Report of the Committee to Review the Terms and Conditions of Service for the Civil Service 1997
His Excellency Daniel T. arap Moi, C.G.H., M.P.,
President of the Republic of Kenya,
State House,
NAIROBI.

Your Excellency,

You appointed us on 12th December, 1996 to review the Civil Service remuneration structure and to make recommendations on how its performance could be made more effective.

We have now completed the task and have the honour to submit our Report which contains our unanimous conclusions and recommendations.

We take this opportunity to thank Your Excellency for the honour and trust which you have placed on us and to express to Your Excellency our loyalty and highest esteem.

We are,

Your Excellency's Most Obedient Servants,

P. M. MUNENE
Chairman

ENG. P. W. WAMBURA

A. K. KANDIE
J. S. NYAMATO
MRS. C. W. KURIA
NAUSHAD N. MERALI
KASSIM OWANGO
B. P. KUBO
S. K. Ole LEKEN
E. M. MASALE

Members

J. M. OTENYO
E. K. ADAGALA

Joint Secretaries
THE KENYA GAZZETTE NOTICE No. 837 OF 6TH JANUARY, 1997

APPOINTMENT OF A COMMITTEE TO REVIEW THE TERMS AND CONDITIONS OF SERVICE FOR THE MEMBERS OF STAFF OF THE CIVIL SERVICE

It is notified for general information that His Excellency the President, Daniel T. arap Moi, has appointed a committee to review the terms and conditions of service for the members of staff of the Civil Service. The committee will operate under the following terms of reference:

(a) Examine the current structure of salaries and other terms and conditions of service for the entire Civil Service and make appropriate recommendations for consideration by the Government.

(b) Examine the progress made in the ongoing Civil Service Reform Programme and make recommendations on how the performance of the Civil Service could be made more effective.

The committee shall be composed of the following persons:

Peter Munene - (Chairman)

Members:
Peter Wambura (Eng)
Aaron Kandie
J. S. Nyamato
C. W. Kuria (Mrs)
Naushad Merali
Kassim Owango
B. P. Kubo
S. K. Ole Leken
Eliakim Masale

Joint Secretaries:
J. M. Otenyo
E. K. Adagala
The committee will submit its report by 31st March, 1997.


F.M. KUINDWA.
Permanent Secretary/Secretary to the Cabinet and Head of Public Service
ACKNOWLEDGEMENTS

We take this opportunity to express our gratitude to the many people and organisations who assisted us in various ways to accomplish our task. We acknowledge the co-operation extended to us by all the Permanent Secretaries and their staff, and for the comprehensive and forthright evidence that they tendered to us both orally and in writing. We also wish to thank all other civil servants who wrote or spoke to us, individually or in groups both in Nairobi and in the Provinces. We similarly appreciate the very useful contributions we obtained from chief executives of parastatal organisations, managers from the private sector, groups from the civil society and members of the general public.

We owe a great debt of gratitude to His Excellency the Vice-President and Minister for Planning and National Development, Hon. Prof. George Saitoti, E.G.H., M.P. for sparing much time to talk to us. We greatly benefitted from his wise counsel, and were impressed by his concern for an improved Civil Service. Due to limitation of time, we were not able to speak to as many national leaders as we would have wished. However, we thankfully acknowledge the candid and inspiring discussions we had with Cabinet Ministers Hon. Darius Mbela, E.G.H., M.P., Hon. Musalia Mudavadi, E.G.H., M.P., Hon. J.J. Kamotho, E.G.H., M.P., Hon. Joshua Angatia, E.G.H., M.P., Hon. Philip Masinde, E.G.H., M.P and the Attorney-General, Hon. A.S. Wako, E.G.H., M.P.

The smooth flow of our work would have been well-nigh impossible without the unfailing moral and material support we received from the Permanent Secretary, Secretary to the Cabinet and Head of the Public Service, Mr. F.M. Kuindwa, E.G.H., E.B.S. and his staff. His guidance and encouragement have been invaluable throughout our assignment.

Finally, we wish to record our deep appreciation to the Joint Secretaries, Mr. J.M. Otenyo and Mr. E.K. Adagala whose sterling performance went beyond the call of duty. They both gave lavishly of their time and energy, and through their wide knowledge of the Civil Service made a significant contribution to our deliberations and the compilation of our Report. We also appreciate, with a real sense of gratitude, the valued contribution of the resource persons and the secretarial and other supporting staff, who worked tirelessly day and night to ensure that our work proceeded smoothly without let or hindrance.
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PART I
CHAPTER 1 - INTRODUCTION

Appointment and Terms of Reference

We were appointed by His Excellency the President, Hon. Daniel T. arap Moi, C.G.H., M.P on 12th December, 1996 to be a Committee to review the terms and conditions of service for the Civil Service. The appointment was subsequently published under Gazette Notice No. 837 dated 6th January, 1997. We were required to submit our report by 31st March, 1997. Simultaneous to our appointment, His Excellency the President also appointed two other Committees to undertake similar reviews: one in respect of the national universities and the other in respect of four uniformed services, namely, the Kenya Police Force, the Administration Police Force, the Kenya Prisons Service and the National Youth Service. In the case of our Committee, we were mandated with the following specific terms of reference:

(a) Examine the current structure of salaries and other terms and conditions of service for the entire Civil Service and to make appropriate recommendations for consideration by the Government.

(b) Examine the progress made in the ongoing Civil Service Reform Programme and make recommendations on how the performance of the Civil Service could be made more effective.

2. We held our first two meetings on 18th and 27th December, 1996 at which we sought to interpret our terms of reference with a view to determining the nature and scope of our mandate. It transpired at these meetings that certain aspects of the terms of reference needed to be clarified for us by the Government. In particular, we were concerned to know the implications of the use, in our terms of reference, of the phrase "entire Civil Service", bearing in mind, firstly, that one of the Committees appointed alongside ours was also to deal with agencies traditionally considered to be part of the mainstream Civil Service; and, secondly, that in the period since the last review of the Civil Service, a number of departments had been delinked from the Civil Service and given autonomous status and improved remuneration. The Judiciary had been delinked from the Civil Service as had the Aerodromes Department. The latter became Kenya Airports Authority. The State Law Office, while remaining part of the Civil Service, had been given an enhanced
The latter became Kenya Airports Authority. The State Law Office, while remaining part of the Civil Service, had been given an enhanced remuneration package close to that of the Judiciary. All the Government’s main revenue collecting departments had also been delinked and combined to form the Kenya Revenue Authority. In the light of these considerations, we deemed it important that clarification be sought as to what scope of coverage was expected of us.

3. On 9th January, 1997 we held a meeting with the Permanent Secretary, Secretary to the Cabinet and Head of the Public Service, Mr. F. M. Kuindwa, E.G.H., E.B.S. at which several clarifications were made.

4. As regards the relationship between our Committee and that dealing with the uniformed services and, indeed, with that dealing with the national universities, it was explained that in order to avoid potentially discordant approaches and outcomes from the reviews, it was necessary that the recommendations emanating from the three committees be harmonised, hence the reference to "entire Civil Service" in our terms of reference.

5. Mr. Kuindwa further clarified that beyond the above, it was the wish of the Government that in carrying out our review, due regard be had of the need to bring a measure of harmony in the overall remuneration structure in the entire Civil Service and, to some extent in the wider Public Service. Indeed, Mr. Kuindwa went on to explain that prior to our appointment the Government had appointed a number of ad hoc committees to review the status and remuneration of some institutions, namely, the National Assembly, the Civil Aviation and Meteorological Departments and all the national research institutions and that the reports of these ad hoc committees would be handed over to us for the purpose of harmonising them with our own. In addition, we were expected to harmonise the remuneration package for the Civil Service with that of the Teaching Service.

6. The upshot of these clarifications was that, effectively, our terms of reference had widened in the sense that we were expected to cast our eyes beyond the Civil Service in order to achieve the desired harmony and consistency. Indeed, it transpired in the course of our inquiry that the
existence of disparities in remuneration, especially those resulting from delinking, had demoralised civil servants who viewed the pay increases associated with delinking as irregular and discriminatory. It also emerged that in the quest for autonomy and improved remuneration, more departments and agencies were seeking to be delinked from the Civil Service. We received specific requests for delinking from the Public Service Commission, the Exchequer and Audit Department, the Auditor-General (Corporations), the Ministry of Foreign Affairs and International Co-operation, the Civil Aviation and Meteorological Departments.

7. Apart from reviewing the salaries and other terms of service, we were also required to take a critical look at the state of the Civil Service with a view to making proposals on how it could be made more productive. We were expected to assess the progress made in the ongoing Civil Service reform and to make appropriate recommendations on how this initiative could be sustained to enable the Civil Service rise to the challenge of guiding our country into the next century.

The Early Years

8. During the 1960s following independence, the Civil Service had the onerous task of transforming itself from a purely maintenance of law and order outfit into an initiator and promoter of socio-economic development. The vision of the founding fathers was to create and sustain an egalitarian society in which the strong were just, the weak secure and domestic peace and security preserved and the unity of the nation institutionalised. It therefore became necessary for the Government to put in place an expanded Civil Service machinery which would be more responsive to the needs of the people. Thus the Civil Service which emerged was charged with the responsibility of providing a wide range of essential economic and social services as quickly as possible to the entire population. Targets for expanded educational opportunities (particularly at the primary school level), rural health services, various extension services and essential infrastructure facilities were established to serve a rapidly growing population. Over the years, formulated appropriate policies to address the issues brought about by the aspiration to achieve accelerated development. At the same time, direct Government participation in commercial and industrial enterprises increased owing to scarcity of private domestic savings, management talent and
entrepreneurial experience, especially among the indigenous people.

9. The Government’s participation in commercial and industrial activities was, therefore, seen not only as a means for accelerating development, promoting regional balance and attracting private investors, but also as a representational and transitional form of ownership which could later be transferred to Kenyans as private savings became available for purchase of shares. Accordingly, a larger and more pervasive Public Service was required to undertake the provision of services at the grassroots level and supervision and management of the commercial and industrial activities in which the Government was involved. As a result, employment in the Civil Service grew dramatically from 63,000 in 1963 to 158,883 in 1980 and to 271,979 in 1990.

10. By the mid-1980s Government realised that its direct participation in production activities had been carried well beyond the original conceptions and had reached a point where such participation was inhibiting rather than promoting development by Kenyans themselves. It also became apparent to the Government that the Civil Service had grown too large with the result that the share of the wage bill in the recurrent budget continued to increase at an unsustainable rate at the expense of other services, particularly the provision of funds for operation and maintenance of the existing stock of plant, equipment and machinery, including vehicles, the repair and maintenance of Government buildings and upkeep of stations and basic infrastructure.

Previous Civil Service Salary Reviews

11. This Committee is not the first to review the terms and conditions of service for the Civil Service. Reviews have taken place at intervals of approximately six years. In 1970 the Government appointed a Commission of Inquiry under the chairmanship of Mr. D. N. Ndegwa which undertook a major review of public service structure and remuneration of the Civil Service. This was followed in 1980 by the committee chaired by Mr. S. N. Waruhiu and in 1985 by the committee under the chairmanship of Mr. T. C. J. Ramtu. In 1990 another committee was appointed under the chairmanship of Prof. P. M. Mbithi.

12. Our Committee recognised in the early stages of its work that
certain fundamental changes had taken place in the country since the last review and which posed a major challenge to us as we sought to define a Civil Service capable of propelling our country into the 21st century. The appointment of our Committee, therefore, came at a very critical time in that it was the first to review the terms and conditions of service for the Civil Service since the reintroduction of multiparty politics. It was also the first to be appointed when the Civil Service was undergoing major reforms. Its appointment also came as the country was experiencing the after-effects of structural adjustment programmes and when leadership in East Africa had accepted the concept of structured co-operation in socio-economic matters between the three sister republics of Kenya, Tanzania and Uganda. It is also worth noting that this Committee was appointed when the country was experiencing the ravages of a severe drought and when the Eastern Africa region was going through armed conflicts which seriously impinged on security and economic development in Kenya. The changes which we describe hereafter suggest that the scope and coverage of our Report will inevitably be different from those of the previous Committees.

Structural Adjustment Programmes

13. The central objective of the structural adjustment programmes introduced by the Government in the 1980s was to accelerate economic development through efficient allocation and utilisation of resources. In this connection, the key development challenge to face the Government over the coming years will be to create the conditions necessary for rapid and sustained growth at a level which will result in significant reduction in unemployment and poverty. The Committee has noted the strategies the Government has adopted to achieve these objectives to be: the removal of foreign exchange controls; the abolition of price controls; tighter fiscal and monetary policies in order to maintain macro-economic stability; and, improvement in the efficiency of the public sector by accelerating and streamlining reforms in the Civil Service and state corporations. Other strategies include accelerated provision of infrastructural services; enhancing external and domestic competitiveness of the economy through liberalisation of the market; elimination of corruption; and, creation of an enabling environment for private sector development. Many components of the structural adjustment programmes have been implemented while others are in process.
14. As the Government was contemplating systematic implementation of reforms, the donor community suspended its financial support to the country in order to bring pressure for their immediate implementation. The withdrawal of donor support had a dramatic impact on the development process in Kenya. Important development projects which were due for implementation were shelved and those which had already been started stagnated due to unavailability of the necessary funds. This led to heavy borrowing by Government from the banking sector to enable it undertake critical projects and as a result the private sector was crowded out of the money market. This development severely curtailed availability of resources for productive investment by the private sector and for capital formation within the economy. The withdrawal of donor support also led to unprecedented increase in bank lending rates, devaluation of the Kenya Shilling and high levels of inflation in the early 1990s.

15. Although the objectives of the structural adjustment programmes were noble, they created serious strains and stresses in the economy. For instance, the annualised rate of inflation rose from 19.6 per cent in 1991 to a record 46 per cent in 1993. The unprecedented level of inflation was fuelled by several factors, but principally by the removal of price control mechanisms and the abolition of the foreign exchange controls. The purchasing power of Kenyans, and particularly of those in low income groups, was thus seriously eroded to the extent that nearly 46 per cent of the population now lives below the poverty line. Further, it gave rise to the introduction of cost-sharing in the provision of basic services. In this respect, the Government has acknowledged that the full impact of the structural adjustment programmes was not adequately assessed before implementation and has subsequently put in place purposeful measures to address the social dimensions of the adjustment programmes. The strategy seeks to promote private initiative by developing the capacities of the poor to generate their own incomes and provides incentives for the private sector to participate in the delivery of services under the programmes. The Committee commends the Government for the timeliness of its policy and for the social dimensions of development initiative to cushion the most vulnerable members of society from the adverse effects of the structural adjustment programmes.
Multipartism
16. The reintroduction of multiparty politics in Kenya in 1991 put a tremendous strain on the Civil Service in terms of loyalty, patriotism and non-partisanship in rendering services to Kenyans. The root cause of the ambivalence which pervaded the Civil Service was that it had not been prepared to operate in the volatile environment created by the reintroduction of multipartism. Dealing with this phenomenon, therefore, put civil servants on the horns of dilemma. The result was that an undercurrent of mistrust and suspicion developed in the Civil Service thereby seriously compromising service delivery. In this regard, it is the view of this Committee that everything possible ought to be done to protect the institution of the Civil Service from the vicissitudes of undue political influences and to inculcate in it a high sense of nationalism, patriotism and respect for authority. Furthermore, civil servants must learn to serve the Government, which is their employer, faithfully, loyally and with total dedication and devotion, and to avoid unnecessary delays or disruptions in the implementation of its policies because of personal political inclinations.

Globalisation
17. Kenya is very much part of the world economy and the country’s economic development therefore depends in many ways on costs, prices and market opportunities in other countries. When the international economic situation deteriorates, it is inevitable that development in Kenya will be adversely affected. Conversely, Kenya’s overall position is bound to benefit from improvement in the world economy. In such a situation where the economies of the world very closely relate to each other, the Civil Service machinery will need to be adequately equipped to ensure that Kenya responds appropriately and with the necessary speed to global developments.

18. The recent and continuing technological advances in communications which have transformed the world into a "global village" further call for the Civil Service to be alert to global developments. Advances in communications through the satellite have made it possible for events occurring far from Kenya’s frontiers to be transmitted to and captured instantaneously in millions of homes and offices worldwide, including Kenya. Similarly, events taking place in Kenya are captured
and transmitted through the same route to receiver terminals throughout the world. Evidence received by the Committee reveals that while the private sector has made significant progress to close the technological gap, the Civil Service has tended to lag behind. The result has been that the Civil Service is not suitably prepared to meet the challenge of globalisation. It is imperative, therefore, that the Civil Service must as a matter of urgency move forward to meet this technological challenge if its role as a facilitator of development is to have a meaningful impact as the nation inexorably moves towards industrial transformation by the year 2020. The civil servant of the future must be able to discuss confidently and intelligently with his counterpart in the private sector the intricacies of international trade relations, among other things, and understand clearly his role in the larger picture.

**East African and Regional Co-operation**

19. At the time of attaining their independence in the 1960s, Kenya, Uganda and Tanzania inherited a common services organisation for the region which later became the East African Community. This entity served the three countries well until the 1970s when diverse ideological approaches to national development made it impossible for the co-operation to continue. Thus in 1977, the East African Community collapsed and the three countries embarked on separate development agenda. A decade and a half later, the three countries, recognising their shared interests, formed the East African Co-operation in 1994.

20. The objective of the new co-operation has been to promote socio-economic development and good governance in the region. In pursuance of this objective, a secretariat composed of officials from the three countries was established to co-ordinate inter-state activities geared towards regional development co-operation.

21. In view of the significance to Kenya of the East African Co-operation as a medium of development in regional commerce and industry and in environmental matters, the Civil Service will need to play a premier role in nurturing its growth. It is for this reason that our Committee is of the view that civil servants in Kenya, especially those involved in the implementation of inter-governmental policies, must have a clear vision of the objective of the Government in the regional co-
Civil servants must be innovators and facilitators of Government policies and must be equipped suitably to undertake activities that consolidate and promote Kenya’s interests. Accordingly, the Civil Service will have to cope with the new dimension of co-operation not only in the East African region, but also in the larger trading block of the Common Market for Eastern and Southern Africa (COMESA) and in international organisations in the rest of Africa and the world.

Security Situation in the Eastern Africa Region.

22. Kenya is part of the Horn of Africa and also an integral part of the Great Lakes Region of Africa and, therefore, events taking place in these regions have ripple effects on Kenya. For instance, the instability caused by the ongoing conflicts in Somalia and Sudan as well as in Rwanda, Burundi and Zaire resulted in severe strain on Kenya in several respects. Firstly, the situation led to unprecedented influx of refugees from some countries within the Horn of Africa with weapons which were subsequently used to undermine the security situation in Kenya. The situation worsened as more refugees and armed bandits streamed in from the neighbouring countries in the north-west and west of Kenya. Consequently, the Government had to re-organise its internal security arrangements which entailed substantial financial implications. Secondly, the tremendous influx of refugees put severe strain on the nation’s food supplies. Thirdly, the refugees caused untold environmental degradation in areas where they were camped by decimating forest cover for housing and fuel. Fourthly, the instability in the region had an adverse effect on the commercial and manufacturing sectors in Kenya as the country’s export potential gradually dwindled due to reduced accessibility to its traditional markets in the area. These developments have continued to impact negatively on the country’s ability to increase her volume of trade in the region and beyond.

23. The Committee notes that although the relevant arms of the Civil Service and the private sector have been sourcing for alternative markets further afield, persistent conflicts in the Horn of Africa and in the Great Lakes Region will continue to be a drain on Kenya’s limited resources and an impediment to her aspirations to rapid and sustained economic development. The Civil Service will, therefore, need to re-orient itself to cope with the situation and restore an environment conducive to sustaining
a buoyant economy.

The Eighth National Development Plan

24. At the time of appointment of this Committee, the Government had just launched the Eighth National Development Plan, 1997-2001 and published Sessional Paper No. 2 of 1996 on Industrial Transformation to the Year 2020. The Committee has carefully perused these two crucial policy documents and has found them to be significant to its mandate. We have noted that the National Development Plan has assigned to the Civil Service the critical role of facilitator and partner in a private sector-driven economy that aspires to industrial transformation. In this regard, the Civil Service is to ensure timely provision of the necessary infrastructures and the creation of the environment necessary for the transformation. The Committee commends the Government for these bold policy initiatives.

25. It is the view of this Committee that these aspirations call for a Civil Service that understands the vision of the plan and the attendant policies, and is capable of translating them into operational programmes and services. The Civil Service must therefore be capable of adapting its traditional role to that of a facilitator of socio-economic development. The envisaged Civil Service must be manned with astute, knowledgeable innovative and imaginative manpower. More important, such a Civil Service must be bold in leadership to carry out and re-examine strategies for promoting development and improving the efficiency with which Government policies are implemented and be open to suggestions and constructive criticisms from the private sector. Above all, the Service will need to be conscientious, willing and able to operate on the same wavelength with the private sector. In this regard, the Committee has taken cognisance of the policy initiative contained in the National Development Plan to match public sector wages with those of the private sector, especially at the management level.

