



OFFICE OF THE PRESIDENT
PERMANENT SECRETARY, SECRETARY TO THE CABINET
AND HEAD OF THE PUBLIC SERVICE

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Ref. No. OP/CAB.1/9A
and date

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28th June, 2006

The Attorney General
All Permanent Secretaries/Accounting Officers

PROCEDURE FOR APPOINTMENTS OF CHAIRMEN, CHIEF EXECUTIVES, AND BOARD MEMBERS OF STATE CORPORATIONS

You will recall that in February, 2003 this office issued Circular, No. OP/9/1A Vol.17. The Circular laid down the legal provisions governing the appointment of Chief Executives, Chairmen and Board Members in State Corporations under Cap 446 (State Corporations Act). According to section 6(1) of the Act, all Chairmen of State Corporations are appointed by H.E. the President. The Provisions of the Act supercede all other Laws governing management of State Corporations and Statutory Bodies. The Circular further emphasizes that the appointment of Directors of Boards by Ministers should meet the criteria below:

- Competence in the areas of operation of the State Corporation e.g. financial knowledge in the case of financial state corporations
- Integrity and high standing in society
- Equity in regional distribution
- Gender equity

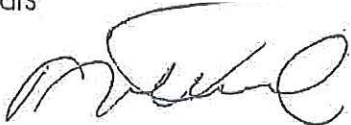
In addition to the above requirements, all proposed appointments are subject to vetting by this office prior to announcements and gazetteement.

There is however an emerging trend where the above guidelines have not been observed by Ministries and Individual State Corporations. To avoid such situations, the provisions of the Circular's Guidelines have to be followed strictly by all Ministries, without exception. Permanent Secretaries are directed to ensure that the guidelines are adhered to. It should be

noted that they will be individually held responsible in situations where the guidelines are flouted.

You are requested to bring the contents of this and the earlier circular regarding this matter to the attention of all Ministers and Board Chairmen under your Ministry's supervision.

Yours



AMB. FRANCIS K. MUTHAURA, EGH
PERMANENT SECRETARY, SECRETARY TO THE
CABINET AND HEAD OF THE PUBLIC SERVICE

Copy to:

All Ministers

Mr. Evans Mwai
Controller & Auditor General
National Audit Office
Kencorn House
NAIROBI.

Mr. Peter B. Ondieki
Inspector General
State Corporations
NAIROBI.

Copy to: **Mr. Hyslop Ipu, C.B.S**
Private Secretary/Comptroller,
STATE HOUSE.

Mrs. Pricilla N. Komora, CBS
Controller and Auditor General
Kenya National Audit Office
NAIROBI

Mr. Stephen K. Kirogo
Secretary
State Corporations Advisory Committee
KICC
NAIROBI