   Will also ensure that all cases requiring reversals are reversed appropriately.

(iii) **Discipline:**
   Will ensure quick determination of discipline cases and issuance of stop orders. Stop orders will be issued within 48 hours after a discipline case has been determined.

(iv) **Staffing:**
   Will reconcile staff transfers with returns and liase with Human Resource for appropriate action.

(v) **Audit:**
   Will ensure that the policy is implemented as per the laid down guidelines.

(vi) **Registry:**
   Will ensure that all communication related to removals from payroll (s) are given priority and submitted to Human Resource promptly.
(vii) **Agents:**
Will be required to immediately report all cases requiring stoppage of salaries and removal from payrolls. They will also be required to submit reports on the questionnaires.

(viii) **EMIS:**
Will carry out monthly payroll analysis and present them to Salaries Division for action. Will provide a list of teachers who are on double payroll on monthly basis.

(ix) **Integrity:**
Will investigate cases of all staff who have not declared their wealth so as to determine “Ghost” employees.

(x) **Legal Office:**
Will follow-up cases that require legal redress.

(xi) **Pensions:**
Will raise accurate and timely stop orders for retirement/death cases, and make overpayment follow-ups with the Director of Pensions and Public Service Commission.

(xii) **Salaries:**
Will stop salary, remove staff from payroll, issue overpayment notifications and recover overpayments issue.

(xiii) **Accounts:**
Will make follow-ups of all erroneous/irregular payments to the third parties.

8.0 **GUIDELINES**

This policy shall be applied as per the following guidelines;

Guidelines fall within 3 main categories.

(i) Prevention.
(ii) Recovery.
(iii) Control.

8.1 **PREVENTION**

(i) All Agents will undergo an induction course before they are issued with letters of Agency. In case an Agent contravenes agency regulations; the Agency will be withdrawn in writing.
(ii) Staff will be required to be familiar with overpayment recovery procedures and report cases leading to overpayment.
(iii) Overpayment cases involving suppliers and 3rd parties will be handled by Administration and Finance.
(iv) All Head teachers will be sensitised and issued with comprehensive guidelines, they will also be required to submit staff returns and report cases where a teacher is not in service for whatever reason within 48 hours.

(v) Stop orders will be issued within 48 hours after a discipline case has been determined.

(vi) All staff will be sensitised on the consequences of negligence of duty.

(vii) All promotions will be centralized at the TSC Headquarters.

(viii) Staff who fails to report cases leading to overpayments or interfere with overpayment recoveries will be disciplined.

8.2 RECOVERY

(i) All overpayments should be recovered through the payroll at 1/3 of the basic salary.

(ii) All reinstatement cases with outstanding overpayment should be recovered in full where appropriate.

(iii) Cases requiring legal redress should be handed over to legal Division with appropriate information for follow up purposes.

(iv) Irrecoverable overpayments will be recommended for write-off.

(v) Files for staff who are not on payroll but have incurred overpayment will be handed over to Revenue Division for follow-up.

8.3 CONTROL

(i) Stop orders shall be raised and effected within 48 hours after determination of the cases.

(ii) Monthly consultative meetings will be held with all departments/Divisions relevant to overpayment recovery.

(iii) Staff clearance procedures should be strictly adhered to.

9.0 IMPLEMENTATION

The CEO in collaboration with other user departments shall implement this policy.

10.0 STRATEGY

In addition to the existing framework the commission shall establish an overpayment monitoring committee which will:-

(i) Develop guidelines that will contain details on roles of agents, payment processes, remuneration of teachers, seriousness and consequences of delay in reporting relevant cases that are likely to result to overpayments.

(ii) Comprise of members of implementation team who will organize a 1-week workshop and sensitize staff at the headquarters and the units through “In house Training”

(iii) Organise a 2-day workshop to sensitize the Agents (DEO’s, PDE’s, MEO’s, CEO’s) who will in turn sensitize the head teacher and teachers in their respective workstations using guidelines acquired from the Committee.
The implementation committee will comprise officers in the rank of Job Group ‘L’ and above from each of the following service areas:- Human Resource, Revenue, Discipline, EMIS, Audit, Pensions, Public Relations, Staffing, Integrity, Legal Office, Registry, Accounts and Salaries. Revenue Division will serve as the Secretariat for this Committee.

