



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

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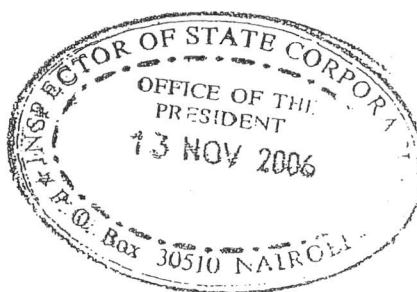
Ref. No... **OP/CAB.9/1A**
and date

P.O. Box 62345-00200
NAIROBI

20

6th November, 2006

Attorney General
All Permanent Secretaries
All Accounting Officers



**RE: GUIDELINE ON BOARD CHAIRMEN'S ATTENDANCE OF
COMMITTEE MEETINGS**

Paragraph 3(d) of Annex V (A) of the Guidelines (sample letter of appointment for Chairman) provides that one of the duties of the Chairman is to harness the collective skills of the Board and its Committees, and those of the Executive team for attainment of the corporate objectives and performance targets agreed with the Government.

However, it has been observed that there is a practice whereby some Board Chairmen impose themselves on all or most Committees of their respective State Corporations. In practice this means that such Board Chairmen participate in deliberations that are later submitted to full Board meetings under their Chairmanship for ratification. This issue has been considered in consultation with the State Corporations Advisory Committee taking into account the principles of good corporate governance and best management practices.

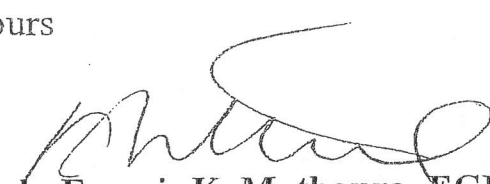
While it is appreciated that there will occasionally be need for a Board Chairman to attend a meeting of a Committee of the Board given the role of Board Chairman as provided for under Sections 3 and 4 of the sample letter of

appointment (Annex V (A)) of the Guidelines of 23rd November, 2004, please note the following:

1. Since issues are supposed to be escalated from Management to Committee level, and then finally to the full Board for approval, it is not appropriate for a Board Chairman to attend all Committee meetings routinely as if he were a member since issues discussed at Committee except for the Tender Committee are eventually submitted to the full Board for final consideration and ratification before implementation.
2. Except in special circumstances a Board Chairman should wait for issues to be escalated from Management to Committee then to the Board where he can then preside over their consideration impartially.
3. When there is justification for Board Chairmen to attend a meeting of a Committee, then it has to be by invitation. A Board Chairman invited to a Committee meeting should be recorded as in attendance without voting rights.
4. A Board Chairman who attends a meeting of a Committee by special invitation will be entitled to an ordinary member's sitting allowance.
5. In the case of Tender Committees as established by Legal Notice Number 161/2002, a Board Chairman may attend as an ordinary member by appointment or by invitation. This is also important in view of Section 15 of the State Corporations Act, Cap. 446 which makes Boards accountable for the moneys, the financial business, and the management of State Corporations.

Please bring the contents of this letter to all Chairmen and Chief Executive Officers of State Corporations under your Ministry.

Yours



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

c.c. Permanent Secretary/Treasury
Ministry of Finance
NAIROBI

Controller and Auditor-General
Kenya National Audit Office
NAIROBI

Secretary
State Corporations Advisory Committee
NAIROBI

✓ Inspector-General (Corporations)
Inspectorate of State Corporations
NAIROBI