

**CC_PC5_4.3(STATUS UPDATE REPORT FOR
SRC ECCOMMENDATIONS)**



**COUNTY GOVERNMENT OF BUSIA
PUBLIC SERVICE MANAGEMENT AND
GOVERNANCE
P.O. PRIVATE BAG – 50400
BUSIA, KENYA**



To: CECM PSM & G

From: CCO HR and PC

Date: 16 January, 2026

STATUS UPDATE REPORT for SRC RECOMMENDATIONS (2025–2028)

Strengthening Performance Management and Wage Bill Sustainability

CONTEXT AND FOCUS AREAS

The Salaries and Remuneration Commission (SRC), in fulfillment of its constitutional mandate, conducted a Monitoring and Evaluation (M&E) assessment of the County Government of Busia to evaluate compliance with its advisory on public sector remuneration and human resource management. This exercise, supported by the Kenya Devolution Support Programme Phase II (KDSP II), provided critical insights into the County's performance management systems and fiscal sustainability.

Following the assessment, SRC issued recommendations highlighting structural and operational gaps that require urgent intervention.

Key Findings

Two major issues were identified:

1. Absence of a Performance and Productivity Framework

The County currently lacks a structured framework for measuring and rewarding employee performance. This gap has weakened accountability, limited productivity incentives, and reduced alignment between individual output and service delivery outcomes.

2. High and Unsustainable Wage Bill

The wage bill stands at approximately 40% of total revenue, exceeding the statutory ceiling

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of 35% under the Public Finance Management framework. This limits fiscal space for development and poses sustainability risks.

Strategic Response

In response, the County has developed this Implementation Plan anchored on two priority areas:

- **Restoration of Performance-Based Human Resource Management**
establishing a structured, transparent, and results-driven performance management system.
- **Progressive Wage Bill Rationalization**
Implementing measures to gradually reduce the wage bill to $\leq 35\%$ by June 2028, while maintaining service delivery standards.

2. IMPLEMENTATION STATUS UPDATE

A. Performance & Productivity Framework

Significant progress has been made toward establishing a performance-driven public service:

- Rewards and Sanctions policy developed and approved by CPSB, undergoing stakeholder consultation.
- Plans underway to automate the Performance Management System (PMS) and integrate it with HRMIS, Manual performance management implemented.
- Capacity-building programmes for CECMS, CCO, Directors and performance management champions for all departments required to enhance performance management aspect.
- Appointment of County Integrated performance management committee done

Overall Status: On track, with key milestones expected to be achieved within 2026/2027 performance year

B. Wage Bill Rationalization (40% \rightarrow $\leq 35\%$)

The County has initiated reforms aimed at restoring fiscal sustainability:

- Wage bill rationalization strategies presented to the cabinet and approved
- Staff establishment completed to align workforce with approved structures
- Recruitment controls strengthened to ensure hiring is budget-driven and essential roles only will be filled.
- Strategies to enhance Own Source Revenue (OSR) developed, including the own source mobilization strategy.

Warrant Officer
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- Workforce optimization measures (redeployment and attrition management) initiated
- Payroll audit processes launched to improve payroll integrity
- Payroll cleansing and alignment ongoing

Overall Status: *Progressing steadily, though full impact will be realized over the medium term (2026–2028).*

C. Cross-Cutting HR System Strengthening

Efforts to enhance institutional capacity and systems include:

- Ongoing improvements to HRMIS functionality and integration
- Introduction of quarterly HR reporting mechanisms through returns
- Institutionalization of quarterly performance review meetings

Overall Status: *Foundational systems strengthening is underway.*

3. MONITORING AND EVALUATION PROGRESS

The County has operationalized an M&E framework to track implementation progress against key indicators.

Key Performance Highlights

- Development of the Performance Framework is nearing completion
- Performance appraisal coverage expected to improve significantly with system automation
- Wage bill reduction strategies initiated, with gradual impact anticipated
- Recruitment controls increasingly aligned to budgetary provisions
- HR data systems improving, though full functionality is still in progress

Assessment:

Implementation is **progressing** as planned, with most indicators expected to achieve targets within the defined timelines.

4. CONCLUSION AND WAY FORWARD

The County Government of Busia has made notable progress in implementing the SRC recommendations, particularly in laying the foundation for performance management reforms and wage bill control.

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However, sustained commitment will be required to:

- Fully operationalize the Performance & management Framework
- Strengthen HR systems and automation
- Maintain strict wage bill controls
- Enhance revenue mobilization
- Institutionalize accountability and performance culture

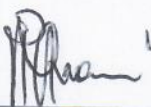
The County remains committed to achieving full compliance with SRC recommendations by June 2028, thereby strengthening public service delivery and fiscal sustainability.

5. APPROVAL AND SIGN-OFF

Prepared by:
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Name: Dr. Wilberforce Ojiambo Lusamba

Signature:  _____
Date: _____

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