26. Finally, the Committee is aware that during our tenure the Government was confronted with a serious famine which entailed heavy financial outlay for food importation which would potentially have implications for the financing of the remuneration package recommended in this Report. However, representations received from those concerned indicated that the current food deficit situation was of a short-term nature
and would soon be redressed with improvement in the weather.

27. The long-term problem which our Report addresses is how the low morale and apathy, fear and declining ethical standards in the Civil Service can be overcome in order to restore efficiency and productivity in the provision of Government services. We are aware of the onerous responsibility placed on us to offer solutions to problems which could easily escalate into a crisis. However, we are convinced that the recommendations we have made in this Report are necessary, practical and viable. In response to the terms of reference given to the Committee, the recommendations address not only the remuneration for the Civil Service, which demands immediate attention, but also those structural and operational issues which confront it. We have also discussed the progress made in the ongoing Civil Service Reform Programme and made recommendations on how the performance of the Civil Service could be made more effective. We believe that, both in the short- and the long-term, the recommendations will stand well to the test of implementation.

28. In a nutshell, these are some of the matters that have been uppermost in our minds as we have sought to assess the current state of the Civil Service, the problems it faces and how these can be redressed to enable it to meet the challenge of rising expectations.

Procedure

29. As we started our work, it rapidly became clear that given the scope and complexity of our mandate, and taking into consideration the profound changes that have impacted on the Civil Service since the last review in 1990-91 as elaborated in the preceding paragraphs of this Chapter, the time given us to complete the task was extremely short. We were particularly concerned that a period of three months would not allow us to conduct the necessary and indispensable consultations with all the stakeholders involved, especially the civil servants themselves.

30. We, accordingly, adopted a very tight schedule involving visits to all the provinces. During the period between 12th and 24th January, 1997 we travelled to the provinces where we received memoranda and conducted interviews with members of district and provincial teams, business leaders and individual citizens as follows:-
31. Subsequently, we conducted interviews in Nairobi with Permanent Secretaries and other senior officials; leaders from the parastatal and private sectors; individual civil servants; members of professional organisations; groups from the civil society and members of the general public; and, finally, with a number of Cabinet Ministers.

32. During these travels, we were struck by the sense of anxiety and heightened expectations displayed by most of the civil servants we met and consulted with. In their representations which were made extemporaneously and through well thought-out memoranda, the civil servants presented a litany of problems and grievances that they felt impinged on their work and lives. They also offered invaluable suggestions which have greatly assisted us in formulating our report. There were other views and proposals expressed to us which we were not able to substantiate and which we have not taken into account in drawing our conclusions and recommendations. On the whole, our field visits enabled the Committee to amass overwhelming data which has been a real challenge to sift through, analyse and commit into recommendations.

33. Lists of the people interviewed and those who submitted memoranda are found in the Appendices to this Report.

Structure of the Report

34. In Part I of this Report we address the Committee's terms of reference and their interpretation; previous reports on the Civil Service; and, changes which have occurred since 1991 and which impinge on the terms of reference. We also discuss the economic background against which the Report has been written: recent economic performance; economic policy framework for growth; future outlook and projections and
the role of the Civil Service in the implementation of economic policies; and in particular income and wages policy. Further, we highlight the views and suggestions received from civil servants, a cross-section of the parastatal and private sectors, civic organisations and individuals on the state of the Civil Service and the challenges to which it must respond in the planning, management and implementation of Government policies and strategies in the future.

35. Part II examines the Civil Service Reform Programme: the policy framework, management of the reform programme and rationalisation of ministerial functions and structures. We also cover financing of Government operations, staffing in the Civil Service and the grading systems. Also addressed in this Part are management practices and techniques; provision and maintenance of plant, machinery and equipment in Government; training and capacity building; as well as, ethics and work culture in the Civil Service.

36. In Part III, attention is focused on the Civil Service pay policy; recommended salaries and how they have been arrived at and the reasons therefor. This Part of the Report also covers housing and office accommodation for the Civil Service as well as other terms and conditions of service, including issues relating to superannuation.

37. Finally in Part IV we deal with harmonisation of salaries and other terms and conditions of service between and within the various sections of the Civil Service, as well as between it and the education and the teaching service. The local government service is discussed in this part. We also address the organisation, responsibilities and pay and benefits of the Public Service Commission, the Exchequer and Audit Department and the Auditor General (Corporations) as well as the National Assembly. We further discuss the relationships between the State Law Office, which is in the Executive arm of Government, and the Judiciary, which is constitutionally independent. The organisation structure and allowances for the Foreign Service are also discussed in this Part. Additionally, the terms and conditions of service for research institutes, the civil aviation and meteorological services are addressed under this Part.

38. A summary of the Committee's recommendations is included at the end of the Report.
CHAPTER 2 - ECONOMIC BACKGROUND

Introduction

39. In this Chapter, we examine the economic changes which have taken place during the period 1991 to 1996. The period is relevant to the Committee's terms of reference because the last time the terms and conditions of service for the Civil Service were reviewed was in 1990/91. Since that time the economy has experienced significant economic upheavals and Government has been putting in place policy intervention measures to create macro-economic stability which is necessary for sustainable growth. A review of the performance of the economy over the period, therefore, becomes a necessary backdrop against which realistic proposals and recommendations can be made for the improvement in the productivity of the Civil Service and in the implementation of agreed policies and strategies as well as in the delivery of Government services.

40. Another reason why a scrutiny of the economy is necessary arises from the fact that any changes in the current Civil Service remuneration structure are likely to have ripple effects on the rest of the economy since the Civil Service accounts for a significant portion of the nation's modern sector employment. It is also necessary because of the new role assigned to the Civil Service as facilitator of the private sector pursuant to the objectives enunciated in the Eighth National Development Plan (1997-2001) and in Sessional Paper No. 2 of 1996 on Industrial Transformation by the Year 2020. In this Chapter, we examine the current state of the economy and summarise the Government's objectives, policies and strategies for achieving them. We also review the performance of the economy over the same period. We further cover major economic indicators including Gross Domestic Product, external trade, employment, population, trends in inflation, public sector wages, wage guidelines and the scope of compensation to civil servants for the erosion in the purchasing power of their incomes due to inflation.

Overview of Recent Economic Performance

41. Whereas the output in the world economy grew at an average of 2.5 per cent over the period 1991 to 1995 in terms of Gross Domestic Product, in Africa it averaged 2.3 per cent while overall in the developing
countries, it averaged 6.1 per cent. Inflation in these countries decreased from about 33.3 per cent in 1991 to 20 per cent in 1995. In Africa the rate of inflation was projected to decline for a third consecutive year from 32 per cent in 1995 to 9.1 per cent in 1997. Many countries in Africa are, therefore, poised to reap the benefits of sound fiscal management, reduced inflation rates, greater participation of the private sector in the economy, liberalisation of trade and foreign exchange mechanisms which respond to demand and supply on the open market and realistic rates in foreign exchange.

**Domestic Economy**

42. In Kenya the economy did not perform well during the period 1991 to 1993 as the Gross Domestic Product growth declined from 4.2 per cent to 0.2 per cent over the period. The poor growth recorded in 1993 was the lowest since independence in 1963. Although the poor performance in the economy is attributed to several factors, its main causes were: the adverse weather conditions which the country experienced over the period and disruption of productive economic activities during the transition phase to multi-party democracy. However, the country registered impressive recovery by recording real growth rate of 3 per cent and 4.9 per cent in 1994 and 1995 respectively, due to sustained implementation of appropriate reforms in the macro-economic policies and strategies. Real per capita income has been showing a decline over the years. Scrutiny of the relevant records on the economic performance shows that while this growth declined from 2.6 per cent during the first decade of independence to 0.4 per cent and 0.3 per cent annually over the period 1980-1989 and 1990-1995 respectively, it rose by 1.5 per cent in 1995 due to growth in the aggregate incomes and general improvement in the economy.

43. Four broad sets of explanations are advanced for the poor economic performance in the 1990s. Firstly, the vigorous implementation of structural adjustment programmes caused dislocations in the economy in the short run. Thus, reduced protection levels hurt the manufacturing sector while removal of price controls and devaluation of the Kenya Shilling led to high inflation and increased budget deficits. Secondly, political reforms, especially reintroduction of multi-party politics in 1991 spawned uncertainty which adversely affected tourism and investment.
Thirdly, macro-economic factors such as tight foreign exchange market constrained investment. As a result, interest rates were pushed up by measures taken to tackle the budget deficit and inflation, which in turn adversely affected investment. Finally, external factors also played a role in economic slow down. Such factors included the Gulf War, drought in the early 1990s and withdrawal of balance of payments support by donors. We have, however, noted that the less regulated sectors of the economy performed better due to their ability to respond rapidly to changing circumstances. Increased exports also eased foreign exchange shortages.

**Sectoral Shares in Gross Domestic Product**

44. The Committee has noted that during the 1991-1995 period there was gradual structural transformation in the economy. These changes are reflected in the share of sectoral contributions to total Gross Domestic Product. For instance the share of agriculture, including forestry and fishing, gradually declined from 29.4 per cent in 1991 to an average of 27.4 per cent in 1995 which was attributed to diversification of the economy.

45. In the broad industry sector, including the manufacturing sub-sector which contributes about 70 per cent of the growth in the sector, the share of Gross Domestic Product averaged 19.4 per cent over the same period. The services sector grew rapidly, with its share of Gross Domestic Product rising from 57.4 per cent in 1991 to 61.6 per cent in 1995. We have noted further that the services sector which includes the public sector, tourism, banking and finance also provided over two-thirds of the total modern wage employment. In this regard, its growth and sustainability is of vital importance to the economy not only in terms of direct employment and the generation of wealth, but also for the support it provides to the other sectors.

**External Trade**

46. Kenya's total export earnings increased by 213 per cent from KShs.3.1 billion in 1991 to KShs.9.6 billion in 1995. Western European countries remained a dominant market for Kenya's exports accounting for more than a third, or 36 per cent, of total export earnings up to 1993. However, the Committee has noted that for the first time ever, from 1994
Kenya’s exports to the African region surpassed exports to the traditional European markets. Thus, exports to the Common Market for Eastern and Southern Africa (COMESA) region accounted for 44.6 per cent and 48.8 per cent of the total export earnings in 1994 and 1995 respectively, indicating further improvement in intra-African trade in line with the regional economic integration policy. However, as a result of substantial growth in total imports responding faster to liberalisation, stability of the Kenya Shilling from 1994 onwards and the relatively poor performance of total exports, this situation exacerbated the balance of trade deficit which rose from KShs.21.9 billion in 1991 to KShs.57.8 billion in 1995.

47. The overall balance of payment position, after recording a deficit of KShs.2.9 billion and KShs.8.7 billion in 1991 and 1992 respectively, registered an impressive performance in 1993 with a surplus of KShs.24.5 billion and, for the first time since 1977, a current account surplus of KShs.5.8 billion was realized. However, the surplus of KShs.5.3 billion recorded in 1994 in the overall balance of payments position deteriorated to a deficit of KShs.7.4 billion in 1995. This was as a result of a substantial decline in the current accounts and net services earnings both of which recorded a deficit.

48. The financial sector has undergone major policy reforms since 1993 following a major crisis in 1992 and 1993 when the annual growth in money supply accelerated by 35 per cent rising from KShs.71.7 billion in 1991 to KShs.96.5 billion in 1992, a rate which outpaced the growth in nominal Gross Domestic Product. Interest rates rose significantly during 1993 thus increasing the cost of investment funds. The upward pressure on interest rates was mainly due to high yields on Treasury Bills as the Government started to mop up excess liquidity in the economy. In this regard, the discount rates on Treasury Bills rose from about 17 per cent in December 1992 to 71 per cent in June 1993, before declining gradually to 39 per cent in 1993 and thereafter to 18 per cent in 1994. On the other hand, commercial banks interest rates, which recorded a decline in 1994, increased in 1995 and thereby widened the interest rate differential for both savings and time deposits. Thus, the maximum interest rate on loans and advances for periods of three years and below increased to 33 per cent in 1995 up from 31 per cent in 1994. The share contribution of this sector to total Gross Domestic Product rose from 8.2 per cent in 1991 to 9.8 per cent in 1995.
Population

49. The country's population stood at 23.4 million in 1989 representing an increase of 40 per cent over the 1979-89 intercensal period. In 1995 the projected population was 27.5 million, implying a population growth rate of 2.7 per cent per year. Disparities in population density in the country increased with some districts having more than 300 persons per square kilometre while others had as low as 5 persons per square kilometre.

50. A large majority of the Kenyan population is young with about half of it aged under 15 years and about 60 per cent aged under 20 years. The elderly, aged 65 years and over, remain relatively few, being 2.2 per cent of the population, according to 1989 census. This has given rise to high dependency ratio, of 105 per 100 active persons in 1989. This implies that more resources are diverted to consumption than to savings and investments.

51. Urbanisation in Kenya has been rapid. The number of urban centres has increased from 17 in 1948 to 139 in 1989 coupled with an increase in total urban population from 276,000 persons to 3.9 million persons during the same period. Among the present eight provinces, Nairobi is the most urbanised province followed by Coast with 100 per cent and 32 per cent of their populations being urban, respectively, in 1989. The Committee observes that due to the rapid rate of urbanisation as indicated above, major municipalities, especially Nairobi, Mombasa, Nakuru and Kisumu, have been experiencing critical shortfalls in basic facilities such as housing, infrastructure, social amenities, among others, hence the high cost of basic needs.

52. A total fertility rate of 6.6 children per mother was estimated for the 1979-1989 intercensal period. Mortality levels have maintained a downward trend with the death rate of children under five declining from 190 to 113 in 1969 and 1989, respectively. However, available population projections indicate that if the HIV/AIDS pandemic persists, this will reduce the population by about 1 million in the year 2000, 2 million in 2005 and by between 3 and 4 million in 2010 assuming medium fertility decline. These reductions will not solely be due to excess deaths,
but also due to the decreases in the number of births because of the deaths of women who would otherwise have borne children. It should be further noted that the prevalence of HIV/AIDS is highest among the 20-49 years age group, from which the economy gets the most resourceful labour force required to work in industry. Therefore, if the spread of the virus is not checked, the economic impact of the disease will be monumental. It is currently estimated that the cumulative economic impact could be as high as 15 per cent of the Gross Domestic Product by the year 2000, up from 2 per cent in 1994. From a fiscal point of view and by the end of the century, the pandemic threatens to tie up the entire recurrent budget of the Ministry of Health by way of bed occupancy in hospitals and attendant costs.

Employment

53. Records availed to the Committee for scrutiny show that total employment, excluding employment in small-scale agriculture and pastoralist activities, increased from 2.6 million in 1991 to 3.9 million in 1995, reflecting a growth of 51 per cent. The growth was largely attributed to accelerated recovery of the economy in 1994 and 1995. The records further reveal that employment in the informal sector doubled from 1.1 million in 1991 to 2.2 million in 1995, which accounted for almost 60 per cent of the total employment reported in 1995. We are convinced that the impressive expansion in employment in the informal sector underscores its potential for job creation and income generation for the nation.

54. The records further show that employment in the Central Government declined by 8.4 per cent from 273,700 in 1991 to 250,800 in 1995. The declining trend is attributed largely to the ongoing cost containment measures under the Civil Service Reform Programme. The records also show that the number of persons employed by the Teachers' Service Commission rose by 6.4 per cent from 219,200 in 1991 to 233,200 in 1995. The growth is attributed to the increase in the enrolment of school age children in the country, hence an increase in the number of teachers.

55. As regards the parastatal sector and other organisations in which Government has majority shareholding, employment has been declining on
account of their restructuring and privatisation. Thus, the records show that while in 1995 employment in Government wholly-owned parastatals was 117,300 in 1991, it declined to 106,700 in 1995. Similarly, employment in other institutions with a majority control by the public sector decreased from 52,800 to 48,500 over the same period. On the other hand, employment at the local authorities level has been expanding since 1993, mainly due to the creation of additional administrative units to cope with the policy of Government to take delivery of services closer to the people which has spawned creation of additional county councils. It should, however, be noted that employment in the local authorities declined by 3 per cent between 1991 and 1992.

**Future Outlook and Projections**

56. We have noted that the main focus of the current *National Development Plan* is the alleviation of poverty, provision of employment opportunities, rapid liberalisation of the economy and build-up of human and infrastructure stock. Industrial development is viewed as the only way to achieve and sustain a high level of economic growth. The Plan, whose theme is *Rapid Industrialisation for Sustained Development*, forms the first part in a series of steps to implement the policies and strategies enunciated in the *Sessional Paper No: 2 of 1996 on Industrial Transformation to the Year 2020*. The planned economic growth targets, employment creation and poverty alleviation are ambitious, and should be looked at in the context of economic recovery.

57. The Sessional Paper adopts a two-phase industrialisation strategy to promote a sustainable industrial base that will be implemented over the time span of the Sessional Paper. Phase one will focus on revitalising and expanding sectors and enterprises in which Kenya already has experience and has comparative advantage. Phase two will promote greater capital- and technology-intensive manufacturing industries which have high value-added potential. During phase one the industrial sector production is expected to grow at relatively modest rates, with an annual growth of between 8 and 10 per cent. However, as phase two takes off through highly capital-intensive and heavy industries, it is expected that total value-added of the industrial sector will grow at an accelerated pace aided by high productivity gains to be realised by those industries. It is projected that growth in the sector will reach double digit rates of between
12 and 15 per cent per year. At the same time, the service sector is expected to maintain steady growth rate not exceeding 8 per cent a year throughout the transformation period. This is intended to pre-empt the over-absorption of skilled labour and excessive wage increases for skilled workers as experienced in the newly industrialised countries of East Asia.

58. On the basis of these sectoral growth assumptions, by the year 2020 Kenya's industrial structure will be expected to have been transformed into a newly industrialised country. The Gross Domestic Product will have grown to KShs.2,290.8 billion in 1994 prices, which is about seven times its current size, with per capita Gross Domestic Product of about US$ 1,100, a fourfold increase from the 1994 level.

The Role of the Civil Service in Implementation of Economic Policies

59. The targets for the current National Development Plan are ambitious and achieving them will depend on the extent to which the Government can remove the remaining bottlenecks to growth. These have been identified as maintaining macro-economic stability, improving Civil Service efficiency, enhancing domestic and external trade competitiveness, addressing social aspects of development and reducing corruption.

60. The Plan targets will require increased dedication, commitment, efficiency and effectiveness from the Civil Service as facilitator of the private sector in the vision of industrial transformation. This will call for appropriate upgrading in the quality and motivation of civil servants. This motivation will not be achieved in a situation where glaring disparities in pay exist between the Civil Service and the private sector especially at critical top level management grades. The disparities increase as one moves up from the middle level management and professional grades in Government where equivalent personnel in the private sector earn about twice the remuneration of their counterparts in the Civil Service. At the top management level, the disparity rises to eight times. The Committee appreciates the Government's intention to bridge the gap between the two sectors.

61. In the new multi-party era and the great economic challenges that lie ahead, development efforts will have to occur in a different perspective from the past. Participatory approach will be increasingly crucial to
internalising and institutionalising the values needed for sustained private sector-led development. This calls for a radical shift in the thinking of both Government and the business sector. As pointed out in the current Plan, the new role of Government is no longer directive and controlling but enabling, facilitative and promotional. Therefore, the development process now requires a higher level of consultation and participation than was necessary in the early days of Structural Adjustment Programmes. Dialogue has to go beyond Governments and international donors and include civil society and the business community.

62. To achieve the national goal of industrial transformation, it is imperative that determined and sustained actions are taken to implement the industrialisation policy framework articulated in both the National Development Plan and the Sessional Paper No. 2 of 1996. Action will have to be taken both at the policy level and at programme and project implementation level. At both levels implementation must be time-bound, i.e. a predetermined timetable should be in place together with specified targets, so that implementation can be managed and monitored.

63. Closer co-ordination of the ministries and agencies concerned must be pursued actively in order to bring about the industrial transformation. Monitoring and periodic reviews of policies and implementation programmes must be rigorously undertaken and the required corrective actions speedily put in place. These two critical requirements demand the establishing of an authoritative body to spearhead the participation of Government and private sector in the transformation process. Such a body must also be able to co-ordinate the implementation of policies and actions in the private sector.

64. In order to realise full implementation of the policies outlined in the National Development Plan, the Committee notes that the Government will continuously conduct effective dialogue and solve problems with the private sector through three main bodies.

- A National Industrial Development Council is to be established consisting of public and private sector representatives. Its responsibility will be to direct the implementation strategies and recommend necessary changes to existing policies. This will be done by liaising on a day-to-day basis with relevant ministries to provide
co-ordination and information interflow.

- The Kenya Institute of Public Policy Research and Analysis (KIPPPRA) has already been established as a think-tank to conduct research and analysis of public sector policy.

