



**OFFICE OF THE PRIME MINISTER
PERMANENT SECRETARY'S OFFICE**

Fax No.: +254-(0)20-2210856
Telephone: +254-(0)20-2252299
When replying please quote

**TREASURY BUILDING
P.O. Box 74434
00200 NAIROBI
KENYA**

Mr Nyingi

Please see and note

Ref OPM /PS/08/03/54

5 Date: 1st October 2009

12/10/09

**All Permanent Secretaries
All Chairmen of State Corporations
All Chief Executives of State Corporations**

MANAGEMENT OF STATE CORPORATIONS

The coordination and supervision of Government functions in the state corporations sector by the Office of the Prime Minister is executed through the Inspectorate of State Corporations. In this regard, section 18 of the State Corporations Act, Cap 446, Laws of Kenya on the mandate of the Inspector-General (Corporations) reinforces and complements section 4(1)(a) of the National Accord and Reconciliation Act, 2008 in the management of government affairs.

It has however come to the attention of the Government that some state corporations have not been submitting information to the Inspector-General (Corporations) contrary to section 18 of the State Corporations Act. A practice has emerged where some State Corporations submit their board documents to the Inspector-General (Corporations) either once or twice a year. Further, some State Corporations whose activities are under close scrutiny have been noted to be more reluctant to provide timely information.

It has therefore been decided that state corporations will no longer determine when and which information to provide to the Inspector General (Corporations). All board and committee agenda documents should therefore be forwarded in advance to the Inspector-General

(Corporations). The quarterly and annual performance contract reports will continue to be sent to Inspector-General (Corporations) for monitoring purposes while the Performance Contracting Department will take charge of the evaluation of annual performance contract reports.

All State Corporations are therefore required to comply with the law as currently enacted to promote good corporate governance in the state corporations sector.

Dr. Mohamed Isahakia, CBS,
PERMANENT SECRETARY

c.c. **All Ministers**

The Permanent Secretary, Secretary to the
Cabinet and Head of the Public Service
Office of the President
NAIROBI

The Attorney General
Attorney-General Chambers
Sheria House
NAIROBI

The Controller and Auditor-General
Kenya National Audit Office
NAIROBI

The Inspector-General (Corporations)
Office of the Prime Minister
NAIROBI

The Secretary
State Corporations Advisory Committee
Office of the President
NAIROBI