Grant Thornton

Payroll Outsourcing in Kenya

More than Payroll Processing – A Strategic Business Advantage

2026

Introduction

In today's rapidly evolving business environment, payroll has become much more than simply paying employees on time. A critical business function sits at the intersection of finance, taxation, human resources, technology, and regulatory compliance.

For organizations operating in Kenya and across East Africa, keeping pace with changing statutory requirements, increasing compliance obligations, and growing employee expectations can be both complex and resource-intensive. As a result, many organizations are choosing to outsource their payroll function to trusted professionals who provide accuracy, compliance, security, and strategic support.

At Grant Thornton Kenya, we understand that payroll is not just about numbers—it is about people, compliance, and protecting your business.

The Increasing Complexity of Payroll

Over the past few years, payroll management has undergone significant transformation. Employers are now required to comply with numerous statutory obligations, including:

- Pay As You Earn (PAYE)
- National Social Security Fund (NSSF)
- Social Health Insurance Fund (SHIF)
- Affordable Housing Levy (AHL)
- National Industrial Training Authority (NITA) Levy
- Pension contributions
- Leave management
- Final dues calculations
- Expatriate payroll compliance
- Annual tax reporting and employee tax certificates

Each legislative change introduces new compliance requirements, calculations, reporting obligations, and filing deadlines. Failure to comply can expose businesses to penalties, interest charges, audits, and reputational risk.

Why Businesses are Outsourcing Payroll

Payroll outsourcing enables organizations to focus on their core business while leaving payroll administration to specialists who understand both local legislation and international best practices.

Some of the key benefits include:

01 Regulatory Compliance

Payroll legislation changes regularly.

Grant Thornton Kenya continuously monitors legislative developments and ensures payroll calculations remain compliant with current statutory requirements, reducing the risk of non-compliance.

02 Improved Accuracy

Payroll errors can have serious consequences, including:

- Employee dissatisfaction
- Incorrect tax deductions
- Regulatory penalties
- Financial losses

Our structured payroll review processes help ensure every payroll is processed accurately before employee payments are made.

03 Data Security

Payroll information is among the most confidential data within any organization.

Grant Thornton Kenya employs robust security controls, restricted access protocols, secure data transfer methods, and established governance processes to safeguard employee information and maintain confidentiality.

04 Time and Cost Savings

Managing payroll internally often requires:

- Dedicated payroll staff
- Continuous legislative training
- Payroll software maintenance
- Statutory updates
- Backup personnel
- Internal review processes

Outsourcing enables businesses to reduce administrative burden while benefiting from specialist expertise and scalable solutions.

05 Business Continuity

Staff absences, resignations, or unexpected events should never disrupt payroll processing.

With Grant Thornton Kenya's experienced payroll team and established operational processes, organizations benefit from continuity and reliable payroll delivery throughout the year.

Supporting Businesses beyond Payroll Processing

Payroll is closely connected to many other business functions.

Our services extend beyond monthly payroll processing to include:

- Payroll setup and implementation
- Payroll health checks
- Payroll fraud audits
- Tax compliance support
- Expatriate payroll management
- Shadow payroll administration
- Annual tax reconciliations
- Payroll reporting and analytics
- Statutory compliance reviews
- Payroll policy advisory
- Support during regulatory audits

This integrated approach enables organizations to proactively manage payroll risks rather than simply responding to issues after they arise.