- The Presidential Economic Commission, which is the highest authority established early in 1996, will oversee the implementation of all Government policies and development plans. The Committee notes that the Commission is chaired by H.E. the President and has membership from both the Government and the private sector.

65. On its part, the Government will guarantee political and social stability and consistency in economic policies, given that these are essential prerequisites for the implementation of rapid and sustained economic growth. It will have to be more responsive to the needs of the private sector and be prepared to take appropriate timely actions to facilitate private enterprise.

66. The Office of the Vice President and Ministry of Planning and National Development will have the immediate responsibility for the co-ordination needed to ensure that policies and strategies are translated into action. With its responsibility for policy formulation and analysis, and for preparing and monitoring national development plans, this ministry has the primary role in co-ordinating Government policy implementation.

Inflation Trends

67. The rate of inflation, as measured by the Nairobi Consumer Price Index (CPI), rose dramatically from 19.6 per cent to 27.3 per cent and 46 per cent in 1991, 1992 and 1993 respectively, in which the 1993 rate was the highest since independence. These high rates were brought about mostly by high growth in money supply, rapid depreciation of the Kenya Shilling vis-a-vis the major world currencies, adverse weather conditions which affected output of the agricultural sector and the general climate of uncertainty in the minds of businessmen and investors during the phase of transition to multiparty democracy which affected investment and lowered output growth. However, beginning 1994 the inflation rate started
declining, reaching a particularly low level of 1.6 per cent in 1995 and remained within the single digit (9 per cent) range up to the end of 1996. The easing of inflationary pressures over the recent period reflects success in reduction of the budget deficit, stabilisation of the exchange rate, and to some extent, the effects of liberalisation measures which fostered competition and contributed to price stability.

**Trends in Public Sector Wages**

68. Average wage earnings for employees of parastatal organisations and those of business concerns where the Government has majority shareholding have been consistently higher compared to other public sector wages. With respect to wages prevailing in other public sectors, scrutiny of available information reveals that in 1990 the average annual wages for the employees of the Teachers Service Commission and Local Authorities were, respectively, lower by about 30 per cent and 25 per cent compared to the average wage received by persons employed in the Central Government. The information further shows that over the period 1990 to 1995, average wages for employees of the Teachers Service Commission and Local Government rose at a faster rate than those of the Central Government. According to the information, by 1995 the average monthly wage for employees in local authorities was KShs.5,438 compared to KShs.5,307 in the Central Government. During the same period, the average wage for employees of the Teachers Service Commission increased to 97 per cent of that received by employees in the Central Government compared to 70 per cent in 1990. It is important to recognise that even though wages of both the Teachers Service Commission and Local Government employees rose faster than those of Central Government, the recorded high growth reflects growth from a lower base.

69. Due to the relatively higher rates of nominal growth, the real wages of the Teachers Service Commission and Local Authority employees experienced lower wage erosion compared to those received by employees of Central Government. The records examined indicate that in 1995 the real wage for Central Government employees was 60 per cent of that prevailing in 1990. Analysis of data covering the same period indicates that real wages for the Teachers Service Commission and Local Authority employees were about 80 per cent lower than those received in
1990. Table 1 below depicts trends in real average wages in the public sector.

Table 1: Estimated Real Average Wage Earnings in the Public Sector 1990-1995

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<tbody>
<tr>
<td>Central Government</td>
<td>1,912.0</td>
<td>1,735.8</td>
<td>1,533.3</td>
<td>1,133.0</td>
<td>1,019.7</td>
<td>1,118.3</td>
</tr>
<tr>
<td>Teachers Service Commission</td>
<td>1,366.7</td>
<td>1,301.5</td>
<td>1,137.7</td>
<td>862.8</td>
<td>803.7</td>
<td>1,084.2</td>
</tr>
<tr>
<td>Parastatal Bodies</td>
<td>2,140.8</td>
<td>1,893.3</td>
<td>1,628.0</td>
<td>1,307.2</td>
<td>1,231.2</td>
<td>1,265.3</td>
</tr>
<tr>
<td>Majority Control by Public Sector</td>
<td>2,065.3</td>
<td>1,928.2</td>
<td>1,710.3</td>
<td>1,339.7</td>
<td>1,269.8</td>
<td>1,278.0</td>
</tr>
<tr>
<td>Total Public Sector</td>
<td>1,769.7</td>
<td>1,616.5</td>
<td>1,416.7</td>
<td>1,073.2</td>
<td>986.0</td>
<td>1,145.2</td>
</tr>
</tbody>
</table>

Source: Central Bureau of Statistics, Economic Surveys

70. The crucial point which emerges from the analysis of the data is that wages in the public sector were eroded significantly over the period 1990 to 1995. This is true even after the wage adjustments effected over the period are considered and after allowance is made for normal annual salary increments. As noted above, the real wage for Central Government employees was lower by 40 per cent in 1995 compared to its level in 1990. Since wage data for 1996 is currently not available, and in order to arrive at the percentage of wage erosion in 1996, we assumed an additional 5 per cent decline, derived from a 4 per cent nominal wage increase due to normal wage increments as employees move upwards within job groups and a 9 per cent inflation rate for 1996.
71. To return the nominal wage for Central Government employees in 1995 to its 1990 level, i.e. to restore its purchasing power then, the average wage needed to be increased by 190 per cent from the 1990 level and by 71 per cent from the 1995 level, i.e. KShs 9,073 per month. If the 1995 inflation-adjusted monthly wage of KShs 9,073 is adjusted to take into account the 9 per cent inflation of 1996, the monthly average annual wage for Central Government employees should have been KShs 9,890.

The Wage Guidelines

72. The imposition of wage guidelines was one of the recommendations in the 1972 International Labour Organisation and United Nations Development Programme report on *Employment, Incomes and Equality, A Strategy for Increasing Productive Employment in Kenya*. This recommendation was accepted by the Government through *Sessional Paper No. 2 of 1973 on Employment* and the necessary guidelines were issued to the Industrial Court on 29th August, 1973. The main thrust of wage policy since the inception of the guidelines has been to encourage investors to use appropriate technologies that increase employment levels through moderation in court awards for wage increases. Since then the wage guidelines have been revised ten times. The latest revised guidelines were issued on 16th April, 1994.

73. This latest edition of the wage guidelines explicitly indicates that wage compensation is essentially based on the rise of Consumer Price Indices published by the Central Bureau of Statistics. The other factor which is considered when computing compensation is productivity based on growth in per capita income. Growth in per capita income is arrived at by calculating the difference between Gross Domestic Product growth and population growth.

Scope for Compensation

74. Table 2 below shows that the Nairobi Consumer Price Index rose by 202 per cent, 188.1 per cent and 195.5 per cent for lower, middle and upper income groups, respectively, during the period January 1991 to December 1996. The table also shows that as a weighted average for all income groups, the index rose by 198.6 per cent. For the period under
review, only 1994, 1995 and 1996 registered positive growth in Gross Domestic Product per capita which was recorded as 0.7 per cent, 1.5 per cent and 1.6 per cent, respectively, yielding a total of 3.8 per cent for the three years. The current Wage Guidelines which were issued in 1994 permit the use of productivity as a factor in addition to compensation based on changes in the cost of living index. If both the cost of living index and productivity are considered together, employees in the Civil Service are entitled to a maximum compensation of 205.8 per cent for low income group, 191.9 per cent for middle income group and 199.3 per cent for upper income group. The average compensation for all income groups is, therefore, 202.4 per cent.
Table 2: Increase in the Nairobi Consumer Price Indices and Gross Domestic Product Per Capita, 1991 - 1996

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<tbody>
<tr>
<td>LOWER</td>
<td>175.01</td>
<td>528.52</td>
<td>202.0</td>
<td>3.8</td>
<td>205.8</td>
</tr>
<tr>
<td>MIDDLE</td>
<td>196.45</td>
<td>566.06</td>
<td>188.1</td>
<td>3.8</td>
<td>191.9</td>
</tr>
<tr>
<td>UPPER</td>
<td>195.14</td>
<td>576.61</td>
<td>195.5</td>
<td>3.8</td>
<td>199.3</td>
</tr>
<tr>
<td>AVERAGE</td>
<td>180.0</td>
<td>537.5</td>
<td>198.6</td>
<td>3.8</td>
<td>202.4</td>
</tr>
</tbody>
</table>

* Gross Domestic Product per capita growth has been calculated on the basis of the difference between Gross Domestic Product growth rate and population growth rate. The resultant figure excludes figures for 1991-93 when such difference was negative due to very low Gross Domestic Product growth rates.

Source: Central Bureau of Statistics
Conclusion

75. Our scrutiny of the domestic economy shows that it did not perform well during the period 1991 to 1993. It further shows that in 1994 and 1995 this downward trend was reversed due to implementation of appropriate macro-economic policies and reforms, and also partly due to improved weather conditions. It also reveals that the purchasing power of the income of the workers, including civil servants, was eroded drastically especially during the years 1991, 1992 and 1993. Although inflation has declined since 1994 to single digit levels, the cumulative effect for the period 1991-96 amounted to a loss of upto 198.6 per cent. When productivity compensation is included, workers are entitled to a maximum of 202.4 per cent over the same period. This loss of purchasing power has played a significant role in lowering the morale of civil servants as discussed in the next Chapter on the State of the Civil Service.

76. The Committee, therefore, considers that in order to meet challenges that face the nation as we move into the 21st century, and if the Civil Service is to cope with those challenges, it must be well managed, equipped, trained and remunerated to bring it to private sector levels of productivity.
CHAPTER 3 - THE STATE OF THE CIVIL SERVICE

Introduction

77. Our terms of reference required us to look into the performance of the Civil Service and make recommendations on how it could be made more effective. To facilitate analysis of the performance, the Committee held discussions with civil servants, the general public in the provinces and senior ministerial, parastatal and private sector officials in Nairobi. The evidence which emerged from these discussions, observations and submissions indicated that the performance of the Civil Service was in a state of decline and that it was likely to slip further unless the problems confronting it were addressed as a matter of urgency. Representations received indicated that civil servants were demoralised, apathetic and their performance and productivity was very low. We learnt that several factors had contributed to the low morale and declining performance. However, three were prominently evident.

78. Firstly, the salaries and allowances paid to civil servants were very low and inadequate to meet their basic needs. The little that they earned was seriously eroded by the high inflation which the country witnessed in the early 1990s and which reached the unprecedented level of 46 per cent in 1993. The Committee was informed that because of the low remuneration, civil servants could not afford decent housing and were forced to seek accommodation in slum areas or in the periphery neighbourhoods where security, water and sanitation were lacking, or in servants quarters. Since many civil servants could not afford transportation costs, they were further constrained to walk long distances daily to their work places arriving too tired for effective performance. During unfavourable weather conditions, the officers have had to leave early from and arrive late at their places of work resulting in reduced working hours and productivity. We were further informed that civil servants could hardly afford good education for their children due to the low incomes. The health care scheme has been substantially inadequate, as a result of which many working hours have been lost looking for cheap medical care or struggling to work while in ill-health. It was made evident that their salary and allowance package forms an important proportion of the family income and influences the employees’ behaviour and performance at work. The low package, therefore, has had a negative
impact on morale and productivity in the Civil Service.

79. Secondly, the Committee was told that efficiency and productivity in the Civil Service had been seriously compromised owing to lack of the necessary equipment, machines, stationery, transport and suitable office accommodation. We were further informed that the budgetary provision for operations and maintenance was so small that no reasonable operations and maintenance or repairs could be undertaken to facilitate productivity. Indeed, during our visits to the provinces we witnessed corridors in Government offices strewn with unserviceable office equipment and machines; and, compounds with broken down and unserviceable plant, equipment and machinery, including vehicles. We also saw dilapidated office buildings with crumbling walls, collapsing ceilings and roofs, pot-holed floors and poor sanitary facilities. These poorly maintained Government assets and lack of resources contributed significantly to the frustration, demotivation, apathy and laxity which pervaded the Civil Service.

80. Thirdly, and arising from what we heard and observed, civil servants have suffered from serious deficiency in self-esteem, mainly due to inability to access modest standard of living and social amenities. Most officers did not take pride in their work and many stayed in the Service as a last resort. As a result, they tended to take their work for granted and did not discharge their duties efficiently and with the integrity expected. When an opportunity presented itself for them to make a little money on the side, they took it without hesitation and misused Government time and assets. We were informed that very few civil servants bothered to be good role models and the public no longer held them in high esteem. It was further impressed on us that the low esteem was aggravated by a feeling on the part of civil servants of lack of protection against unjustified criticism and inadequate care for their welfare. The Committee was informed that these aspects contributed to low productivity and a very negative image in the Civil Service. Other reasons to explain the deterioration in efficiency and productivity of the Civil Service are examined in the subsequent paragraphs of this Chapter.

81. Our Committee is not the first to examine and comment on the state of the Civil Service. The Ndegwa Commission of Inquiry and several committees culminating with the one under the chairmanship of
Prof. P. M. Mbithi in 1991 did the same. They observed that the commitment and enthusiasm which was evident in the early days of independence had waned. The morale and efficiency of civil servants had deteriorated and that the enthusiasm and commitment had continued to be hampered by cumbersome regulations and procedures, poor co-ordination of activities, absence of machinery for evaluating and monitoring productivity and inadequate system of rewards and incentives. The evidence submitted before this Committee indicates that the performance of the Civil Service continued to experience decline and that the current state is a cause for concern.

**Growth and Staffing of the Civil Service**

82. As we have observed in Chapter One, the expansion of the structures of Government and the rapid growth in the Civil Service was in response to the genuine requirements of a developing nation. The structure of Government grew from eighteen ministries and four self-accounting departments in 1963 to nineteen ministries and four departments in 1973, to twenty-six ministries and four departments in 1982 and to twenty-nine and six, respectively, in 1992.

83. Over the same period the number of civil servants, excluding teachers, also grew from 63,000 employees in 1963 to 90,500 in 1973, to 191,100 in 1982 and to 274,600 in 1992. The information available to us indicates that this growth was greatest in the lower cadres in respect of unskilled and semi-skilled workers and in the clerical and semi-professional cadres. Consequently, the management and professional staff in the Civil Service comprised a very small percentage of the total employment in the Service. Indeed, this Committee established that the situation had not changed. By December 1996, the employment in Job Groups A to D was 52,316; in E to H 155,238; in J to L 23,808 and in M to R 3,596. Due to understaffing at the upper levels, senior officers had been unable to effectively supervise those in the lower cadres who became increasingly idle, inefficient and unproductive. The progressive expansion in the staffing of the Civil Service also increased the financial burden on the Government and reduced funding for operations and maintenance, thereby contributing further to increased idleness and under-employment in the Civil Service. Our views on the subject are discussed in greater detail in Part II of this Report.
84. The Civil Service had not established optimum staffing norms for ministries and departments. This led to the unsystematic growth as shown above. We, however, received representations from nearly all ministries and departments that they were experiencing understaffing in the grades of subordinate staff, drivers and secretarial staff following the retrenchment exercise. In a few cases, we received representations that available staff in these cadres were under-employed. We examined these representations and came to the conclusion that the lack of staffing norms in the Civil Service had inhibited appropriate staffing in ministries and departments. This contributed to the decline in efficiency and productivity which the Civil Service was experiencing.

Management of Human Resources in the Civil Service

85. Although the Directorate of Personnel Management and the Public Service Commission of Kenya are the key players in the human resource management in the Civil Service, representations received by this Committee indicated that the two organisations were not playing their roles effectively to expectation. It was stated and reiterated in representations to the Committee that supervision and co-ordination of human resource management in the ministries and departments were not satisfactory. The Directorate, we were told, had not introduced better management practices and techniques as repeatedly recommended by previous review committees. Further, the Code of Regulations and the relevant Personnel Circulars were not regularly updated and revised to address new situations. As a result, major policies on human resource planning, development and management remained unclear. This had negatively impacted on management and performance of civil servants. The understaffing and consequent overwork in the Directorate itself and in personnel units in ministries and departments; resistance to postings; lack of appropriate training; and lack of co-operation and interference from some Government offices had negatively affected efficiency and effectiveness of the Directorate. The result was demotivation and inefficiency in the Civil Service. This issue is addressed further in Part II of this Report.

86. We also received representations that the Public Service Commission had not always performed to the level of its mandate. In support of this claim, civil servants cited cases of officers being promoted
in disregard of performance appraisal, merit, seniority or competence. Incidents were also cited of what was seen as partiality in recruitment and delays in processing promotions of staff which led to supersessions. Further examples related to delays in the processing of disciplinary cases thereby compounding the incidence of indiscipline. Civil servants complained of miscarriage of justice which had ignored the provisions of service regulations and procedures thereby leading to some culprits going unpunished while some innocent officers were unfairly punished. We were informed by the civil servants who appeared before us that the above occurrences had adverse effect on the discipline in the Service and seriously impinged on their morale, efficiency and productivity. This subject is addressed further in Chapter 26 of this Report.

Delegation of Responsibilities

87. In any organisation, senior officers work in tandem with their juniors in order to enhance efficiency and productivity. The Civil Service is no exception. Delegation, therefore, must be well balanced and accompanied with the authority and the protection necessary for its implementation. The Committee, however, received evidence that delegation in the Civil Service was not properly practised. As a result, senior officers, even at Permanent Secretary level, were preoccupied with routine administrative matters instead of providing leadership and policy guidance to their principal assistants and those below them. Consequently, implementation of Government policies and strategies was unnecessarily delayed due to uncertainty. The Committee heard that lack of proper delegation within the Civil Service had contributed significantly to the idleness and under-employment, laxity and low morale which pervaded the Civil Service and weakened the machinery of Government.

88. The Committee further received representations that the powers delegated by the Public Service Commission to authorised officers with respect to recruitment, promotion and discipline of officers in Job Groups A to H was being mishandled. The Committee heard that performance in this regard at the ministerial and departmental levels was far from satisfactory. Examples were cited where delays in processing of disciplinary cases resulted in officers being out of work for unnecessarily long periods without good reasons. We also received evidence that Service regulations and procedures were misinterpreted and misapplied
and that there were incidents of outright abuse of the delegated powers, thus facilitating nepotism, favouritism and corruption. It was impressed on us that the situation was worse at the district and provincial levels where cases of victimisation were rampant. The Committee was informed that this practice reduced employees’ trust in the management, lowered discipline, morale, efficiency and productivity in the Civil Service and dented the image of the Government.

Transfers and Deployment

89. The Committee was told by civil servants that whereas the majority of transfers and deployment in the Civil Service were in the interests of the Service, some were not and were made at the whim of superior officers. As a result, officers transferred to some areas of the country, particularly the northern and north-eastern regions, perceived their transfers to be "punishment". Consequently, we were told, officers resisted transfers to these areas. The civil servants and other parties who made representations to the Committee strongly felt that transfers which are not in the interests of the Service should be discouraged at all costs to avoid tarnishing the image of the Government. They appealed for the transfers to the northern and north-eastern regions of the country to be promotional in order to disabuse the notion that the transfers were punitive and to enhance the morale, efficiency and productivity of the civil servants serving in these areas. This approach, they said, would also remove the perception in the minds of the local people that civil servants transferred to these areas were rejects elsewhere. We were reminded that although tours of duty to these areas were not supposed to exceed three years at a time, in practice this was not happening as officers stayed for longer periods.

Induction and Training

90. The Committee received representations from civil servants that Government did not have an effective system of inducting newly recruited officers into the Civil Service. As a result, the new employees were left to find their own way around and relate to their workmates. If the new officer made a mistake, we were told, he was branded incompetent, inefficient or unsuitable. The representations received emphasized that induction was important and should be mandatory to introduce and
welcome new officers to the Civil Service. The induction helped to form the right attitudes towards work and colleagues as well as gain an understanding of the role which they must play in order to realise Government objectives.

91. As regards training, the Committee received representations that the Civil Service had not always addressed the training objectives of the Government owing to lack of well thought-out training needs assessment. We received further representations from civil servants that the majority of the ministerial and departmental training committees, which were supposed to identify training needs of their respective organisations, were not performing to expectation and that the few which were active were often used to promote individual interests and not those of the Service. We were informed that, in this respect, training abroad was perceived as a premium chance to be seized because of the allowances payable, unlike training in local institutions which did not provide for payment of allowances. The civil servants were of the view that training in the Civil Service ought to be taken seriously as a premier channel of developing the human resources in it and, further, that training needs assessment in the Civil Service ought to be undertaken regularly and with the seriousness it deserves. The civil servants appealed for impartiality and fairness in the selection of officers to undergo training.

92. The civil servants decried the conversion of some Government training institutions to other uses and the delinking of the Kenya Institute of Administration from the Civil Service. They lamented that the remaining few training institutions lacked adequate physical facilities, finances and staff to cope with the training needs of the Civil Service. The civil servants informed the Committee that the transfer of the institutions, the delinking of some and the inadequacy of physical facilities, finances and staff have impacted negatively on the development of the human resources in the Civil Service.

