

# CONFIDENTIAL



## OFFICE OF THE PRESIDENT

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

Telegraphic Address: "Rais"  
Telephone: Nairobi 227411  
When replying please quote

P.O. Box 62345  
NAIROBI

Ref. No. OP.9/1A

Date: 9<sup>th</sup> October, 2002

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

### **PAYMENT OF MEDICAL EXPENSES FOR MEMBERS OF BOARDS OF DIRECTORS OF STATE CORPORATIONS WHEN ON OFFICIAL DUTY OR TRIPS**

It has come to the notice of the Government that a number of state corporations have been incurring significant expenditure on the treatment of members of Boards of Directors who are taken ill when on official duty. Such expenditure is in most cases not explicitly budgeted for and is not disclosed to the Controller and Auditor-General. It is therefore directed as follows:-

- (a) each state corporation should make a contingency provision in its annual estimates, to be agreed upon with the parent Ministry and the Ministry of Finance and Planning, to cater for members of Boards of Directors who may fall sick during official duty or trips;
- (b) members of Boards of Directors who fall sick when strictly on the official business of a state corporation may have the expenditure incurred on such illness borne by the corporation;
- (c) this facility should however not be extended to ailment outside of official duty or to family members of directors;

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- (d) in addition, financing of treatment for persistent or recurrent illnesses which are not necessarily contracted during a tour of duty and which may extend beyond the tour of duty, but which nevertheless strike during official duty, should be strictly limited to the period when the board member is on official duty.

*M. Kosgei*

**S. J. Kosgei**  
**PERMANENT SECRETARY/SECRETARY TO THE**  
**CABINET & HEAD OF PUBLIC SERVICE**

c.c.

Permanent Secretary/Director,  
Directorate of Personnel Management,  
Harambee House,  
NAIROBI.

Permanent Secretary,  
Ministry of Finance & Planning,  
Treasury Building,  
NAIROBI.

Controller & Auditor-General,  
Kencom House,  
NAIROBI.

Solicitor-General,  
Attorney-General's Chambers,  
Sheria House,  
NAIROBI.

Inspector-General (Corporations),  
Office of the President,  
K.I.C.C.,  
NAIROBI.