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NAIROBI

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

USE OF OFFICIAL TRANSPORT IN STATE CORPORATIONS

This is with reference to Circular No. OP.CAB.23/1A of 30th June, 2006 on the new Transport Policy in the Public Service.

The frugality measures announced in that circular letter were intended for the entire public service and that is why they were addressed to Chief Executive Officers of State Corporations, among others.

In consultation with SCAC account has been taken of the varied environments within which the state corporations sector operates due to the diverse nature and scope of their mandates. However, within the overall objective of adopting best management practices to eliminate wastage in the manner in which transport services are structured, and managed within each state corporation, the following guidelines shall apply effective from the date of this circular.

transport allowance at rates approved by the Board of the State Corporation.

(d) **Unionisable Staff**

In cases where transport or commuter allowance is currently being availed to unionisable staff as part of the Collective Bargaining Agreement the same may continue within the approved budget.

2. Transport for Staff Who Provide Essential Services and Utilities

A State Corporation whose mandate involves the provision of essential services such as in areas of medical care and utilities, or operate during hours when public transport is not available or reliable, should with the approval of the Board in consultation with the parent Ministry put in place a cost effective and efficient transport arrangement to facilitate its operations.

3. Group transportation of staff

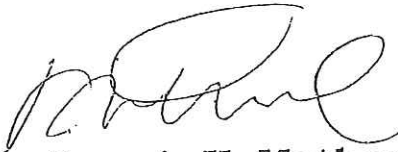
Given the level of public transport in urban centres in the country, there is no reason for the provision of Group transportation of officers from town to office and back unless it can be shown that;

- a) The use of public transport would not be practicable. In this circumstance, the State Corporation will seek authority of the parent Ministry to be allowed to offer on owned basis or lease hire basis Group transport for its staff.
- b) Where authority is given for group transport, the facility should be utilized in a cost effective way and be subjected to periodic review as circumstances change.

6. Conclusion:

In conclusion, it is reiterated that compliance with approved budget is one of the criteria of Performance Contracting. Boards are therefore expected to manage the Resources of State Corporations including transport in an efficient manner in order to achieve their set performance targets.

Yours



Amb. Francis K. Muthaura, EGH
PERMANENT SECRETARY/SECRETARY TO
THE CABINET AND HEAD OF PUBLIC SERVICE

c.c. Secretary
State Corporations Advisory Committee
NAIROBI

Inspector-General (Corporations)
Inspectorate of State Corporations
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