Schemes of Service and the Grading System

93. The civil servants told the Committee that many of the schemes of service which were in operation were outdated and needed complete overhaul as they had created serious disparities in grading of personnel in the Civil Service. They complained that as a result of this anomaly,
officers with similar educational or professional backgrounds entered the Service at different grades. Also that while some of the schemes of service had well defined job descriptions and career prospects, many did not while others were too demanding and did not provide for accelerated advancement of high fliers. The civil servants proposed that urgent review of the schemes of service be undertaken to remove the constraints which led to premature departure from the Civil Service of officers of outstanding performance and to motivate those who remained in the Service to excel.

94. The Committee was informed that Personnel General Letters No. 8 dated 1st February, 1994 and No. 15 of 9th January, 1995 which upgraded the entry points for non-professional university graduates as well as diploma and certificate holders had caused dissatisfaction among civil servants in the related schemes of service because the Letters did not provide for a new entry point for holders of Higher National Diploma. The Committee was told that the dissatisfaction arose from the fact that holders of the higher ordinary diploma were in the same grade with holders of diploma certificates whom they were supposed to supervise. They appealed for the relevant scheme of service to be reviewed to remove the anomaly.

95. The civil servants made further representations that grading in the Civil Service was not always done on the basis of systematic job analysis and evaluation and consequently some posts were upgraded in response to external pressures. This resulted in overlaps in salary structures and glaring disparities in the grading of posts. The civil servants complained that this practice resulted in junior officers performing supervisory roles over their seniors and some officers holding similar job titles being graded differently. In the view of the civil servants, this development eroded the chain of command, removed meaning to job titles and tended to promote self-censorship in decision making and impacted negatively on the implementation of Government policies and strategies. The civil servants urged a review of the practice in order to restore proper supervision in Government operations and improve morale and productivity in the Civil Service.
Performance and Performance Evaluation

96. The civil servants informed the Committee that the Civil Service did not have a comprehensive system of measuring efficiency and productivity and that the annual staff appraisal exercise in respect of senior officers had become subjective rather than objective. We were further informed that failure to evaluate officers objectively resulted in unnecessary transfers and assigning of higher responsibilities to poor performers. The representations were unanimous that for performance evaluation to be meaningful, it must have clearly stated goals or targets against which the officers were to be evaluated, and that its objective should be to identify and minimise the weaknesses in an officer's performance and to build on his or her strong points. The Committee further heard that civil servants would perform better if they had well documented schedules of duties to guide them. They also wished to see the Civil Service publicise its role and objectives and introduce institutionalised annual ministerial themes, target setting and performance indicators to assist in assessing the productivity of civil servants.

97. The civil servants brought to the attention of the Committee that there were cases where civil servants were seconded to ailing parastatals with instructions to ensure their stability and improved productivity or to manage newly created ones. During their tenure of office in the parastatals, the civil servants enjoyed better pay and benefits which they lost on return to their substantive appointments. In the opinion of civil servants, this practice tended to undermine the morale, confidence and self-esteem of the officers concerned and consequently their performance. The civil servants felt that when an officer performed well in a parastatal organisation, his contribution ought to be recognised and rewarded.

Multipartism

98. The Committee was told that civil servants were not well prepared for the return of multi-partism in Kenya. As a result, its reintroduction in 1991 adversely affected the quantity and quality in the delivery of Government services to the extent that simple routine administrative decision-making was unnecessarily delayed because of the perceived need to clear with "higher authorities".

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Fear

99. The civil servants were of the view that some managers in the Civil Service feared making decisions to hide their ignorance or to cover up their incompetence. They were unanimous that although fear was there before, it had lately become pervasive in the Civil Service to the extent that unnecessary and costly delays had occurred in the implementation of agreed Government policies and strategies and in the delivery of services. In the view of the civil servants, the perception that routine administrative matters had to be sanctioned by "higher authorities" stifled the delivery of services. They were concerned that fear had given rise to nepotism, favouritism, the "godfather" syndrome and tribalism. The concern expressed by the civil servants was echoed time and again by others who made representations to the Committee. They, too, wanted to see fear removed from the Civil Service in order to restore efficiency and productivity and to promote the image of the Government.

The Civil Service Reform Programme

100. In their representations, civil servants voiced strong concern that the implementation of the Voluntary Early Retirement Scheme, which was a component of the Civil Service Reform Programme and under which certain categories of civil servants were retrenched from the Service, had created more problems than it solved. While recognising the noble objectives of the Programme and its significance to the Service, the civil servants complained that due to poor planning and sequencing of activities, implementation of the Scheme had left the Service without adequate staff such as messengers and cleaners, drivers, clerical and secretarial staff. As a result, the Committee was told, letters could not be delivered promptly, files took too long to reach action officers and offices went uncleaned for long periods. Similarly, they said, some Government vehicles were left without drivers and that registry services had declined in quantity and quality as many clerks and executive assistants who were manning them left without being replaced or suitable alternative arrangements being made in advance. The civil servants also complained that letters could not be typed in time because many secretaries and typists had left.

101. The civil servants further observed that the best support staff in the
grades affected took advantage of the Voluntary Early Retirement Scheme to leave the Service while the less productive who remained had become over-burdened. In the view of the civil servants, the Scheme would have achieved better results had those concerned planned it properly by first developing staffing norms and correct establishments for ministries and departments, ring-fencing certain critical posts and sequencing its activities properly to avoid disruption in the delivery of services. The Committee considers this subject to be of major significance to the performance of the Civil Service and has addressed it in greater detail in Part II of this Report.

Decline in Ethical Standards

102. Civil servants who made representations to the Committee conceded that ethical standards in the Civil Service had declined over the years and that the commitment, enthusiasm and professionalism which were evident in the early years of independence had been seriously compromised. They attributed this development to a number of causes, including outmoded management practices, poor articulation of the vision of Government, lack of induction programmes for newly recruited officers and commitment in training programmes for civil servants. Absence of a comprehensive code of ethics for the nation was also cited as having contributed to the decline in ethical standards in the Civil Service.

Views and Suggestions from the Parastatal and Private Sectors

103. The Committee had an opportunity to hear views of non-civil servants on its terms of reference during its visits to the provinces and in discussions in the course of its work. Representations were received from heads of various parastatal organisations, particularly those involved in the provision of infrastructure services, the business community, religious organisations and private individuals. These representations were unanimous that the quality in delivery of Government services had declined over the years. They cited the many stalled projects, broken down equipment, plant and machinery in almost every corner of the country which they termed as eye sores and a dent in the image of Government. They attributed the proliferation of uncompleted projects to poor planning, lack of financial discipline, commitment and professionalism and half-hearted implementation of agreed policies and
104. They further cited unnecessary delays, humiliation and frustration they experienced at the hands of civil servants processing their applications for trade licenses, birth certificates, driving licenses and log-books for motor vehicles; passports, identity cards, registration of societies and companies, public trustee matters; retirement benefits in case of retired civil servants; and, of delays in handling complaints to the police and various Government ministries and departments. They said that cases of "missing files" and "come tomorrow" syndrome, which had become the order of the day, were often taken to mean that civil servants were soliciting for bribes before attending to them. They called for a code of ethics to control and guide civil servants and to remove inefficiency and tribalism from the Civil Service.

105. The Committee further heard that civil servants were reluctant or afraid to embrace new innovations and management practices in the provision of Government services. In the view of those who made representations to us, civil servants ought to change their attitudes towards work, learn to be better communicators and implementors of Government programmes in order to actualise its objectives generally and particularly its vision on industrial transformation by the year 2020. In this regard, it was their view that the Government should appoint competent individuals to manage its affairs in order to improve efficiency and productivity in the Civil Service.

Findings of the Committee

106. We scrutinised the representations made to us by civil servants, the parastatal sector, the business community and religious organisations and individuals and found that there was cause for concern. There is evidence that the high rate of inflation has adversely affected the purchasing power of the incomes of civil servants. There is further evidence that low pay and benefits as well as unclear guidelines on agreed policies and strategies have seriously compromised the morale and performance of civil servants. This has been further aggravated by lack of better management practices and techniques in the Civil Service such as target setting, workplans, performance evaluation, job evaluation, unsystematic grading practices and supersessions. Lack of training and training needs assessment and the
after-effects of the retrenchment programme have also compromised effective delivery of services. These and other issues which have impinged on the performance and productivity of civil servants are addressed in Parts II and III of this Report and possible solutions recommended.

107. We would, however, be failing in our duty if we did not point out at this juncture that in the course of our inquiry, we came across evidence that there were civil servants at all levels who, in spite of the problems confronting them in terms of low remuneration, inadequate housing and scarcity of support staff and tools of work, were committed to their work. We have no reason to doubt their enthusiasm and commitment to the service of this nation. These deserve encouragement.
CHAPTER 4 - FUTURE CHALLENGES

Introduction

108. In this Chapter, we focus attention to some of the major challenges that the Civil Service, should prepare to face in the coming years. In the preceding Chapters we have discussed the various factors that are impinging on the performance of the Civil Service as it seeks to play its prime and essential role of fulfilling national aspirations and objectives in nation-building now and in the future. We have highlighted the many constraints - structural, operational as well as philosophical - which we believe are at the heart of the present unsatisfactory state of the Civil Service. Our analysis of the problems, which is based on intensive countrywide inquiries and perusal of many past reports, brings out the array of challenges that the Civil Service must prepare to confront in the face of rapidly changing circumstances. Future challenges are as much a function of tomorrow’s uncertainties as they are of the present condition of our society. Rapid population growth, unemployment and poverty, and the quality of life they portend, are already a daunting challenge in the present. The consolidation of national unity and political stability, economic restructuring and environmental protection are not only challenges today but will continue to be so in the future.

Redefining the Role of the Civil Service

109. It is not in doubt that since independence political leadership in our country has given a clear vision of the destiny of the nation and has articulated from time to time what needs to be done to strengthen our nationhood and achieve a better life for our people. Over the years, national aspirations and objectives have been stated and systematically updated to adapt to changing times and circumstances. Development strategies and programmes have been designed and institutions to implement them have been established, both within and without the Civil Service. But in spite of all this, it does not now appear that the Civil Service, which is central to the country’s governance, has succeeded in developing its own institutional philosophy towards national aspirations and, therefore, towards the purpose of its existence.

110. Elsewhere in this Report, we have made an emphatic statement
based on careful consideration of much evidence tendered to us, that civil servants, individually and collectively, lack a shared vision of the purpose and mission of the Civil Service as an institution. Accordingly, they lack an appreciation of the relationship between their individual actions and the mission of the Service and, by extension, the place of the service relative to national aspirations. To this extent, civil servants operate in a closed shop: an inward-looking institution which appears incapable of breaking out of the cocoon of bureaucratic culture and thus be able to see its place in the wider national scheme of things.

111. In the opinion of this Committee, the seeming incapacity of the Civil Service to embrace change is a function of attitudes as well as training and experience. In the colonial era, it was inculcated in civil servants that their role was one of routine tasks such as law enforcement, revenue collection, obedience to orders and generally keeping out of trouble. In those days, there was no need to stress the virtues of patriotism or national commitment, for there was no nation to which the individual civil servant ought to feel committed. In recent times, the civil servant has been trained and constantly reminded that he is a servant of the people, implementer of Government policies and directives, an agent of change and, generally, an important cog in the wheel of national development. In reality, however, the wheel has rotated because of him or in spite of him. The average civil servant in Kenya today is happy to sit at his desk shuffling files, obeying orders and generally living day by day with no concern about the future, except his own and perhaps that of the department he works for. To him, this is not by default: it is part of the belief among many civil servants that all matters to do with the future of the nation are safely in the hand of political leaders. Put simply, today's civil servant feels removed from the broad national issues which they consider to belong to the realm of politics.

112. A good example of the problem under discussion is the manner in which civil servants reacted to the re-introduction in 1991 of multipartyism. Whereas previously the Civil Service operated under a one-party system and had little difficulty in espousing the ideals and policies of the Government, the new constitutional order came as an unexpected challenge. We were told in interviews with civil servants that in spite of the provisions of the Code of Regulations regarding the participation of civil servants in politics, some of them did join political parties thus
compromising their official positions.

113. While this initial reaction is understandable, this Committee feels that the situation will stabilise in due course, and that ways will be found, and this is the challenge, to redefine the role of the Civil Service such that it becomes a unifying and stabilising force in society. Cases were cited to us of countries such as Italy, India and Japan where civil services have been able to assure continuity and stability even when there are frequent changes of government. It is the view of this Committee that with training and professionalisation of the Civil Service, it will be possible to avoid some of the difficulties that have arisen in the past in this matter.

**Economic Reforms**

114. Elsewhere in this Report, we have discussed some aspects of the ongoing economic reforms and the impacts they have had. The main objective of these reforms has basically been to renew economic growth in ways that will provide jobs for the growing labour force, prosperity for the mass of people in the rural areas, an equitable and widespread sharing of the benefits of growth, and a continuing provision of basic needs for all. We note that the bold policy decision towards economic restructuring was made in 1986. The *Sessional Paper No. 1 of 1986 on "Economic Management for Renewed Growth"* has been hailed as a watershed policy initiative in the history of the country’s economic planning and management.

115. From the evidence we received in public interviews, the goals set in the Session Paper were a real challenge to the Civil Service implementation capacity. While the change in policy was clearly a major departure from past economic approaches, it would appear that the Civil Service was ill-prepared to rise to the challenge of re-orienting itself so as to fulfil its mandate in the economic management field. Indeed, the Sessional Paper itself had outlined elaborate measures for the restructuring of the Civil Service in such areas as recruitment, staff deployment, reduction of the wage bill, and training. Submissions made to this Committee indicate that while the policy prescriptions contained in the Sessional Paper were clearly for the better management of the economy, their full impact has not been realised due in part to unsystematic and
incomplete implementation. We have in Chapter 5 made our views known on the haphazard and wasteful manner in which retrenchment in the Civil Service was carried out. Nevertheless, we believe that useful lessons have been learnt and that the Civil Service will take up the challenge of doing better in the future.

116. One of the components of the ongoing economic reforms which has already been implemented is the liberalisation of the economy mainly through price decontrol, removal of import/export licensing, foreign exchange deregulation and removal of subsidies to various institutions. While these policies have been put in place to bring about economic growth in the long run, some have had short-term implications for Government operations. We received submissions from civil servants as well as from members of the general public which were sceptical of the ability of the Civil Service to deal with what is being perceived as the ripple effects of liberalisation. With regard to decontrol of prices, this is said to have had some effect on procurement in the Civil Service.

117. We were told that in cases where contracts for the supply of goods and services are made on term basis, Government ministries and departments that are cash-strapped have had difficulties in dealing with price fluctuations which create budgeting and cash-flow problems. While the Committee does not consider these to be serious problems relative to the benefits of price decontrol, it nevertheless notes the incapacity of the Civil Service to prepare for, and adapt to, changes in policy direction. In our view, this should be seen as a major challenge to be faced in the future unless the Civil Service is reformed along the lines we have recommended in this Report.

118. Apart from the above, the Committee sees an even bigger challenge for the Civil Service in the implementation of the Eighth National Development Plan, 1997-2001 and the Sessional Paper No. 2 of 1996 on Industrial Transformation to the Year 2020. These two landmark documents were released at the time that our Committee was appointed and they were, therefore, very useful to us in understanding the scale of tasks and responsibilities that lie ahead for the Civil Service. In analysing the various submissions we have received on the general subject of economic management, we have been impressed by the resolve shown by the Government towards acceleration of national development. The Plan,
as well as the Sessional Paper, have comprehensively charted the course our country should follow in the next five to twenty years. However, there is a widely-held view among many Kenyans that, given the past track record of the Civil Service in the implementation of important Government policies, the objectives of the subject documents could well become a pipe dream unless equally bold moves are made to ensure effective implementation. In this regard, the Committee is of the strong view that the Government should take urgent measures to strengthen the management capacity of the Civil Service. It is also our considered opinion that the mobilisation of resources and efforts towards Plan implementation should pay particular attention to inter-ministerial co-ordination especially where the input of one ministry will be contingent upon the input of another ministry or ministries, or of agencies outside the Government system.

**Population Growth, Unemployment and Poverty**

119. We received representations regarding the high rate of population growth that this country has undergone since independence. While we acknowledge the concerted efforts by the Government which have led to a decline in the growth rate from an all-high of 4 per cent in 1979 to 2.7 per cent in 1995, we found that this had not relieved the pressure on the available economic resources as it has been accompanied by concurrent declines in the overall economic growth. As a result, there has been poor access to basic needs as evidenced by the fact that out of the projected population of 27.5 million in 1995, only 3.9 million were in employment, excluding employment in small-scale agricultural and pastoralist activities. The population density obtaining across the country which ranges from over 300 persons per square kilometre in high potential areas to as low as 5 persons per square kilometre in low potential areas calls for fair distribution of national resources. Despite the concerted efforts by the Government to create more employment opportunities, the unemployment rate in the country is still high. In this regard, it is a challenge to the Civil Service to achieve sustained reduction in unemployment and poverty.

120. We received submissions that about 11 million Kenyans were living below poverty line. This was part of the population which had little access to the basic needs of life such as adequate food, shelter, clothing, clean water, health and education. We were told that provision of basic
needs is essential to maintaining not only the dignity of all people but also to making the able-bodied population to play a more productive role in the economy. The high dependency ratio which results from high levels of poverty does not augur well for the promotion of overall economic growth. The role of the Civil Service in the alleviation of poverty to enable the population seize the potential and emergent opportunities for wealth creation is a challenge which, representations made to us reiterated, the current Service lacks the necessary capacity to deal with.

121. We received further representations regarding the recurrent food shortages which have adopted regular cycles. In many of the representations we received, concern was expressed about the apparent inability of the country to put in place effective measures to obviate the recurrence of famine. This will be a major challenge to the Civil Service in future.

122. Submissions to the Committee decried the unavailability, and inadequacies in the delivery of health services and called for measures to ameliorate the situation. We were informed that this was caused by, among other factors, insufficiency of funds; poor remuneration for health staff; increase in population; and poverty in the face of cost-sharing measures; the advent of Acquired Immune Deficiency Syndrome (AIDS) for which no cure had been found; and, the low ratio of health care staff to population. We take note of the fact that poor delivery of health services has had an adverse effect on the productivity of the population and the Civil Service in particular. It is therefore a major challenge for the Civil Service to be adequately provided and enabled to deliver appropriate health services.

123. Quite significant in the welfare of the nation and central to the health of the population is adequate shelter. The current National Development Plan has appropriately defined shelter as the entire environment within which housing is a function and includes protection from adverse weather conditions as well as the security, privacy and space for socio-economic activities for the advancement of quality of life. We agree with this definition and confirm that, in our view, adequate shelter is basic to the productivity of the population.
124. The Committee is aware that the provision of basic education to all Kenyans regardless of their socio-economic background is a primary commitment for the Government. We note that scarcity of resources seems to be militating against the success of this policy. We also note the Government’s intention in the National Development Plan to channel more funds to basic education. We have noted further that the Government has instituted appropriate measures in the Social Dimensions of Development programme to cushion vulnerable members of the community from the adverse effects of structural adjustment programmes. We commend the Government for this initiative. The Civil Service will need to rise to the occasion to ensure correct and timely implementation of this important policy measure.

Development of Infrastructure

125. The National Development Plan and Sessional Paper No.2 of 1996 on industrial transformation have identified the development of appropriate infrastructures as being crucial to the realisation of accelerated economic development. We received submissions that good infrastructure ranks very high, apart from political stability, in the consideration for direct foreign investment. The availability of reliable power supply, good roads, water and sanitation, schools, health and telecommunication facilities, among other requirements, provide the basic enabling environment for investment and the efficient and timely delivery of services. In this regard, we noted during our visits to the provinces that infrastructure, and particularly roads, had deteriorated to an alarming degree due to poor maintenance or lack of it. This situation was attributed to under-funding and the lack of a maintenance culture in the Civil Service. We have addressed this matter in greater detail in other Chapters of this Report. However, we consider it a major challenge that the Civil Service should prepare to deal with in the future.

126. The current procedures on procurement, maintenance and disposal of Government assets were also cited as contributing to deterioration in the condition of equipment, plant and machinery. While the Government has constantly sought to seal loopholes which have surfaced in the implementation of these procedures, it was submitted to us that dishonesty and greed for money often led to collusion between some civil servants and merchants to defeat Government’s intentions. Our inquiry revealed
that although there was adequate capacity within the informal sector and in Government institutions such as the Prisons Industries to repair some of the unserviceable Government equipment and to supply new and possibly better equipment, this source was not being exploited.

127. The development of new infrastructure without a commensurate maintenance and disposal culture and policy is counter-productive. Proper management of assets is, therefore, an urgent requirement in the Civil Service and should be integrated into the overall financial management process of the Government. We were told of the manner in which some unscrupulous officers used the existing Government procurement and maintenance regulations to their personal advantage by certifying as complete and satisfactory such Government facilities as roads and buildings through manipulation of project specifications. Representations received decried the tendency towards adulteration of rules and regulations and attributed it to, among other things, the low remuneration within the Civil Service. The challenge of restoring the virtues of honesty and integrity in the Civil Service is not insurmountable and we have addressed the matter in greater detail in Chapter 13.