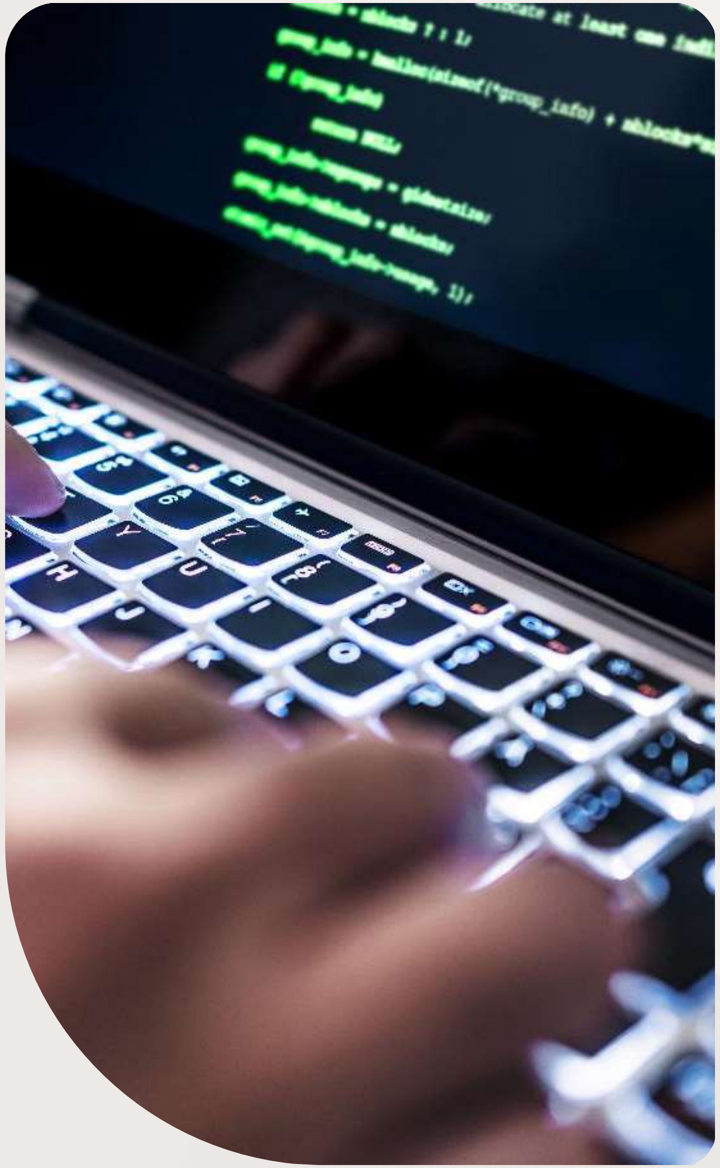
Technology That Supports Better Payroll

Modern payroll requires more than spreadsheets.

Grant Thornton Kenya leverages secure payroll technology that enhances:

- Payroll processing efficiency
- Accuracy of calculations
- Approval workflows
- Employee self-service capabilities
- Payroll reporting
- Audit trails
- Secure document management

Technology, combined with experienced payroll professionals, enables businesses to achieve greater visibility and control over their payroll operations.



Payroll for Local and International Organizations

Whether your organization employs:

- Local employees
- Expatriates
- Regional teams
- Remote workers
- Consultants
- Multiple legal entities

Grant Thornton Kenya provides payroll solutions tailored to your operational requirements while ensuring compliance with applicable employment and tax regulations.
Our experience supporting multinational organizations allows us to coordinate payroll requirements across multiple jurisdictions while maintaining local compliance standards.

Managing Payroll Risks

Common payroll risks include:

- Incorrect tax calculations
- Missed statutory filing deadlines
- Inaccurate employee records
- Manual processing errors
- Poor documentation
- Weak internal controls
- Data security breaches
- Inadequate segregation of duties

Effective payroll governance significantly reduces these risks while improving operational efficiency.

The Value of Professional Payroll Support

An effective payroll function contributes directly to employee confidence and organisational stability.

Employees expect to be paid:

- Accurately
- On time
- In compliance with applicable laws

Management expects:

- Reliable reporting
- Regulatory compliance
- Strong internal controls
- Efficient payroll operations

Professional payroll outsourcing delivers both.

Why Grant Thornton Kenya

Grant Thornton Kenya combines technical expertise, local market knowledge, and international best practices to deliver reliable payroll solutions.

Our payroll professionals support organizations across multiple industries and understand the operational challenges businesses face in today's dynamic regulatory environment. Our approach is built on:

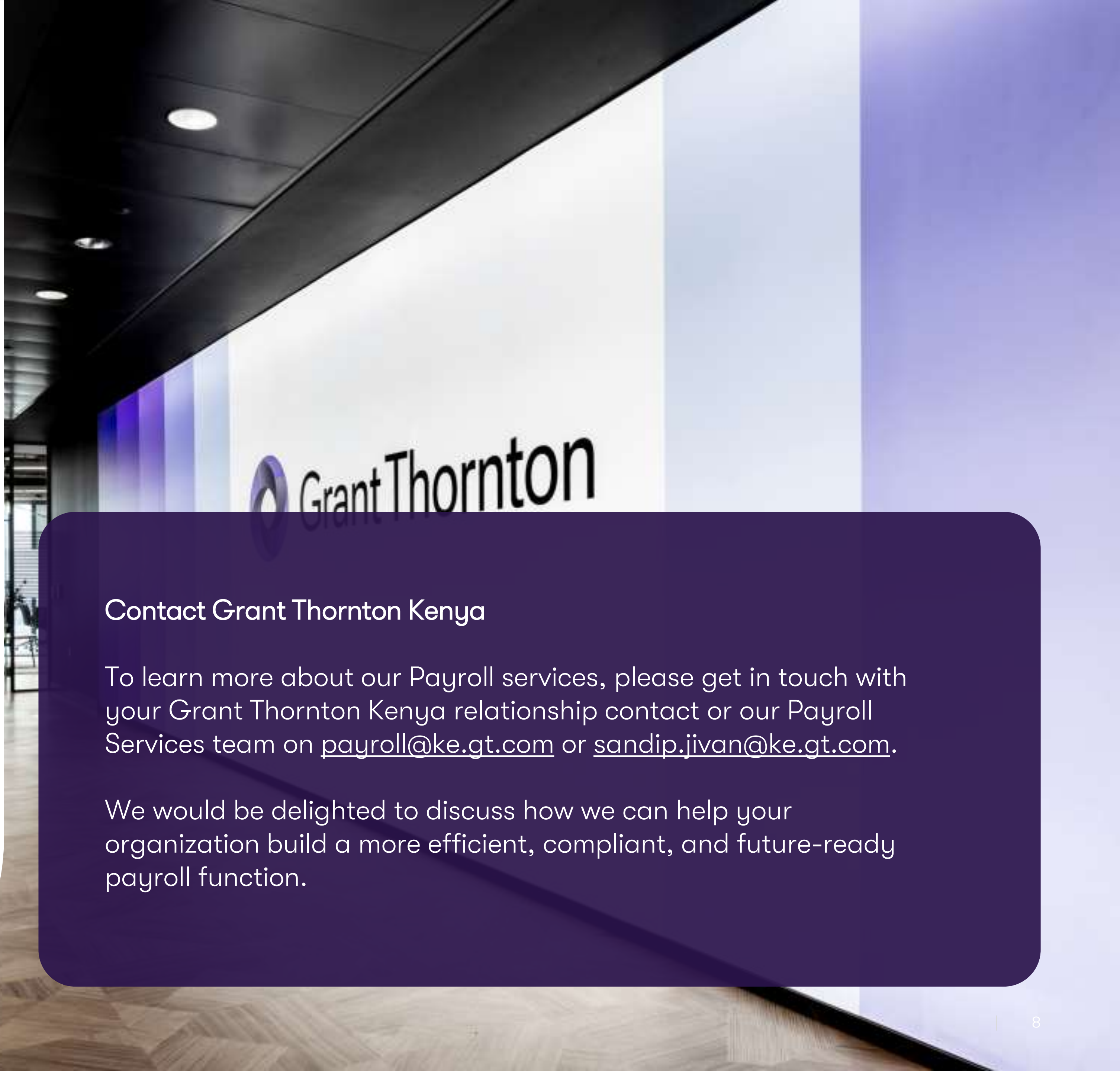
- Accuracy
- Compliance
- Confidentiality
- Reliability
- Responsiveness
- Professionalism

Whether your organization has 10 employees or several thousand, our team is committed to delivering payroll services that allow you to focus on growing your business with confidence.

Partner with Grant Thornton Kenya

Payroll is one of the most critical functions within any organization. Choosing the right payroll partner can help reduce risk, improve efficiency, strengthen compliance, and enhance employee confidence.

If your organization is considering outsourcing payroll or reviewing its current payroll processes, Grant Thornton Kenya is ready to support you with practical, reliable, and professional payroll solutions tailored to your business needs.



Contact Grant Thornton Kenya

To learn more about our Payroll services, please get in touch with your Grant Thornton Kenya relationship contact or our Payroll Services team on payroll@ke.gt.com or sandip.jivan@ke.gt.com.

We would be delighted to discuss how we can help your organization build a more efficient, compliant, and future-ready payroll function.

Grant Thornton

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