



OFFICE OF THE PRESIDENT

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NAIROBI

No. ....OP..CAB.9/1A.

5<sup>th</sup> November, 2004

The Attorney General  
All Permanent Secretaries  
All Accounting Officers  
The Controller and Auditor-General

GUIDELINES ON PROCEDURES FOR THE APPOINTMENT OF  
DIRECTORS, CHIEF EXECUTIVES AND MANAGERS OF STATE  
CORPORATIONS AND STATUTORY BOARDS.

Please refer to my letter Ref. No. OP.9/1A/VOL.17 dated 7<sup>th</sup> February 2003,  
regarding the above matter.

Since issue of the guidelines conveyed vide the above letter on the  
appointment of chairmen, directors and chief executives of state  
corporations, the following further developments have taken place:

- (a) introduction of performance contracts in the management of State Corporations with effect from 1<sup>st</sup> October 2004 for pilot State Corporations and 1<sup>st</sup> July 2005 for all state corporations;
- (b) issue of Legal Notice No. 93, the *State Corporations (Performance Contracting) Regulations, 2004*;
- (c) issue of Guidelines for Drafting Performance Contracts for the year 2004-2005.

The above dispensations require inter alia, the following:


(iii) Heads of Department

Heads of Department in a State Corporation should be appointed competitively by the Board of Directors. The Board of Directors will ensure that these senior officers meet the minimum professional qualifications in the respective fields. For example, the head of the Finance Department should be a fully qualified Certified (Chartered) Public Accountant.

(iv) Terms and Conditions of Service

The terms and conditions of service for Chairmen, Directors, Chief Executives and employees of State Corporations will continue to be determined in accordance with Sections 10, 5 (3) and 27 (c) of the State Corporations Act.

You are accordingly required to ensure that the above requirements are observed forthwith.



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