Environmental Protection

128. We received submissions to the effect that this country is faced with the threat of environmental degradation. Examples were given of air pollution resulting from automobiles, factories and dump sites. Attempts by multinational corporations to dump toxic or potentially toxic substances within Kenya's borders, depletion of our forest cover and erosion of our soils through greed and carelessness were a threat to the achievement of sustainable development. In this regard we agree with the representations received that it is the duty of a properly trained Civil Service to safeguard the nation's environment for the benefit of posterity. A living example of the challenge to be faced in protecting and sustaining our environment is the hyacinth problem in Lake Victoria which has been allowed to grow out of control by a Civil Service that watches in utter helplessness as the weed engulfs the Lake, and with it, the source of livelihood of thousands of people in East Africa.
Technological Gap

129. We received submissions decrying the nation’s lag in technological advancement which was said to be crucial to organisational operations in the modern globalised environment. We were informed that while governments in the developed world and in a sizeable number of the developing countries were moving forward in the technological field and had computerised or automated their systems, Kenya’s Civil Service had been slow in adapting to these changes. Continued reliance on old and outdated systems, we were told, was a factor in the poor delivery of services by the Civil Service. The advantages inherent in modern automated systems and satellite systems, such as Wide Area Networking (WAN) for inter-ministerial linkages and Local Area Networking (LAN) for internal information management systems, and the Internet for global communication far outweigh their costs. It is, therefore, urgent that the Civil Service adopts these modern communication systems to keep up with the technological advances which are taking place in the world and in order to facilitate faster delivery of services.

130. We witnessed heaps of files and records strewn in Government offices for lack of proper storage space and cabinets. The filing system that is currently used in the Civil Service was said to be outdated, expensive to maintain and unreliable in information retrieval. Modern information storage systems which include microfilming and computerisation have been found to be more efficient and reliable. If Government departments had computerised their information management systems, savings would be realised on space, time for file retrieval, numbers of personnel required and there would be enhancement of efficiency in the delivery of services. Consequently, we concur with the view that the Civil Service urgently requires to adapt office automation as a measure towards reducing inefficiencies, improving inter-ministerial coordination and improvement in the delivery of services.

Tribalism

131. In Chapter 3 we gave an appraisal of the extent to which tribalism has permeated the operations of the Civil Service. The proliferation of tribalism was said to have greatly contributed to the deterioration of the
Civil Service as evidenced by the low morale and apathy existing in the Service. We were informed that the perpetuation of tribalism was likely to tear the country apart if left unchecked. The mission which the Civil Service is charged with in taking the nation into the next century cannot be achieved if such practices continue to take root. It was submitted at various fora that this country urgently required to inculcate a national culture in its citizens. The existence of pervasive parochialism in the Civil Service had been a hindrance to its effectiveness and to efforts towards achieving a national outlook.

132. Having regard to the ills inherent in tribalism and taking cognisance of the fact that most developed economies have been able to succeed by rallying whole communities to nationalism, we strongly feel that concerted and deliberate efforts ought to be made to promote a national culture and outlook in the Civil Service. We have examined the submissions made to us and are of the view that the elimination of tribalism in the operations of the Civil Service is urgent and the adoption of a national culture crucial to the good performance of the system. We strongly feel that the continued encroachment of tribalism in the Civil Service does not augur well for its stated mission as it leads to poor personnel management and unsatisfactory delivery of services.

Relationship with the Private Sector

133. As noted in Chapters 1 and 3, the Civil Service has addressed different challenges since independence. The challenges facing the Civil Service in the 1990s and the 21st century are markedly different from those of past years. While the Civil Service has in the past been seen as the vehicle for economic growth, the current liberalised economy calls for more private sector participation in the promotion of the economy. One of the consequences of liberalisation is that the private sector is now seen as the new engine of growth. We received submissions that there existed a culture of mistrust between the Civil Service and the private sector and which has culminated in uneasy co-existence. While the Civil Service has traditionally been oriented towards the provision of free services, the private sector is basically commercially-oriented and profit-driven.
134. However, modern development approaches call for co-management of the economy by the public and the private sectors. A strong, skilled and commercial-minded Civil Service that is sensitive to the private sector interests is crucial for the facilitation of the other components of society towards realising national economic development. The Civil Service is currently more disposed towards policy articulation and less inclined towards efficient service delivery. In a liberalised economy, the Civil Service as a facilitator is expected to balance between policy articulation and service delivery and to respond to taxpayers who are becoming increasingly conscious of what they should expect from public servants.

135. Representations received stated that in order to facilitate the other components of society towards human development and economic growth, the Civil Service will require to drastically transform itself by adopting better management practices, such as performance management and international best practices, which are designed to improve delivery of services and to ensure value for money. This calls for deployment of personnel in accordance with their qualifications and experience and their empowerment through appropriate training, delegation and remuneration. This would enable them articulate policy and deliver the requisite services to clients and stakeholders.

136. The poor productivity currently obtaining in the Service requires an integrated management approach which addresses all the relevant needs of the system. The non-implementation of recommendations made by previous salary review committees for improved management practices has tended to imply that mere improvement in the level of remuneration for the civil servants is sufficient to generate improvement in their performance. While improved remuneration is crucial for the motivation of the Service, we wish to stress that the overall improvement in its management practices and techniques is crucial to the achievement of the desired improvement. Our inquiry revealed that productivity of the Service is a total function of the management practices and that mere improvement in remuneration is likely to send the wrong signals to a low performance Civil Service.

137. In conformity with the liberalisation measures, the Government, and by extension the Civil Service, will be expected to reduce direct participation in those activities which can be optimally provided by the
private sector through open market competition. The Civil Service will, therefore, be expected to adopt private sector practices in sourcing for goods and services. Further, the Government will increasingly be required to regulate the activities of the private sector, especially in industries previously operated as monopolies. The Civil Service should, therefore, endeavour to have adequately trained personnel who will carry out the new role of correctly interpreting national strategies and policies for implementation.

138. The Committee has taken note of the urgent need to focus on trade and co-operation in the region for faster and stronger socio-economic ties. The establishment of the East African Cooperation and the Common Market for Eastern and Southern Africa (COMESA) is a manifestation of the renewed regional co-operation. The success of this regional co-operation is largely dependent on a highly skilled, trained and commercially-oriented Civil Service and is enhanced by political, economic and social stability. The Civil Service is the instrument by which the Government will nurture and sustain the co-operation and ensure stability in the region.

Management of Change

139. In the preceding paragraphs we have highlighted some of the challenges facing the Civil Service, in the quest to manage change. Management of change itself is a skill which was said to be lacking within the Civil Service. We were given examples of policy pronouncements towards effecting changes in certain management practices such as open office plan, Total Quality Management and Performance Management dating as far back as the 1980s. To date, there is no evidence that any Government department has made deliberate moves towards realising these ideals. In order to meet these challenges, there will be need to change the overall attitude within the general community and the Civil Service in particular. The civil servant himself will be expected to be of high integrity, objective and generally act professionally, in order to achieve the necessary productivity. The management of change will require a mission-oriented approach and acceptance of the dynamism of management practice in particular. We reiterate that management practices in the Civil Service have to be improved in line with the changed expectations.
Implementation of Agreed Policies and Strategies

140. Various representations were critical of the pervasive culture of non-implementation of agreed policies and strategies within the Civil Service. Cases were cited to the Committee of policies and strategies which remained unimplemented for many years. The Committee was told of the recent establishment of a number of policy analysis and implementation committees at various levels of Government. These include the Presidential Economic Commission, the National Industrial Development Council, the Kenya Institute of Public Policy Research and Analysis, the Forum of Private Sector Policy and Research and the Project Management Department in the Ministry of Planning and National Development. We commend the positive steps taken towards better implementation of policies and strategies through the setting up of these committees and commissions and hope that they will live up to their mandates. We do, however, share the concerns about non-implementation of agreed policies and strategies and urge that a culture of their timely implementation be nurtured and institutionalised.

Conclusion

141. It is important to recognise that the challenges identified in this Chapter call for fundamental changes in the manner in which the Civil Service has been managing Government business. The emergence of these challenges calls for speedy transformation of the management style in the Civil Service. We recognise that if these changes are not addressed now, these challenges will not only increase but, with time, will become insurmountable.
PART II
CHAPTER 5 - CIVIL SERVICE REFORM

POLICY FRAMEWORK

Origins of the Reform Programme

142. Our terms of reference required us to examine the progress made in the ongoing Civil Service Reform Programme and make recommendations on how the performance of the Civil Service could be made more effective. In this Chapter, we discuss the origins of the reform initiative; its policy objectives and components; and, its implementation and the experience gained. Finally, we record our findings and conclusions which form the basis of our recommendations in Part II of this Report.

143. Elsewhere in this Report we have stated, and it merits repetition here, that efforts to improve the performance of the Civil Service have been a continuing activity since independence. Over the years, the Service has been subjected to external reviews which have invariably recommended improvements in such areas as remuneration, restructuring and operational productivity. Two such reviews were undertaken in 1963 and 1967 by the Pratt and Millar-Craig Commissions, respectively, whose terms of reference were basically to review remuneration and matters incidental thereto. In 1970, however, there was a major departure from previous practice when the Ndegwa Commission was appointed with a greatly expanded mandate to review the entire public service on matters ranging from Government organisation and structure to staff recruitment; improvement of efficiency and economy in administration; and, to devise new salary structures and new terms and conditions of service for all sections of the public service.

144. The Ndegwa Commission, having been the first to comprehensively review the Government machinery seven years after independence, is now widely and justly regarded as having marked a milestone in the evolution of the Civil Service. The structures and systems recommended by the Commission are largely intact to this day, save perhaps for those of its proposals that were never fully implemented. Subsequent to Ndegwa, three other external committees, namely, the Waruhui Committee of 1979-80, the Ramtu Committee of 1985 and the
Mbithi Committee of 1990-91 have also scrutinised the Civil Service and made updated recommendations using the Ndegwa Report as a baseline.

145. In the course of our own inquiry, we have noted that alongside these external reviews, the Government, in its sustained effort to improve the management of public business, was also undertaking more focused initiatives in various areas of policy and function. Thus in 1983, the pronouncement of the District Focus Strategy for Rural Development introduced an entirely novel approach to service delivery and resource management in the rural areas. Prior to that, the Government had in 1982 appointed a Working Party to look into Government expenditures, management of public investments, budgetary procedures and financial control. Then in 1986, the Government announced a major economic policy shift in the form of Sessional Paper No. 1 of 1986 on Economic Management for Renewed Growth and commenced implementation of the Budget Rationalisation Programme in 1987.

146. As we have explained in greater detail elsewhere in this Report, this landmark change in policy, which was largely in response to the cumulative management weaknesses exposed over the years, eventually marked the birth of comprehensive reforms - the Structural Adjustment Programmes - which have changed the landscape of the Kenyan economy in ways never before witnessed since independence. Indeed, it is in the context of these adjustments that the Civil Service Reform Programme, which is the subject of this Chapter, was conceived in 1992.

147. In the course of our perusal of past reports on the Civil Service, one consistent theme which emerges is that over the years, the Civil Service has grown into a bloated and nearly unmanageable machine. At independence in 1963, Kenya's population was about 8 million and the Civil Service had an establishment of 63,000. By 1991, the population had risen to about 23 million and the Civil Service establishment was in the order of 318,000. Apart from this expansion in terms of numbers, the Civil Service organisation also expanded. In 1971, the Central Government consisted of 29 ministries and independent departments but by 1991 the number had increased to 35. While this increase can be justified on the basis that a rapidly growing population entailed an increased demand for Government services, the concern in 1991 was that this phenomenal growth was accompanied by a worrying decrease in
efficiency and productivity. It also became apparent that the expansion resulted in inconsistent organisational structures, functional overlaps, duplication and ambiguities in job descriptions. Of even greater concern was the realisation that the unprecedented growth of the workforce was having a serious effect on the budget deficit and was, therefore, curtailing the Government's ability to render much needed public services.

148. Specifically, a large wage bill meant less financial allocations for operations and maintenance and a largely idle workforce. Whereas in the period 1979-1980 personnel emoluments accounted for 47 per cent of recurrent expenditures, this figure had risen to well over 70 per cent in the 1990s, with some ministries maintaining a wage bill of 90 per cent of their recurrent budgets. By 1992, it had become obvious that this position was unsustainable and, therefore, purposeful measures had to be taken to redress the situation. Concurrently, the World Bank and the International Monetary Fund who had already suspended funding to the country, extended their conditionalities to include a drastic reduction of the Civil Service workforce, among other things.

Reform Policy Objectives

149. It is in the light of these considerations that the Government took in 1992 the bold step of introducing a fundamental restructuring of the Civil Service. The first action in this direction was the preparation in May 1992 of a document titled *Kenya Civil Service Reform Programme and Action Plan* which outlined the objectives and coverage of the proposed reforms. According to this document and other evidence given to us, the objectives were to improve the financial viability of the Civil Service in the short and medium term; to reverse the progressive decline in efficiency and productivity; and, to strengthen its capacity. In this regard, it was intended that the Civil Service be adapted to the changing views of the role of the State, resource constraints, aims, functions, structures and staffing levels. This involved redefinition and clarification of functions; rationalisation and redeployment of resources; reduction of wastage and duplication; and, improving efficiency, productivity and service delivery.

150. The strategic vision of the reform aimed to achieve results in five areas. Firstly, it sought to create a rationalised organisational structure
comprising ministries, departments and units each of which would have clearly defined and fewer functions. These fewer functions were to be concentrated in the areas of policy analysis and recommendation; setting public service delivery standards; execution of agreed development programmes; and, regulation. Secondly, it aimed at achieving effective decentralisation of service delivery mechanisms, among them the traditional ministries and contractual arrangements with the private sector. Thirdly, it sought to reduce the Civil Service workforce into fewer but better paid staff under dynamic management. Fourthly, the Government was to instil strong ethics, quality consciousness and public service orientation in its staff.

151. The overall reform package was formally approved by the Government in 1993 and incorporated in the Policy Framework Paper for 1994-1996. The Paper spelt out the reform components and targets to be achieved as follows:

"As Kenya enters a period of significantly accelerated structural change there will be a need for flexible and responsive management, and strengthened analytical and policy making capability. To restructure the public service, a Civil Service Reform Programme and Action Plan has been approved by the Government. The Government is committed to the comprehensive reform and capacity building proposed in this document, covering Civil Service organisation, financial and performance management, staffing levels, personnel management, and pay and benefits. A secretariat has been set up to manage the process. By December 1993, the Government will carry out the following actions in this regard: (i) a draft policy statement redefining the scope of responsibilities of the Civil Service and identifying functions which will be divested, will be prepared; (ii) the key ministries to be restructured in the first year of the programme will be identified; and, (iii) the early retirement programme including an adequate safety net will be made fully operational. As a result of incentives for early retirement and a hiring freeze on levels A-G, staff levels had been reduced to 265,161 by June 1993. The Government plans that about 26,000 net positions will be eliminated in 1993/94 (including about 14,000 vacancies) and a further 16,000 positions will be eliminated each year for the following three years (1994/95
1996/97). The Government also intends to initiate actions towards monetisation of benefits (to be implemented in the 1995/96 budget) in line with recommendations of the Action Plan. A code of ethics for civil servants, including increased financial accountability and clear rules governing conflict of interest, will be considered for introduction by July 1995. Reforms of the judicial and police services along the lines of the Civil Service reform will also be developed. In the longer term, improved policy formulation and implementation capacity depends primarily on the creation of an environment supportive of objective analysis and professionalism, a key goal of Civil Service reform. In the short term, the Government will give consideration to intensified training for key policy analysts. The Ministries of Finance and Planning and National Development will prepare action plans to strengthen their capacity by March 1994.

152. In February 1996, another Policy Framework Paper was issued prescribing further aims and tasks earmarked for execution during the period 1996-98. The Paper stated that the following actions would be taken: to continue staff reduction at the rate of 16,000 positions per year over 1995/96 and 1996/97; to limit new recruitment to 3,000 per year maximum, i.e. no more than 1,500 between January and June 1996 and by 3,000 between July 1996 and June 1997; to ring-fence some of the most critical and well-trained but scarce junior staff; to carry out staff analysis and establish staffing norms for key cadres during 1996; to develop by June 1997, a coherent programme of Civil Service rationalisation for the period 1997/98 and beyond; to complete by mid-1997 the introduction of the first phase of an Integrated Personnel and Payroll Database system; to complete, by the end of 1996, preparation of modalities for the introduction and implementation of performance-related pay for identified critical cadres; to identify key indicators for Civil Service operations and maintenance requirements and give them priority in the recurrent budget expenditures beginning in 1996/97; to complete the ministerial rationalisation exercise in respect of six ministries by July 1997 and to complete the whole exercise involving twelve ministries by the end of 1998; to pay increased attention, during the period 1996-98, to training and human resource development, with training being geared towards the development of special skills in key areas based on the results of the staffing norms and ministerial rationalisation; to improve physical facilities
in the existing training institutions; and, finally, to identify and prioritise critical training needs.

Institutional Framework

153. Upon the pronouncement of Government policy guidelines and action targets, the Permanent Secretary, Secretary to the Cabinet and Head of the Public Service issued Personnel Circular Number 5 dated 12th October, 1993 formally launching the Civil Service Reform Programme and giving guidelines and the institutional framework for programme implementation. It was stated in the Circular that whereas the reform programme had several components, priority would initially be given to downsizing the Civil Service through a Voluntary Early Retirement Scheme. The Circular further elaborated on all the procedures that were to be followed in the implementation of the Scheme.

154. As regards the management of the reform programme, the Circular announced the setting up of a National Steering Committee under the chairmanship of the Permanent Secretary, Secretary to the Cabinet and Head of the Public Service and whose role would be to:

- be the top level coordinating body to provide policy guidance on the reform programme;
- set overall direction and take most important decisions;
- review the workplans of the Directorate of Personnel Management and monitor programme implementation; and
- keep the Cabinet updated on progress.

Other mechanisms announced in the Circular included the setting up of the Civil Service Reform Secretariat which was to be the operational arm of the National Steering Committee; and, the constitution of Ministerial, Provincial and District Civil Service Reform Committees. As indicated in the Circular, the terms of reference of these committees were "to handle various aspects of the Civil Service reform in their areas". It was further indicated that in the case of District Civil Service Reform Committees, they would be sub-committees of the District Executive Committees.
Programme Management

Implementation of the Programme

155. In the preceding paragraphs of this Chapter, we have described the origins of the Civil Service Reform Programme, its policy orientation and the plans and mechanisms that were put in place for its implementation. We now evaluate, as required by our terms of reference, the progress made during the period 1993-1996. We wish to state at the outset that our findings and conclusions in this regard are for the most part based on the evidence we obtained from Permanent Secretaries, provincial and district teams, individual civil servants, Government Ministers and the Directorate of Personnel Management. We present our findings in a format based on the various components of the reform programme. But first we make general observations on the overall impact of the reform programme.

156. The Committee wishes to express its commendation to the Government for recognising the need for comprehensive Civil Service restructuring and for taking bold actions towards its realisation. This notwithstanding, we are constrained to point out at this early stage that the commitment and dedication to the reform effort by policymakers, implementers and other stakeholders must be sustained at all costs. It is of critical importance that all players in the effort view their actions and contributions in the context of the well-being of the nation as a whole and the Civil Service in particular. Any ideas about reform must be seen to derive from and belong to those who will ultimately benefit or suffer the consequences of reform actions. This Committee notes that some aspects of the ongoing reforms in Kenya formed part of donor conditionalities which, as we have found out, have generated misunderstandings to the extent of jeopardising ownership and commitment to reforms, mainly on the part of key implementers and civil servants generally. It is important, therefore, that in future, clarity of intentions, expected outcomes and attendant negative implications be given the serious consideration they deserve by both the Government and the donors. The Committee is, therefore, of the strong view that as much as possible, national objectives and donor conditionalities should be co-ordinated in such a way that all potentially painful side-effects of reform are identified and solutions to them found before embarking on full-blown implementation.
particular, completion deadlines should not be set until an elaborate implementation capacity has been put in place.

157. By any description, reforms are expensive and painful undertakings that must be executed with the greatest precision possible. While the Committee recognises that the Kenya Civil Service Reform Programme was meant to be a long-term and evolutionary process, it cannot be emphasized too strongly that the casualty of any mistakes made at the critical initial stages would be the reform itself. In Chapter 3 of this Report, we have given a portrait of a Civil Service whose effectiveness is seriously on the decline; this in spite of the ongoing reform programme and the more than six billion shillings that have been spent on it and the exit of over 34,000 civil servants, many of whom had been trained and developed at great cost to the Government.