11.0 TOOLS

(i) Monthly reports from Discipline Division on determined cases.
(ii) Audit to report short-comings on all TSC operational areas on monthly basis.
(iii) Registry to give a list of all cases requiring stoppage of salaries to the committee.
(iv) Revenue to submit a list of monthly overpayment recoveries to the committee.
(v) EMIS to submit payroll analysis reports on monthly basis.
(vi) Salaries to submit monthly reports of all removals and stoppages.
(vii) Integrity to submit report of those who have not declared wealth.
(viii) Legal office to submit report on their accomplishments.
(ix) The Committee will design standardised reporting forms for use by the Agents.
(x) The Committee will develop a checklist for monitoring reports from the relevant departments/ divisions.
(xi) Human Resource Dept to present to the committee a reconciled monthly staff returns.
(xii) Staffing Dept to present to the committee a reconciled monthly staff returns.
(xiii) Developed standard form.
(xiv) Casualty Returns.
(xv) Statistical Returns on the number of staff in each work station.
(xvi) Reports from H.O.D, Divisions & Sections.
(xvii) List of teachers who have been transferred.
(xviii) List of Hardship Areas.
(xix) List of determined cases by Discipline Division.
(xx) List of staff who exit service.
(xxi) Impromptu field visits to both schools and Universities to confirm presence of teachers in such institutions.
(xxii) Periodical committee meetings.
(xxiii) Questionnaires.
(xxiv) Surveys
(xxv) List of all stop orders.
(xxvi) List of salary recovery PCAs.
(xxvii) List of approved study leave cases.
(xxviii) List of reinstatement on payroll cases.
(xxix) List of all removal PCAs.
(xxx) List of all newly appointed secretariat staff.
(xxxi) List of staff who have resigned.

11.1 REVENUE

(i) List of fall-out cases.
(ii) List of new overpayment cases.
(iii) List of monthly overpayment recoveries.
(iv) List of repayments made by staff who are not on payroll.
(v) List of cases of abatement of death gratuity.
11.2 DISCIPLINE

(i) List of stop orders.
(ii) List of determined cases.
(iii) List of Interdicted cases.

11.3 EMIS

(i) Quarterly data on teachers Returns.
(ii) Monthly Payroll analysis reports.

11.4 AUDIT

(i) Reports on cases of non-removals from payroll.
(ii) Overall reports on gaps and shortcomings.
(iii) Reports on decision of Appointment Board on Transfers.
(iv) List of all new appointments.
(v) List of wrong coding.
(vi) List of all irregular promotions.
(vii) List of irregular appointments.
(viii) List of all reversal cases.

11.5 PENSIONS

(i) List of all retired or retiring staff.
(ii) List of all dead staff.
(iii) Reports on staff members with outstanding liabilities.
(iv) List of removal PCAs.
(v) List of transfer of service cases.

11.6 STAFFING

(i) List of all recent transfers.
(ii) List of all newly recruited teachers.
(iii) List of all approved transfers both Primary and Post Primary.
(iv) List of recent deployments.

11.7 INTERGRITY

(i) List of all staff who have not declared their wealth.
(ii) List of complaints.

11.8 LEGAL OFFICE

(i) List of determined cases.
(ii) List of pending cases.
(iii) List of irrecoverable cases.
11.9 REGISTRY

(i) List of de-registered teachers.
(ii) List of all urgent letters and casualty returns requiring salary stoppage and removal from payroll.

11.10 ACCOUNTS

(i) List for unaccounted imprests.
(ii) List of third party overpayments.
(iii) List of stale cheques, return to drawer and lost cheques.
(iv) List of loss of cash cases.
(v) List of Ex-gratia cases.

11.11 SALARIES

(i) List of all salary deletions.
(ii) List of salary overpayment notifications.
(iii) List of all reinstatement cases.
(iv) List of reversal cases.
(v) List of all rejected PCAs.

12.0 REPORTS

(i) The committee will make reports to the relevant Head of Departments, Divisions and or Sections.
(ii) Recommend for agency withdrawal where appropriate.
(iii) Highlight weaknesses and communicate to the implementers.
(iv) Make recommendation for disciplinary action where appropriate.
(v) Prepare progress reports for Management consumption.
(vi) Make periodical briefs to the Chief Executive.

13.0 COMMUNICATION

The policy will be communicated through update magazines, The Image, minutes from committee meetings, Circulars and Reports.

14.0 MONITORING AND EVALUATION

This is geared towards ensuring success in implementation and compliance with the guidelines of the policy.
INSTITUTIONAL FRAMEWORK FOR IMPLEMENTATION

- COMMISSION
- COMMISSION SECRETARY
- SDS (A)
- COMMISSION SECRETARY

- HUMAN RESOURCE
- REVENUE
- DISCIPLINE
- EMIS
- AUDIT
- PENSIONS
- STAFFING
- INTEGRITY
- LEGAL OFFICE
- REGISTRY

OVERPAYMENT CO-ORDINATING COMMITTEE

1. Design form

- SALARIES
- ACCOUNTS

IN HOUSE SENSITIZATION FOR STAFF HQS & UNITS

AGENTS DEO, PDE

SENSITIZE HEADTEACHERS