



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF THE PRIME CABINET SECRETARY
STATE CORPORATIONS ADVISORY COMMITTEE

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OFFICE OF THE SECRETARY
KICC, 9TH FLOOR
P.O. Box 42145 – 00100
NAIROBI, KENYA

Ref. No.OP/SCAC 9/21/2/II

21st August, 2023

Board Chairpersons
All State Corporations

**RE: GUIDELINES ON MANAGEMENT AND TERMS AND
CONDITIONS OF SERVICE FOR BOARD MEMBERS AND STAFF
OF STATE CORPORATIONS**

Your attention is drawn to the provisions of letter Ref. No. AG/CONF/2/C/31 VOL. VI of 16th August, 2023 (**Annex I**) vide which the Attorney General (AG) of the Republic of Kenya has rendered opinion regarding the determination of terms and conditions of service for staff of State Corporations. You may also wish to note that this latest opinion of the Attorney General was further to an earlier opinion which had been communicated vide letter Ref. No. AG/CONF/2/C/31 VOL. VI of 27th July, 2023 (**Annex II**).

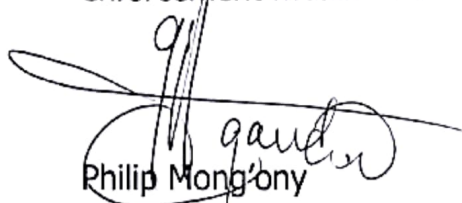
You are required to acquaint yourself fully with the provisions of the two letters and specifically to note, the re-stated position that:-

- a) The State Corporations Act "..... is the primary Act governing State Corporations"; and
- b) General terms and conditions of service for State Corporations (usually contained in Human Resource Instruments) ought to be approved in terms of Section 5 (3) of the State Corporations Act except for the case of remuneration which requires advice of the Salaries and Remuneration Commission (SRC).

Accordingly, all Boards are hereby required to ensure that their respective State Corporations are operating within terms and conditions of service (contained in their HR policy instruments) that have been properly approved by the responsible Cabinet Secretary in consultations with the State Corporations Advisory Committee (SCAC); as specified in the AG's opinion and in terms of para. 52 of the FY 2023/2024 Budget Statement (**Annex III**).

Any State Corporation defaulting on the same without the permission of SCAC by 30th September, 2023 shall have its Board held to account.

By copy of this letter, The National Treasury, SRC, the Auditor General and the Inspector General (Corporations) are requested to take necessary enforcement measures.



Philip Mong'ony

BOARD CHAIRPERSON

Copy to: H.E. Dr. Musalia Mudavadi, EGH.,
Prime Cabinet Secretary
Office of the Prime Cabinet Secretary
NAIROBI

Mr. Felix K. Koskei
Chief of Staff & Head of Public Service
Executive Office of the President
NAIROBI

Hon. Justin B. N. Muturi, EGH.,
The Attorney General
Office of the Attorney General & Department of Justice
Sheria House
NAIROBI

All Cabinet Secretaries

All Principal Secretaries

Mrs. Lyn C. Mengich
Chairperson
Salaries & Remuneration Commission
NAIROBI

CPA Nancy Gathungu, CBS
Auditor General
Office of the Auditor General
NAIROBI

Mr. James Mungai Warui
Ag. Inspector General
Inspectorate of State Corporations
NAIROBI

Chief Executive Officers
All State Corporations