158. As we stated earlier, the Civil Service Reform Programme was structured around five main components, namely, Civil Service organisation; staffing; pay and benefits; personnel management and training; and, financial and performance management. After careful analysis of all the evidence we have received in the course of our inquiry, the impression we have formed is that the reform programme was launched in a situation of utter unpreparedness. Whereas the very first activity that was to be undertaken before programme launch was the restructuring of the Directorate of Personnel Management to lead the reform effort, we have no evidence that this was done or even attempted. Similarly, the stated intention to mobilise staff and logistics support for the ministries was not done. As a result of the failure to implement these and other pre-launch activities, programme implementation has been unduly pre-occupied with downsizing at the expense of other equally important elements that should have been precursors to retrenchment. In the following sections of this Chapter, we discuss the implementation status of each of the five reform components in the order they were announced.

Civil Service Organisation

159. Evidence given to the Committee indicated that action under this component entailed ministerial rationalisation focusing on the interface between structures and functions and was intended to improve policy
mandates, organisational structures, establishment control, development of staffing norms and improvements in the management and utilisation of human and financial resources. According to the Policy Framework Paper 1994-96, the first actions in this direction and which were to be accomplished by December 1993 were: preparation of a draft policy statement redefining the scope of responsibilities of the Civil Service and identifying functions which would be divested or which could be delinked to semi-autonomous status; and, identification of key ministries to be restructured in the first year of the programme. These activities were to overlap with the operationalisation of retrenchment by December 1993. Whereas the retrenchment process was put in train in May 1994 when the first tranche of retirees left the Service, ministerial rationalisation was not acted upon until March 1995. In the view of this Committee, and as logic would seem to dictate, this was clearly a case of putting the cart before the horse. Ministerial rationalisation should have been undertaken first so as to provide a basis for the development of staffing norms and, in turn, the criteria for determining the magnitude of overstaffing and the scale of retrenchment required.

160. In addition to the above, the Committee noted that some reform measures should have been done concurrently since the reform was started in 1993 without concentrating only on retrenchment. It was, for instance, noted that monetisation of allowances meant for implementation in 1995/96 had not been done, save for out-patient medical allowance. A code of ethics for the Civil Service meant to be introduced by July 1995 had not been drafted. Staffing norms were yet to be developed; ring-fencing of critical cadres was yet to be done; performance-related pay for identified critical cadres had not been developed; and, identification of training needs and privatisation of these needs had not been undertaken.

161. The above notwithstanding, information available to us indicated that purposeful measures were indeed taken from March 1995 to the time this Committee was appointed. Work on the six ministries that were identified as critical to pilot the rationalisation exercise had been completed and its outcomes had been approved by the National Steering Committee and adopted by the concerned ministries.

162. The Committee was told that the rationalisation exercise had not been without constraints. The first major problem was the réalisation that,
outside the Directorate of Personnel management, no ministry had the internal capacity to carry out its own rationalisation. Another constraint was the time-frame given for the conduct and conclusion of the exercise, which extended from three to five months. Other constraints were attributed to vested interests in the existing organisational set-up and reluctance by some ministry staff to view the exercise from a purely objective stand-point, resulting in some inputs not being as accurate as desirable. In the view of this Committee, some of these problems may have been created by the failure to issue the promised policy statement redefining the mission of the Civil Service.

163. In the light of the above considerations and bearing in mind that six more ministries were to undergo rationalisation in 1997, we recommend that:

a) The Government, albeit belatedly, produces as a matter of urgency a comprehensive definition of the scope of future responsibilities of the Civil Service. This Committee’s Report has made a number of recommendations which could form the basis of such definition.

b) Concerted efforts be made by all the key players in the reform process to ensure that all the reform components are implemented in accordance with the laid down plan of action; these include the National Steering Committee, the Directorate of Personnel Management, Civil Service Reform Secretariat, Ministry of Finance and the various Civil Service Reform Committees.

c) The Government mounts concurrently with the rationalisation of the second group of ministries a crash programme to develop reform management capacity in those ministries.

d) Permanent Secretaries to the ministries being rationalised be given wider responsibilities and accountability for the rationalisation programme analysis and implementation to ensure its sustainability.

e) Each ministry creates a policy formulation and analysis unit which will be advisory to the Permanent Secretary.

f) Staff rationalisation and the development of staffing norms be developed in ministries concurrently with the
rationalisation of functions and organisational structures.

Target-setting and deadlines for all reform activities be prescribed realistically bearing in mind availability of the required resources and internal implementation capacity.

The National Steering Committee meets once every quarter to review the progress of the overall Civil Service Reform Programme.

Staffing Levels and Retrenchment

164. We have been told that at the launch of the Civil Service Reform Programme, it was emphasized that although all the reform objectives were important, the immediate priority was to improve financial viability by containing wage expenditure. This entailed a review of the staffing position with a view to reducing the size of the workforce and associated costs.

165. As stated earlier in this Chapter, the size and the quality of the Civil Service complement has been a matter of concern to the Government for a number of years and it was natural, therefore, that this matter be given prominence in the ongoing reform. Since the launching of the programme in 1993, the Government had taken the following measures to effect staff reductions:

- enforcement of a ban on recruitment for officers in Job Groups A to G;
- non-filling of 20,069 vacant positions arising from natural attrition as at October 1996;
- abolition of 26,334 vacant posts in the Service;
- withdrawal of guaranteed employment to university and pre-service training graduates;
- control of recruitment by ministries through introduction of new and unique personal numbers;
- change of the 45-year retirement rule to 40 years as a safety valve for staff reduction;
- reduction of Government ministries from 30 to 22 in January 1993; and,
- introduction of the Voluntary Early Retirement Scheme for officers in Job Groups A to G.
166. Evidence given to the Committee indicated that out of a total staff strength (in-post) of 272,000, the Government had been able to reduce the size of the Civil Service by 80,648 as at December 1996. This number was made up of 20,069 through normal attrition; 26,334 through abolition of vacant posts; and, 34,245 through the Voluntary Early Retirement Scheme.

167. In the course of evaluating the progress made in the area of staffing and retrenchment, we noted a number of shortcomings. Whereas the staffing component of the reform was planned to cover recruitment, selection, placement, deployment, development, promotion and retention of staff, nearly all of these elements, some of which should have been sequenced to run concurrently, were largely ignored when all attention, it seems, was shifted to retrenchment as an end in itself. In the view of the Committee, the first preparatory step towards retrenchment should, ideally, have been a careful analysis of the current staffing position in each ministry, the determination of shortages and surpluses and the development of staffing norms. As it turned out, the hasty commencement of retrenchment aggravated an already existing problem of uneven distribution of staff with a number of stations retiring more than 95 per cent of their staff in one cadre. This problem was particularly prominent in the districts and provinces. Although decisions were subsequently taken to ring-fence certain critical cadres, the problem was far from being resolved given the fact that the decision was made rather too late after most staff in those cadres had already left the Service. In addition, no monetary rewards were awarded to the ring-fenced cadres as an inducement for their retention in the Service as already promised. Consequently, most of these staff were demoralised. In view of the foregoing, the Committee has made a series of recommendations in Chapter 8 of this Report on how these emerging constraints could be overcome.

Pay and Benefits

168. Pay and benefits constituted one of the five components of the reform programme which was to focus on the motivation of civil servants for increased productivity and efficiency. According to the reform plan of action, review of pay and benefits was to be undertaken during the first phase of the programme and its objective was to develop a structure that
would enable the Service attract and retain quality staff at all levels. In our evaluation of the progress made in this area, we have been informed that beyond the last salary review by the Mbithi Committee in 1990-91, the Government has since August 1993 taken several initiatives to improve the terms and conditions of service with a view to motivating civil servants. In 1994, the Government initiated the monetisation of outpatient medical allowance. This move provided civil servants with a non-taxable medical allowance which was paid along with their monthly salaries. The rate of the allowance was further revised upwards by 50 per cent in 1995. The Government also looked into the rate of privately-rented and owner-occupier house allowances and approved an upward revision of 20 per cent. Basic salaries were also reviewed in 1994 with increases ranging from 10 to 16 per cent. The Committee was also informed that during the same period, the Government made a major review of salaries for Permanent Secretaries in an attempt to narrow the gap between their pay and that of their counterparts in the private sector. This was a major departure from past practice whereby wage increases have aimed to narrow the gap between the lowest and highest paid civil servant. The full implications of this change are discussed elsewhere in this Report.

Personnel Management and Training

169. The Committee noted that personnel management and training constitutes the fourth component of the Reform Programme which intends to improve the personnel management function and training in the Civil Service. It mainly focused on such issues as recruitment, induction, training, discipline, career planning and progression and rationalisation of the functions of Government institutions involved in personnel management function, viz: the Public Service Commission, the Directorate of Personnel Management, ministries/departments, provinces and districts.

170. The Committee observed that the Waruhiu Committee (1979-80) noted that personnel management function is crucial to the introduction of modern management techniques in the Civil Service, some of which were recommended by the Ndegwa Commission (1970-71) for introduction in the Civil Service. These management techniques and practices include performance evaluation, job analysis and evaluation, career planning, management by objectives, organisational development and manpower
planning and utilisation. Further, the Waruhiu Committee stated that the Civil Service should be properly managed to ensure effective performance and thus be able to render cost effective and efficient services to the country. To actualise the above objective, it is imperative to effectively plan, co-ordinate and integrate various activities in the Civil Service and motivate the human resources therein.

171. We concur with the above views and also appreciate the fact that human beings are the most important resource in any organisation, the effective management of which is the predominant determinant on how well the organisation performs.

172. The Committee notes later in this Report that personnel management function is not always discharged fairly and on the basis of merit in the Service. There are cases of favouritism, nepotism, ethnic considerations and undue interferences in performance of the personnel management function. In view of the above, the Committee recommends that personnel issues be handled in order of merit and the Government should ensure that undue interferences in the Civil Service, particularly by politicians, is curtailed. This can be effected by ensuring that the existing institutional arrangements handling personnel matters, particularly the Public Service Commission, are empowered and their independence maintained.

173. The Committee noted that the Directorate of Personnel Management is responsible, inter-alia, for effective management of personnel in the Civil Service. This includes creation of posts and maintenance of personnel statistics; issuance of schemes of service/career progression guidelines; vetting of indents for advertisement of posts by the Public Service Commission; and issuance and control of personal numbers. The Directorate is also responsible for human resource development and issuance of policy guidelines and regulations on personnel matters in the Civil Service.

174. It was represented to the Committee that there was lack of effective supervision and co-ordination of human resource management in the Service. The Directorate had not introduced better management practices and techniques to enhance personnel management function in the Service as expected. In addition, the Committee learnt that the Code of
Regulations and the relevant Personnel Circulars were not updated and revised regularly to reflect the changed circumstances. This resulted in lack of clear personnel management function in the Service.

175. In view of the foregoing, the Committee recommends that:

(a) The Directorate of Personnel Management ensures the introduction of modern management practices and techniques in the Service under the Civil Service Reform Programme.
(b) The Directorate ensures that the Code of Regulations and Personnel Circulars are revised regularly as and when the need arises.

176. It was submitted to the Committee that the Directorate had not developed a skills inventory which could be used in ensuring effective utilisation and deployment of staff and their training and career development. The Committee was further informed that some schemes of service issued by the Directorate were too demanding, others were not effectively harmonised and in certain cases their revision was long overdue. It was further stated that there were some cadres in the Service without schemes of service. In addition, the Committee was informed that the Directorate was slow in processing personnel cases referred to it.

177. In view of the foregoing, the Committee recommends that:

(a) The Directorate of Personnel Management develops a skills inventory under the auspices of the Civil Service Reform Programme.
(b) The Directorate revises all the schemes of service which need updating, streamlining and harmonisation as well as develop new ones for those cadres without them.
(c) The Directorate should ensure that all personnel cases submitted to it are expeditiously dealt with to avoid unnecessary delays.

178. Training is an integral part of human resource management and it is discussed at length elsewhere in this Report. The Directorate is overall in charge of training in the Civil Service and administers the training vote.
It was submitted to the Committee that training was poorly managed in the Civil Service. It was not based on identified training needs and, in most cases, there was no objectivity in administering the training programmes in the Service. The Committee was informed that there was a tendency of officers going for training abroad when similar training programmes, which were more cost effective, were available locally. In certain cases, courses could be organised locally and thus be able to train more officers at low cost. In addition, the Committee learnt that training opportunities were not available to most civil servants. The Committee was further informed that often civil servants were not inducted on joining the Service and were not adequately trained thereafter to enable them effectively cope with the challenges of their jobs and the dynamic work situation as well as for personal development. Further, some civil servants exited from the Service soon after being highly trained by the Government at enormous cost to the Exchequer owing partly to failure by Government to enforce the bonding system. It is observed that currently the amount of bond is very low. In addition, civil servants had not been properly trained to prepare them to effectively manage the Service in the multi-party milieu and under the liberalised economy.

179. To effectively address the above shortcomings, the Committee recommends that:

(a) Training projections be drawn up in each ministry/department on the basis of identified training needs and be strictly followed when determining the staff to be trained.

(b) Induction and on-job-training be undertaken in the Civil Service in accordance with the identified training needs.

(c) Officers be trained locally and be sent abroad for training only when the training programme is not locally available or when it is not cost effective to mount such a course locally.

(d) Government strictly enforces the bonding system and relate the amount of bond to the actual cost of training.

(e) Civil servants be properly sensitised to effectively provide public services in a multi-party and reform era.
Financial and Performance Management

180. The Committee noted that financial and performance management is a major component of the performance improvement phase under the Civil Service Reform Programme which also includes pay and benefits. In this area, the Treasury is taking the leading role particularly in financial reforms.

181. The Committee observed that the document on the Kenya Civil Service Reform Programme and Action Plan (May 1992) stated that the financial management of the Civil Service will focus on increasing significantly the share of non-wage operations and maintenance expenditures and achieving a fiscal deficit target not greater than 2 per cent of Gross Domestic Product including grants and greatly strengthening the public sector investment programming.

182. The Committee noted that the Eighth National Development Plan (1997-2001) indicates that the objective of the fiscal policy during the plan period will be to reduce the budget deficit as a proportion of Gross Domestic Product with a view to eventually eliminating it. The Plan considers this necessary in order to mitigate the adverse effects which high budgetary deficits have had on domestic prices, interest rates, balance of payments and value of our currency vis-a-vis other currencies. It is further stated in the Plan that the Government will consolidate the progress made in deficit reduction with the target of achieving a budget deficit of 1.5 per cent of the Gross Domestic Product by 1997/98 and eliminating it totally by the year 2001. This would be achieved through implementation of the following measures:

- maintenance of proper accounting procedures by ministries to curb wasteful and unnecessary (un-authorised) expenditures;
- curbing corruption through appropriate legal and administrative action;
- rationalisation of taxes through widening the taxbase, while at the same time reducing the upper limits to discourage tax evasion and promote domestic savings;
- enhancement of revenue collection by ensuring improved funding of the Kenya Revenue Authority and setting of...
realistic targets by the Authority;
- avoiding implementation of unplanned and uneconomic projects;
- avoiding accumulation of unpaid bills and drawing on foreign funds promptly; and,
- releasing exchequer issues in a timely manner.

Improving Operations and Maintenance

183. The Committee noted that Civil Service pay took over 70 per cent of the recurrent expenditure of the Central Government at the expense of expenditure on operations and maintenance. In addition, there was little success in concentrating limited resources on high priority projects: Since the burden of the expenditure cuts had fallen primarily on non-wage recurrent expenditure, ministries tended to depend on the development budget to finance operations and maintenance. They also turned more and more to the donor financed portion of the development budget for funding of their non-wage operations and maintenance. As a result, ministries were reluctant to reduce the number of projects in their portfolios as this would limit the number of candidates for aid funds. Since these had also become erratic, many Government funded projects in the development budget had become a pool of discretionary funds from which money was reallocated in the course of the year to meet more urgent needs.

184. The Committee noted that the savings that were to be realised as a result of staff reduction in the Service were to be used to improve terms and conditions of service for the remaining civil servants, to improve the operations and maintenance budgetary component and finally to finance the high priority activities. The Committee noted that the above situation had not been realised since no money was set aside for that purpose that could be considered as savings from staff reductions. The prevailing situation resulted in low morale for the remaining staff who expected enhanced remuneration and improved working tools, equipment and facilities.

185. The Committee observed that lack of appropriate recurrent budgetary mix between operations and maintenance and personal emoluments had an adverse effect on efficiency and productivity of ministries/departments. As a result, there were cases of underutilisation
of personnel in ministries/departments due to lack of basic tools, equipment and facilities necessary for effective work performance. It was noted that in many cases operations and maintenance allocations to ministries/departments often got depleted before the end of the financial year, thereby stalling the bulk of activities being undertaken in a given ministry/department. In some revenue collecting ministries, this resulted in collection of less revenue.

186. Considering the above situation, the Committee recommends that:

(a) Budgetary provisions for personal emoluments be based on personnel data as contained in the complement control records maintained by the Directorate of Personnel Management which should be regularly harmonised with the records kept in ministries/departments and particularly those of the Ministry of Finance:

(b) Budgetary ceilings on personnel emoluments and operations and maintenance be re-examined with a view to allowing more flexibility, especially in the major revenue collecting ministries, to enable them spend more in order to enhance their revenue collection capabilities:

(c) A proper budgetary mix of personnel emoluments and operations and maintenance be established on a more rational and objective manner in the Civil Service:

(d) The budgetary process be streamlined to avoid budget cuts in the course of the fiscal year which disrupts operations in ministries/departments, thus adversely affecting their plans of action and their service delivery capabilities.

187. The Committee is aware that, at times, ministries/departments had to seek authority from Treasury to re-allocate funds from certain expenditure items to other items to enable them meet their operations and maintenance activities. The Committee noted that there was also a serious problem which had arisen relating to substantial pending bills by ministries/departments in respect of utility services, i.e. water, electricity and telephone. It was further noted that the allocations provided for those utilities could not meet the cost of services, especially at district and provincial levels, thus resulting in mass disconnections, particularly of telephones and water. The Committee observed that in some cases the
ministries concerned were owed money by the organisations that provided the utilities, hence what was required was reconciliation of records to determine the amount legitimately owed by either party and settlement of net owing bills. In addition, lack of development and implementation of staffing norms resulted in ministries/departments continuing to budget for establishments which had not been harmonised with the actual people in post. The Committee is of the view that development and implementation of accurate staffing norms would result in rationalisation of establishment and possible reduction in personnel emoluments, thus leading to increased operations and maintenance funds. In this connection, the Committee recommends that sound financial management be practised in ministries/departments to ensure that pending bills, particularly on the above utilities are cleared. The Committee further recommends that the organisations which collect money on behalf of the Government promptly remit those collections failing which their chief executives be held personally responsible.

Reform Savings and Utilisation

188. The Committee observed that Personnel Circular Number 5 of 12th October, 1993, which launched the Civil Service Reform Programme, indicated how the savings that were to be realised from staff reductions in the Service were to be utilised. The Committee was informed by the Directorate of Personnel Management that by the end of 1996 the Voluntary Early Retirement Scheme had cost the Government about KShs. 6.5 billion and saved KShs. 4.3 billion in salaries and allowances and a further KShs. 1.2 billion saved on natural attrition totalling to KShs. 5.5 billion.

189. Representations by the Ministry of Finance, however, were to the effect that the savings expected from the retrenchment exercise were only on paper as the actual budgetary effects would take time to crystallise. The retrenchment, we were told, involved paying out a lumpsum to the retirees as safety net. In addition, some retirees were pensionable, thus at times accessing more budgetary provisions than the normal personnel emoluments that would have been paid out to the staff had they remained on the payroll. In the short-term, therefore, the actual budgetary provisions needed to meet the cost of retrenchment alongside the normal
payroll could not realise savings. It would require a payback period of about two years beyond the completion of the retrenchment programme for the global budget to start realising savings. To begin with, nominal savings would have to be realised at ministerial budgetary level as the actual payroll for the normal personnel emoluments may have decreased. It was submitted to the Committee that the overall reduction of staff as part of cost containment measures had been partly neutralised by recruitment of what was considered as critical personnel, e.g. Chiefs, Assistant Chiefs, Registration Clerks, Copy Typists, Administration Police and the National Youth Service.

190. In view of the foregoing and in order to effectively address the identified problem relating to reform savings, the Committee recommends that:

(a) Savings realised through staff reductions be administered by the Directorate of Personnel Management through a separate vote under a similar arrangement to that used for the Road Maintenance Levy and that the Government comes up with modalities on establishment of the fund and its management mechanism.

(b) Utilisation of reform savings be used to improve terms and conditions of service for the remaining civil servants, to enhance operations and maintenance budgetary allocations and to finance the high priority activities as stipulated in Personnel Circular Number 5 of 12th October, 1993 on the Civil Service Reform Programme.

Conclusion

191. The Committee noted that the Civil Service Reform Programme was necessary in order to reduce the wage bill, enhance operations and maintenance budgetary allocations and streamline ministerial functions with a view to improving the Civil Service delivery capability.

192. The Committee further observed that the Government had taken a bold move in introducing reform in the Civil Service. To this end, it issued clear policy framework papers to ensure its effective implementation. However, it was observed that although several reform
measures were to be undertaken concurrently, some activities were left out as concentration was made on retrenchment which was done without first establishing staffing norms to determine appropriate staffing levels in ministries/departments and which cost the Government KShs. 6.5 billion. In addition, ministerial rationalisation had been completed for six pilot ministries. The retrenchment programme also cost the Government in terms of services previously rendered by the retrenched staff, some of whom had been well trained by the Government in certain critical areas.

193. The Committee also learnt that although the savings that were to be realised from the staff reductions in the Civil Service were to be ploughed back to enhance personnel emoluments for the remaining staff and improve the operations and maintenance budgetary component, this had not happened given that it would take time for savings to be realised for reasons already stated in this Chapter.

194. To ensure the success of the Civil Service Reform Programme, reform management capacity in ministries should be developed on crash programme basis; staffing norms should be developed for various cadres to be used in determining staffing levels and future reform activities; and, targets should be based on the availability of required resources and the internal implementation capacity. In addition, there should be clear and sustained demonstration of commitment and dedication to the reform effort by policymakers, implementors and other stakeholders. Further, there should be clarity of intentions and expected outcomes and any resultant negative implications of the reform initiatives should be seriously considered by both the Government and donors. There should also be effective co-ordination of donor conditionalities and national objectives.
CHAPTER 6 - RATIONALISATION OF MINISTERIAL FUNCTIONS AND STRUCTURES

Introduction

195. In the global sense, rationalisation is the logical and systematic management process of minimising wastage, inefficiency, overlaps and duplications. It is the strategy or technique that maximises output while lowering costs and improving quality. It is guided by prudence, reason and it aims to raise the general levels of economies of scale to ensure organisational posterity, adaptability, profit and sustainability through use of the most effective methods.

196. In Chapter 3, it was highlighted that the inefficiency and low productivity witnessed in the Civil Service was not solely the function of its size. Lack of understanding of what the organisation exists to do, poor organisational structure, poor interface of the structures and functions resulting in duplication of effort, overlaps, ambiguities and redundancies also cause inefficiency and low productivity. The inefficiency and low productivity is further blamed on inappropriate procedures and processes which resulted in frustration of staff, low morale and poor performance. Consequently, as part of the reform initiative to improve efficiency and productivity in the Service, the Government embarked on the rationalisation of the ministerial functions and structures.

197. Rationalisation of ministerial functions and structures is the second component of the wider Civil Service Reform Programme. Under this component the Government seeks to identify and implement measures which would enhance efficiency and productivity in the operations of ministries/departments. It is essentially an internal management process carried out within the current administrative set up of the affected ministries and in the context of the circulars issued from time to time with regard to organisation of the Government. Its main focus is on the interface between structures and functions in operations of ministries/departments.

Areas of Rationalisation

198. It was submitted to the Committee that the rationalisation exercise
was expected to achieve realignment of ministerial organisational structures with functions and processes that could nurture and foster efficiency, effectiveness, productivity and responsiveness to public needs within the framework of a liberalised economy. This was to include:

- clarifying, enriching, understanding and articulating ministerial vision and mission statement;
- examining and enriching ministerial policy mandates in line with mission statements and implications on staffing and technological needs;
- defining and specifying ministerial and departmental functions derived from the mission statement and policy mandates, removing duplications, overlaps and redundancies;
- carrying out overall organisational review including organisational structure, hierarchy of authority, span of control, realigning it to the functions, removing duplications, overlaps, ambiguities in structures and job descriptions, identifying areas of increased delegation, accountability and improvement of communication channels;
- reviewing personnel management practices and leadership styles;
- developing and implementing staffing norms in line with the streamlined functions and structures for effective utilisation of human resources; and,
- improving the information system and establishing control and monitoring procedures.

Anticipated Benefits

199. We were informed that although the Directorate of Personnel Management through the Civil Service Reform Secretariat provided guidance and co-ordination, the ministries/departments were expected to own the programme, internalise and implement its objectives. The following were to be the expected outputs:

- rationalised ministerial functions in line with the mission and policy mandate;
eradication of overlaps, duplications and ambiguity of both functions and structure;
smaller but efficient units and improved establishment control; and,
reduction of span of control and decentralisation with adequate capacity for high quality formation and execution of policies and deploying officers at service delivery points.

Internal Ministerial Restructuring

200. The Government identified six ministries to pilot the rationalisation exercise. These were Ministries of Agriculture, Livestock Development and Marketing; Health; Land Reclamation, Regional and Water Development; Lands and Settlement; Public Works and Housing; and, Finance. The plan was for the exercise to be completed in both Ministries of Health and Agriculture, Livestock Development and Marketing by December 1996 while the remaining four were to be completed by July 1997. It was also planned that additional six ministries be identified for rationalisation. These were Ministries of Education; Co-operative Development; Local Government; Commerce and Industry; Environment and Natural Resources; and, Labour and Manpower Development. This would form the second phase of rationalisation which began in January 1997.

Process of Ministerial Rationalisation

201. The Committee was informed that the Civil Service Reform Secretariat organised workshops for the initial six ministries for sensitisation and consensus building. Three inter-ministerial workshops were held for the ministries in March 1995, followed by two-day ministry-specific consensus building workshops in August the same year. The ministries identified six rationalisation initiatives whose implementation was to be taken as a matter of priority. These were:

- rationalisation of structure;
- personnel management review and performance management;
- training and capacity building;
- development of staffing norms and implementation of
establishment control;
- management reviews and pilots implementation; and,
- development of quantitative output measures for target setting.

202. Subsequently, in June 1996, the Civil Service Reform Secretariat commissioned external resource persons to provide guidance to the ministries with assistance of the Directorate of Personnel Management to focus the objectives of the ministerial rationalisation exercise. Our Committee learnt that there was a lapse in carrying out the exercise due to delays by the Civil Service Reform Secretariat in submitting the necessary progress reports for consideration and approval by the National Steering Committee. We further learnt that these progress reports were submitted in December 1996 and the six ministries were requested to prepare and submit Cabinet papers containing their proposals for further action by the National Steering Committee. The external resource persons were mandated to and did undertake a study of five ministries covering only the following components:

- examine and enrich ministerial mission and policy mandate; and,
- examine and provide organisation review reports with recommendations on how best to streamline and realign ministerial processes and procedures, by eliminating or minimising areas of unnecessary overlaps, duplication of effort, ambiguities and superfluous operations.

203. The external resource persons made reports and came up with the following findings, among others:-

- most of the ministries did not have a clear mission and where it existed it was not well articulated nor effectively communicated to officers;
- there was unmanageably large span of control which tended to obscure communication channels and distorted the chain of command;
- there was overcentralisation of decision making and
insufficient contact between ministry headquarters and field offices;
- there were serious duplications of structures and functions and little teamwork which compromised service delivery; and,
- there were conflicts between administrative and technical staff arising from overlaps in functions.

204. Arising from the findings of the studies carried out on the five pilot ministries we recommend that:

(a) The phase one reports be put before the National Steering Committee with minimum delay for decision on implementation.

(b) Finalisation of phase two of the rationalisation exercise involving six ministries be expedited and its outcome submitted to the National Steering Committee for necessary action.

(c) With regard to the remaining eleven ministries, the Civil Service Reform Secretariat and the National Steering Committee put in place necessary measures to ensure their rationalisation by end of December 1997.

(d) In view of its central role in the Civil Service Reform Programme, the National Steering Committee meets regularly to receive progress reports from the Civil Service Reform Secretariat on implementation of the ministerial rationalisation exercise, with a view to appraising the Cabinet at least once every quarter.

(e) Considering the experience gained from the retrenchment exercise, the development of staffing norms be undertaken concurrently with the rationalisation exercise for all ministries.

Co-ordination

205. The Committee was informed that the co-ordination of the rationalisation exercise was the mandate of the Directorate of Personnel Management through the Civil Service Reform Secretariat. However, there was a perception that the Directorate had not discharged this
function satisfactorily. As a result, ministries lacked capacity to implement the reform initiatives as most of their officers had not been exposed to reform agenda. On the other hand, it was represented that the rationalisation exercise met with resistance from many ministries as they did not seem to see any fault with existing systems, structures, procedures and processes. They were also reluctant to undertake structural reviews as they seemed to fear for their positions. Consequently, the Directorate through the Secretariat had not only to initiate the exercise themselves, but also spent time directing and monitoring progress of the exercise. This, therefore, diluted the co-ordinating role as the Directorate staff assigned to the ministries were involved in specific ministry analysis and implementation programmes at the expense of co-ordination. The mid-term meetings were, therefore, more of reporting than sharing for purposes of bridging gaps or appraising and improving performance. Evaluation was carried out, not for purposes of correction but for monitoring the progress in accordance with the Action Plan.

206. The Committee, therefore, recommends that:

(a) The Directorate of Personnel Management plays a more coordinative role, where experiences learnt in one ministry could be used to facilitate action in another.

(b) The Directorate continues to monitor the six pilot ministries and provide a regular forum where these ministries can share experiences among themselves and with ministries covered subsequently.

(c) There should be a mid-term evaluation not just to check whether a ministry is on target in meeting specifications of the Action Plan, but also to analyse the impact of the exercise and make adjustments as appropriate.

Contracting Out Some Government Functions

207. The Committee received representations that some of the functions performed by Government ministries and departments could be better performed if privatised or commercialised. The rationale for this proposal is contained in Sessional Paper No. 2 of 1996 which states that the Government’s role in the new setting be limited to policy formulation, provision of infrastructure, research and extension services. This would
enable the Government to create an enabling environment and oversee the implementation of policies and programmes.

208. The Committee also received other representations which pointed out that the Civil Service would perform better and be more effective and efficient if it was lean. Since the bulk of the Civil Service operations were service-oriented, the few operations which were commercially oriented could be contracted out to the private sector. This would release Government ministries to concentrate on creating an enabling environment and overseeing the implementation of policies and programmes and to ensure efficient delivery of services. Accordingly, we recommend that some of the routine ministerial functions, such as cleaning, outside security, maintenance of buildings and up-keep of stations, motor vehicle servicing and repairs, among others, be contracted out through competitive bidding.

Conclusion

209. The Committee concludes this Chapter by emphasizing that ministerial rationalisation is a very important exercise and that its implementation is critical to the overall reform in the Civil Service. We note that the rationalisation exercise in respect of the six pilot ministries which constituted phase one of the sub-programme was completed and that phase two covering a further six ministries was underway. As for the remaining eleven ministries, we reiterate the need for expeditious finalisation of their rationalisation.
CHAPTER 7 - FINANCING OF GOVERNMENT OPERATIONS

Introduction

210. In this Chapter, we discuss financing of Government operations and review trends in public finance over the period 1991 to 1996 as well as future financial needs. As we noted in Chapter 2 of this Report, apart from having in place a disciplined, professional and motivated Civil Service, the achievement of the goal of industrialisation of our country by the year 2020 will require more efficient use of public resources. Further, the country will require the realisation of enhanced revenue to finance the rehabilitation of existing equipment and infrastructure as well as to meet the cost of investment in new infrastructure.

211. To achieve the above objectives would require improvement in the current budgetary processes and procedures to make them more responsive to the country’s development goals. Representations received and observations made during the Committee’s visits to the provinces and in Nairobi-based interviews and discussions indicated that not much had been achieved in terms of improving efficiency of resource use within Government. This was the case despite the introduction of several initiatives such as the Budget Rationalisation Programme introduced more than a decade ago and the much more recent Public Investment Programme, which provided guidelines for inclusion of priority programmes within the budget. It is our view that unproductive public expenditures stemmed from a number of influences, including the pursuit of multiple objectives in public expenditure programmes, the absence of a well trained and motivated Civil Service, inadequate budgetary institutions and processes and from corruption.

212. The Committee notes that within a given year the Government prepares annual estimates of revenues and expenditures, the three year rolling forward budget, which includes both recurrent and development expenditures, and the Public Investment Programme. In addition, the annual estimates are revised and every five years a new national development plan is produced. The Committee observed that the current budgetary process lacked a mechanism to synchronise the various budgetary processes with the goals articulated in the national development plans and various policy papers. The Committee further observed that
despite the existence of mechanisms for prioritisation and review of budgetary outlays such as the Public Investment Programme, the forward budget, and the revised estimates of revenue and expenditures, there continued to occur sub-optimal budgeting which contributed to substantial waste of public resources. The many stalled projects such as the National Youth Service complex at Ruaraka and the Provincial Headquarters for Nyanza Province, among many others observed by the Committee, were testimony to the inadequacy of the current budgetary practices. The Committee observed that stalled Government projects tarnished the image and reputation of Government and the country. In this regard, we strongly recommend that the necessary measures be taken to complete the stalled projects so as to prevent the substantial public funds already invested from going to waste.

**Weaknesses in the Current Budgetary Process.**

213. Submissions received by the Committee indicated serious weaknesses in the current system of budgeting which was characterised by rigidity and many other inadequacies such as arbitrary cuts, untimely release of budgetary allocations, rigidities which interfered with the flow of funds to projects in the districts, under-funding and over-funding of some items and inadequate control mechanisms which contributed to budgetary malpractices. Representations made to the Committee also indicated that the budgetary process had failed to respond to key national policy changes. The Committee observed that despite the goals contained in the *Eighth National Development Plan* and *Sessional Paper No 2 of 1996 on Industrial Transformation by the year 2020*, there was no significant change in budgetary allocations and appropriations to the various ministries/departments continued to be made on a historical basis failing, therefore, to reflect the shift of resources required to meet national priorities.

214. The Committee noted that the current procedures with respect to procurement and disposal of government equipment contributed to inefficiency in the use of public resources. We were, for instance, informed that procedures relating to single sourcing contributed to inability of the Ministry of Transport and Communications to undertake urgent repairs on critical aviation equipment. The Committee, therefore, recommends that the Directorate of Supplies Services in the Treasury
together with the Chief Mechanical and Transport Engineer in the Ministry of Public Works and Housing undertake urgent review of the current procedures on procurement and maintenance of Government equipment in order to remove existing anomalies. The Committee further recommends that Accounting Officers in liaison with the two departments dispose of obsolete capital equipment through competitive bidding. The funds raised from the sales should be used to repair and maintain the remaining serviceable equipment.

215. The Committee noted further the serious flaws with respect to donor financing of programmes and projects. Inadequate Exchequer releases of counterpart funds had, for example, greatly impeded implementation of some donor funded projects resulting in unnecessary delays in project implementation with attendant cost overruns. We, therefore, recommend that Treasury ensures timely release of counterpart funds for donor-financed projects to avoid cost overruns.

216. With respect to donor support, the Committee noted that currently a substantial part of donor funds under the development budget were not channelled through the Treasury and constituted direct donor financing of the projects. We were aware that substantial amounts of donor funds were increasingly channelled through Non-Governmental Organisations (NGOs). The large component of direct donor disbursement and the increased channelling of funds to NGOs created a problem of co-ordination within the overall budgetary process. In view of these developments, the Committee recommends that Accounting Officers urgently establish sectoral inter-ministerial donor co-ordination committees to ensure that donor related financing of projects is synchronised on sectoral basis to prevent duplication of efforts and ensure optimum use of resources.

217. The existing Non-Governmental Organisations Co-ordination Bureau in the Office of the President and the External Resources Department in the Treasury should both be active players in the proposed inter-ministerial donor co-ordination committees. We welcome the recent initiative by donors to review donor co-ordination systems in the country whose long-term goal is the achievement of national leadership and ownership of donor sponsored development interventions. We, therefore, urge the Treasury to request donors to maintain proper records in respect
to donor financed projects so that such data may be used by Government to prevent duplications and to plan for maintenance expenditures once the projects are handed over to the Government.

218. The Committee also observed that the current system of budgeting needed to be further strengthened with respect to issuance of Exchequer releases. The Committee noted that untimely Exchequer releases had at times compromised important national projects such as the tree planting exercise of the Forestry Department of the Ministry of Environment and Natural Resources and others which depend upon the weather. The Committee, therefore, recommends that the Treasury puts in place adequate measures to improve timeliness in Exchequer releases, especially with respect to unique programmes such as those which are weather dependent.

219. We were informed that prior to the current famine, the Treasury was unable to allocate KShs.750 million for credit to farmers for food production which, to a large extent, could have saved the Exchequer from incurring the additional KShs.1.8 billion to finance food imports. The Committee, therefore, recommends that the Ministry of Finance puts emphasis on national priorities such as food production in the allocation of funds. In addition to aligning the budgetary process to reflect national priorities, the Committee recommends the establishment of a high level inter-ministerial committee to oversee budgetary allocations so as to ensure optimal co-ordination, prioritisation and sequencing of programmes and projects.

220. From the submissions received by the Committee, it was observed that there was need to re-orient the current budgetary system to permit greater input from the districts which would entail removal of the current rigidities which interfere with the flow of funds to projects in the districts. In addition the Committee was informed that the Ministry of Planning and National Development appears to have been sidelined from its central role in the budgetary process. For instance we learnt that crucial decisions on budgetary ceilings were made by the Budgetary Supplies Department of the Treasury with minimal input from the Ministry of Planning and National Development. The Committee was further informed that even though the Budget Steering Committee was activated much earlier in the year to oversee the budgetary process, it had to date failed to synchronise
ceilings and allocations for the various ministries with national goals and priorities.

221. Given the above, the Committee strongly recommends that measures be taken to improve the current budgetary process by:

(a) Ensuring that the Ministry of Planning and National Development plays its pivotal role in the budgetary process in tandem with the Ministry of Finance at all stages of the budgetary process.

(b) Ensuring that there is full consultation between the Ministry of Finance and line ministries before budgetary ceilings are set.

(c) Ensuring cognizance is given to district specific project priorities when financial resources are being allocated for maintenance and development activities.

222. We also noted that substantial funds in loans and grants comprised contracted professional services which consist mostly of payments to expatriate staff and consultancy fees. In some cases up to 40 percent of the loans consisted of such payments. We, therefore, recommend that Treasury's External Resources Department establishes mechanisms to monitor and analyse loan negotiations to ensure that a larger proportion of the loans contracted is used in financing other project costs. The Committee observed that the Department did not fully co-ordinate its activities with other Treasury Departments. The Committee noted for example that in some cases in setting loan ceilings in the preparation of draft estimates for ministries/departments, the Treasury overlooks the donor commitments of its External Resources Department which negotiated and signed the loan.

223. The Committee observed that since financial management is central to the operations of Government, it is vital that the ministry charged with this task should be manned by people with proper qualifications and experience to discharge this task. The Committee, therefore, recommends that key Treasury Departments be staffed with personnel from the professional cadres drawn from the Civil Service and who possess the requisite technical and professional skills.
224. Finally, the Committee is aware that corruption has severely compromised the efficiency and effectiveness of the budgetary process. The Committee therefore recommends strongly that swift disciplinary action be taken against any errant officer and that accounting officers be held personally responsible for any act of financial indiscipline within their respective ministries/departments.


225. The Committee recognises that a stable macro-economic environment is crucial in bringing about high economic growth. For instance, a stable macro-economic environment with low inflation ensures attainment of appropriate real interest rates which increases savings which, in turn, permit higher investment. Stability also promotes growth through ensuring attainment of appropriate real exchange rates which promote both the export and import sectors. We also recognise that three ways are available to Government for financing its expenditures and that each of them impacts on the macro-economic environment differently. Firstly, the Government could rely on tax and other revenue sources. Secondly, it could borrow from domestic or foreign sources. Thirdly, it could finance its spending by borrowing from the Central Bank, which mostly amounts to printing money.

226. The Committee observes that the third mode of financing Government expenditure is highly inflationary and creates a highly unstable macro-economic environment which impacts negatively on the growth process. With respect to the second mode of financing, we note that excessive reliance on domestic borrowing to finance Government expenditures results in less resources being available to the private sector, hence lower investment by the private sector, which consequently compromises the capacity of the economy to attain high rates of economic growth. It is acknowledged that excessive reliance on either domestic or external borrowing has cost implications on the budget in terms of higher debt servicing which entails reduction in Government discretionary spending. The first mode of financing, namely, reliance on tax and other revenue sources, is the most crucial as far as the long term goal of sustaining a stable macro-economic environment is concerned, since to a large extent, Government recourse to other modes of financing is
necessitated by revenue growth being outpaced by growth in spending.

**Sources of Financing Government Expenditures 1991 to 1996**

227. During the financial year 1991/92 tax revenue financed 78 per cent of Government expenditure while about 10 per cent of Government expenditure was financed through domestic borrowing while the remainder was mostly met by foreign sources of financing. Mostly as a consequence of suspension of donor funding during the financial years 1992/93 and 1993/94 the Government resorted to increased domestic borrowing. Up to 16 per cent of its expenditure was financed through domestic borrowing. During the financial years 1994/95 and 1995/96, a larger proportion of Government expenditure excluding public debt redemption has been financed by tax revenue, the respective percentages being 88 and 90.

228. The Government has traditionally relied on foreign sources to finance the bulk of its development budget. Between the financial years 1991/92 and 1993/94, about 60 per cent of the development budget was financed through foreign sources. However, for the following two financial years, the proportion of foreign funding for the development budget declined to about 43 per cent. During the period under review, external loans accounted for 65 per cent of the foreign funding for the development budget while grants accounted for the remaining 35 per cent.

229. While the Committee appreciates the recent success in raising the proportion of tax-financed Government expenditure, it urges for further measures to be taken to ensure realisation of higher tax revenue to avoid recourse to domestic borrowing and to cover the anticipated shortfalls in foreign financing on account of competition for capital from other reforming economies. From the trends in financing Government operations, the Committee observes that a large component of foreign financing of the development budget consists of external loans. The Committee, therefore, strongly recommends that appropriate measures be taken to ensure that resources budgeted under the Development Vote are allocated to the most productive projects and to priority areas of social spending.
Trends in Government Expenditure

230. Over the past five financial years, total Government expenditure more than doubled, rising from KShs.89 billion in the financial year 1991/92 to KShs.191 billion in the previous financial year. Several factors explain the increase in Government spending. Throughout the period, population growth exerted continued pressure on components of Government spending, such as Government expenditure on education, health and administration. Increased payments for both domestic and external debt servicing also contributed to the growth in Government expenditure. Between the financial years 1991/92 and 1995/96, interest payments on Government debt more than doubled, rising from KShs.15 billion to KShs.37 billion. The increase in interest payments is explained by recourse to borrowing to finance budget deficits. In the financial years 1992/93 and 1993/94 interest payments on domestic debt as a proportion of ordinary revenues were about 36 percent. The large devaluation of the Shilling vis-a-vis major world currencies which occurred during the financial year 1992/93 was another factor which contributed to increased Government expenditure following a rise in the cost of debt servicing in terms of Kenya Shillings. The increase in Government expenditure over the period was partly induced by weak performance of some public enterprises which forced the Exchequer to pay their debts and other operating losses.

231. As a consequence of the increase in interest payments over the financial years 1992/93 and 1993/94, there occurred declines in all categories of Government discretionary spending. Over the period, interest payments on Government debt exceeded Government expenditure on education, and were, in the financial year 1993/94, seven times the amount the Government spent on health. In the light of trends in Government sectoral spending during the period under review, the Committee recognises that there is an urgent need to reduce the debt burden on the budget through various measures. Such measures include realisation of higher revenues to reduce Government reliance on borrowing requirements; privatisation of non-strategic loss making public enterprises; and by discounting debt through environmental projects. The Committee acknowledges the need for the country to approach friendly bilateral donors to seek debt relief in order to enhance Government
social sectors, such as education and health, and to increase the share of Government expenditure on economic services, all of which are crucial for achieving the goal of industrial transformation by the year 2020.

**Capital Formation By Government**

232. Expenditure on capital formation or addition to the capital stock constitutes crucial expenditure in that it generates the additional productive capacity in the economy. Expenditure on capital formation consists of categories of spending such as expenditure on new capital assets, such as bridges, roads, buildings, machinery and equipment. Trends in Government capital formation across sectors for the period 1991 to 1995 indicate that, over the period, Government capital formation in constant prices (i.e adjusted for inflation affecting the prices of investment goods) accounted for about 18 per cent of total investment in the country. On average, about 41 per cent of Government capital formation was accounted for by investment spending related to administrative functions; about 15 per cent on education; about 10 per cent each on health and agriculture; and, 24 per cent on investment in other services. While the Committee recognises that administration constitutes the core function of Government, it notes that it is possible for Government to raise the share of public investment in social, and other sectors, through savings realised from rationalisation of administrative functions.

**Government Spending on Development vis-a-vis Recurrent Expenditures**

233. The recurrent budget provides for, among others things, expenditures on personal emoluments as well as on operations and maintenance. It also includes expenditures, such as payments for subscriptions to international organisations. The development budget consists mostly of capital formation expenditures and differs from the recurrent budget to the extent that it includes donor financing. The recurrent expenditures (excluding debt payments and recurrent spending on defence) rose from KShs.32.3 billion in 1991/92 to KShs.78.2 billion in 1995/96 while development expenditures increased from KShs.12.5 billion to KShs.38.9 billion respectively. On average, therefore, about 70 percent of Government spending over the period went to finance the recurrent budget while the remaining 30 percent went to finance
development expenditures. In assessing the share of resource allocation between development and recurrent expenditures, the Committee noted that total development expenditures did not necessarily represent public sector investment as large amounts of donor financed operating and "non-investment" type of expenditures were reflected under the development budget.

234. During the period under review, up to 90 per cent of Government expenditure on education was accounted for by recurrent spending. For housing and social welfare, the share was 51 per cent while that for economic services was 46 percent. In view of these trends, the Committee observes that there is need to augment the resource allocation for the education sector given that the quality of education depends crucially on provision of adequate infrastructure, such as laboratories and workshops for schools and given that the goal of industrialisation of our country would require raising the level of skills for the nation’s labour force. The Committee noted with concern that the share of recurrent expenditure was high even in the case of economic services. In this regard, we recommend that measures be taken to reduce the administrative and wage costs of recurrent spending on economic services to free resources to move into non-wage recurrent spending, as well as augment the development component of Government spending on economic services, to allow a larger share of resources to go into capital formation.

235. Our concern with imbalances in the shares of recurrent vis-a-vis development expenditure in Government sectoral spending arises out of the recognition that investment in infrastructure is dependent on provision of adequate funds for the development budget. The Committee recognised that to a large extent the capacity of the economy to achieve higher rates of growth depend on the rate of capital formation and that higher rates of growth would result in realisation of higher revenues following expansion of the revenue base. The Committee, therefore, recommends that appropriate measures be taken to increase the share of development expenditure through removal of administrative overlaps. The Committee recognised that together with rationalisation of administrative expenditures to free additional resources to augment the share of development expenditure, there was also need to ensure that resources were directed to priority development areas.
Trends in Personnel vis-a-vis Operations and Maintenance Expenditures.

236. Expenditure on personnel costs and operations and maintenance constitute the main components of recurrent budgeting in ministries/departments. A balanced ratio of the two which involves budgeting for wages and allowances for civil servants equipped with the necessary tools of work is, therefore, of crucial importance. The share of personnel costs in many ministries/departments has been high and consequently has resulted in crowding out of operations and maintenance expenditures. The situation has been brought about mostly by payroll irregularities, poor complement and financial controls in ministries/departments and weak budgetary practices. Budgeted allocations for operation and maintenance have at times been rendered inadequate by unanticipated cost changes.

237. The imbalances in personnel costs vis-a-vis funds for operations and maintenance in ministries/departments budgetary allocations had seriously compromised efficiency and productivity in the Civil Service. Consequently, there were several cases of personnel who were unproductive because they lacked basic tools and other facilities required in their day to day operations. The situation, as observed by the Committee, was especially serious at the district and provincial levels where many officers were forced to work in dilapidated offices which lacked essential facilities such as desks and telephones, among others. Apart from utilities, the critical areas affected by operations and maintenance deficits were areas such as transport, office equipment and stationery, maintenance of plant and equipment, buildings as well as furniture. Inadequate provisions for these areas made it difficult for officers to effectively discharge their duties. It was a common phenomenon to find stalled activities due to bottlenecks related to inadequate operation and maintenance expenditures.

238. The Civil Service Reform Programme was expected, among other things, to reduce personnel costs in favour of operations and maintenance. However, available data on the shares of personnel costs and operations and maintenance in the recurrent expenditures of ministries/departments over the financial years 1992/93 to 1996/97 showed that despite the staff reductions which were effected under the Programme there was only
modest improvement in the share of operations and maintenance. The printed estimates for the period under review indicated that the ratio of personnel costs to operations and maintenance had remained almost static. Within the overall recurrent budget, the data showed a rise in the share of transfers to regional authorities and state corporations, which in turn indicated that, to some extent, the transfers had constrained the full realisation of resources released from staff reductions to augment the share of operations and maintenance expenditure.

239. The data for the financial year 1994/95 indicated that four out of the thirty ministries/departments were operating with recurrent budgets with percentage ratios of personnel costs to operations and maintenance which were severely skewed in favour of personnel expenditures. For example, in the case of the Ministry of Environment and Natural Resources, the percentage ratio of personnel costs to operations and maintenance was 90:10; for the Ministry of Energy and the Ministry of Lands and Settlement their ratio was 86:14; and, for the Ministry of Agriculture, Livestock Development and Marketing the ratio was 82:18. Printed estimates for the 1996/97 financial year showed no significant improvement in the allocation for operations and maintenance expenditures for these ministries. The low operations and maintenance shares were particularly worrying because they implied misuse of public resources as personnel in ministries/departments were employed without being provided with appropriate tools and working facilities. The low operations and maintenance allocations resulted in inefficiency in the use of public resources, firstly, because low allocations led to minimal utilisation of existing stock of public sector capital and, secondly, because they contributed to faster depreciation of public sector capital. For example, by May 1996, largely as a consequence of imbalanced ratios of personnel vis-a-vis operations and maintenance expenditures, some 205 vehicles and other capital equipment of the Forestry Department of the Ministry of Environment and Natural Resources were grounded beyond economic repair while 305 vehicles and other capital equipment were grounded although they were repairable.

240. While the Committee is aware that the development budgets of some ministries/departments contained provision for donor-financed operations and maintenance expenditures, we recognise, however, that the donor-financed operations and maintenance provisions only complement
the operations of the donor-financed projects and that there are many ministries/departments whose development budgets received scanty donor support. In the light of our observations from provincial visits, the Committee strongly recommends that appropriate measures be taken to ensure that adequate funds are allocated to operations and maintenance in order to rehabilitate existing equipment and prevent further deterioration of public sector capital and also to ensure availability of complementary working tools for civil servants. We further recommend that funds generated through the savings from ministerial rationalisation, increased appropriation-in-aid and revenue and from resources realised through better management practices, be used to enhance the budgetary allocations for operation and maintenance. The Committee also recommends that officers involved in budgeting be thoroughly trained in appropriate budgeting techniques to ensure proper management of public financial resources. To ensure that improvement in operations and maintenance expenditures fully contribute to efficiency gains, we recommend that Government puts adequate measures in place to prevent misuse of operations and maintenance resources and to ensure effectiveness in service delivery.

Government Expenditure on Social Dimensions Programmes

241. Since 1985, the Government instituted a number of policy reforms aimed at revitalising the economy towards achievement of higher rates of growth. Even though the reforms were expected to bring about growth in the long-term, over the short-term some of the policy changes such as price de-controls, cost-sharing, retrenchment of staff and removal of Government subsidies produced adverse effects on the welfare of vulnerable groups in society. These changes in our economic management system resulted in reduced provision of basic needs services for the poor through the institution of cost-sharing measures in areas such as health and education; loss of jobs; erosion of purchasing power; and, reduction or removal of a number of important Government subsidies. These measures impacted negatively on Kenyans to the extent that 11 million of them live below the poverty line. It is the responsibility of Government, therefore, to cushion and assist those who, for one reason or another, cannot cope with the demands of market forces and have been marginalised by their inability to compete.
242. We were informed that welfare surveys identified the vulnerable groups in our country as women, children, female-headed households, primary and secondary school leavers, the elderly poor, pastoralists, small-scale farmers, the landless, the handicapped and the unemployed. To cushion these groups from the short-term adverse effects of Structural Adjustment Programmes, the Government introduced the Social Dimensions Adjustment Programmes in the financial year 1994/95 to cover six broad-based areas, namely, welfare and basic services; skills development; employment and job creation; rural development; environment management; and security and public administration. In implementing the targeted interventions, care was taken to encourage and enhance the self-sufficiency and self-reliance of vulnerable groups.

243. Beginning with the financial year 1994/95, the Government continued to provide yearly budgetary allocations for Social Dimensions Adjustment Programmes. In addition, the Government provided budgetary allocations for civil servants who opted to retire under the Voluntary Early Retirement Scheme as a form of social safety net. The allocations under the Programme were spread across various ministry/department budgets. The Committee observed that, excluding the funds meant for the Scheme, the Famine Relief and the Essential Drugs Programmes account for the largest share of the Social Dimensions Adjustment budget. Other programmes which took up large shares of the Programme budget were the expansion of the National School Feeding Programme and the Kenya Expanded Programme on Immunisation. Over the financial years 1994/95 and 1995/96 the total budgeted allocations of KShs.3.7 billion and KShs.4.2 billion, respectively, for the Social Dimensions Adjustment programmes, amounted, on the average, to about 2.2 percent of total Government expenditure. The Committee was informed that the allocation to the Famine Relief Programme in the financial year 1996/97 would be exceeded by a large margin, with an additional KShs.2 billion being used to finance the famine relief bill. The Committee, therefore, recommends that the interventions under the Social Dimensions Adjustment Programme be synchronised with the objectives contained in Sessional Paper No.2 of 1994 on National Food Policy in view of the fact that famine relief allocations take up the bulk of the Programme’s resources and that such interventions be more focused on assistance to small-scale farmers and pastoralists, who are among the vulnerable groups, with enhanced financial assistance to boost national
agricultural output. The Committee further recommends that less costly intervention programmes be designed under the Social Dimensions Adjustment Programme. The Committee observed, for instance, that there was scope to reduce the cost of transport and packaging under the National School Feeding Programme.

Review of Trends in Government Revenue

244. During the review period, the Government introduced several measures aimed at realisation of enhanced tax revenue. These measures included the tax modernisation programme, under which progress was made towards computerisation of tax departments to effect better monitoring of tax payments so as to maximise collection of revenue, and the establishment of the Kenya Revenue Authority.

Kenya Revenue Authority

245. The Kenya Revenue Authority was established through the Kenya Revenue Authority Act, 1995 as a parastatal organisation under the general supervision of the Minister for Finance. The functions of the Authority as stipulated in the Act are:

- to administer and enforce the written laws or the specified provisions of the written laws set out in the First Schedule and for that purpose assess, collect and account for all revenues in accordance with those laws;
- to advise on matters relating to the administration and collection of revenue under the written laws or the specified provisions of the written laws set out in the First Schedule; and,
- to perform such other functions in relation to revenue as the Minister may direct.

246. All revenues collected by the Authority under the Act are paid into the Consolidated Fund. The Authority's budget allocation is set at 1.5 per cent of the revenue target for any fiscal year. If revenue collections exceed the agreed target, then according to the Act, the Authority is to be allocated 3 per cent of the excess revenue subject to the provision that the Authority should not receive more than 2 per cent of actual revenue collected. The arrangement is meant to provide an incentive to Kenya
Revenue Authority to enhance revenue collection and exceed revenue targets.

247. There are two types of departments within the Authority, namely, the revenue departments and the headquarters service departments. The revenue departments are concerned with the core function of the Authority, namely, the collection of revenue on behalf of the Government. The four revenue departments are: Customs and Excise, Income Tax, Value Added Tax and the Registrar of Motor Vehicles. The first three departments are headed by Commissioners while the latter is headed by the Registrar of Motor Vehicles. All the four department heads report directly to the Commissioner-General of the Authority. The departments assess and collect various taxes as specified in the Kenya Revenue Authority Act or as prescribed from time to time by the Minister for Finance.

248. The headquarters departments provide various services to the revenue departments to enable them effectively execute the Authority’s core business. The shifting of the common services to the Kenya Revenue Authority’s headquarters was meant to provide the revenue commissioners with more time to concentrate on revenue collection. By centralising the provision of common services, the Authority intended to enhance greater efficiency to ensure cost savings while allowing greater exchange of resources across the different revenue departments. The Authority’s headquarters was set up with seven departments, namely, Human Resources and Administrative Services, Legal Affairs, Finance, Management Information Systems, Investigations and Audit, Corporate Planning and Research and Public Affairs.

The Mission of the Kenya Revenue Authority

249. We were informed that in the light of its objective to improve the mobilisation of Central Government revenue while providing effective administration of sustainability in revenue collection, the Authority had unified separate revenue departments from different Government ministries into one centre for all tax revenue collection. The Authority was set up as an independent institution intended to be free from the bureaucratic controls characteristic of the Civil Service. Kenya Revenue Authority thus aimed at adopting private sector orientation in its operations. In this
regard, some of the policies adopted by its Board and the management included:

- adoption of a corporate identity including a new corporate logo and colours;
- motivating staff through increased remuneration, benefits and better working conditions;
- recruiting qualified staff from the private sector to head its headquarters departments and infuse private sector thinking into the staff under them;
- recruiting fresh graduates who are expected to be "agents of change" and strengthen mid-management cadres;
- adopting a new code of conduct, work ethics and rules and regulations for employees so as to introduce professionalism and enhance the image of the Authority; and,
- disciplining non-performers, non-image carriers and dishonest staff from the Authority’s establishment to ensure that only staff of the highest integrity and productivity are retained.

Key Aspects of Relations With Government Ministries

250. The Minister for Finance is empowered by the Kenya Revenue Authority Act to bring any revenue collection function under its control. The implementation of this function requires the taking over of staff performing revenue functions to facilitate the objective of maximising revenue collection. There is need to sensitise Accounting Officers of the various ministries and departments on this aspect of the Authority’s relations with other Government agencies. Within finance-related functions, the Treasury is responsible for the overall policy issues, the Central Bank handles monetary issues, while the Kenya Revenue Authority, handles revenue collection. With regard to matters relating to the Motor Vehicles Department, the Ministry of Transport and Communications exercises general policy direction control while its revenue collection and accounting functions are the responsibility of the Kenya Revenue Authority.
Remuneration of Kenya Revenue Authority Staff

251. The Authority has a two tier salary system, one for employees recruited from the private sector who are paid corresponding private sector salaries and the other for personnel of the departments which used to be part of the Civil Service, who receive a top-up salary. While recognising that the reason behind the provision for higher remuneration to Kenya Revenue Authority staff is related to the goal of achieving enhanced revenue, the Committee, notes that other categories of staff such as security personnel (e.g. police officers) perform equally important tasks, which are difficult to quantify in terms of target setting. Further, the Committee acknowledges that there is need to revisit the arrangement in the Act which allows the Authority to retain a certain proportion of revenue raised in excess of targets set. The Committee is also aware that the targets set by Treasury are higher than those set by the Authority, and, further, that differences exist in the manner in which Treasury and the Authority report revenue. We were also informed that in the case of the Kenya Revenue Authority, the revenue figures reported include refunds and therefore tend to be on the higher side, while those reported by Treasury are net figures, which exclude refunds.

252. It is our view that the pay differential which is intended to serve as performance-related pay needs to be related to targets which are realistic and which reflect the true potential of the revenue base. This is especially so in the light of the need to find additional resources to augment both the remuneration of Civil Service personnel and the Exchequer’s resource base.

The Authority’s Performance and Future Prospects

253. Table 3 below shows actual vis-a-vis targeted tax collections over the financial year 1995/96 and the first half of the financial year 1996/97 by the four main revenue departments of Kenya Revenue Authority, namely, Customs and Excise, Income Tax, Value Added Tax and the Registrar of Motor Vehicles. Table 4 shows similar data for the period 1991/92 to 1994/95, the period prior to the Authority’s formation. The Tables thus provide the background for assessing recent revenue collection performance of the Kenya Revenue Authority.
### Table 3: Gross Revenue - 1995/96 and First Six Months of 1996/97

<table>
<thead>
<tr>
<th>Department</th>
<th>FY 1995/96</th>
<th></th>
<th>FY 1996/97/Jul 96-Dec 96</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Target</td>
<td>Variance</td>
<td>Actual</td>
</tr>
<tr>
<td>Customs &amp; Excise</td>
<td>60,092</td>
<td>59,119</td>
<td>973</td>
<td>32,515</td>
</tr>
<tr>
<td>Income Tax</td>
<td>48,162</td>
<td>46,687</td>
<td>1,475</td>
<td>22,608</td>
</tr>
<tr>
<td>Value Added Tax</td>
<td>16,568</td>
<td>14,844</td>
<td>1,724</td>
<td>8,923</td>
</tr>
<tr>
<td>Registrar of Motor Vehicles</td>
<td>591</td>
<td>700</td>
<td>-109</td>
<td>404</td>
</tr>
<tr>
<td>Total</td>
<td>125,413</td>
<td>121,350</td>
<td>4,063</td>
<td>64,450</td>
</tr>
</tbody>
</table>

Source: Kenya Revenue Authority
254. We have observed from Table 3 that in the financial year 1995/96, the Kenya Revenue Authority raised KShs.125.4 billion compared to the target of KShs.121.3 billion, i.e. collection was higher than the target by 3.3 per cent. During the first six months of the financial year 1996/97, revenue raised by the Authority exceeded the indicated target by 5 per cent.

255. The Table also reveals significant differences in performance by the four revenue departments. During the financial year 1995/96 the Motor Vehicle Department fell short of target by KShs 109 million. Among the three departments which exceeded their targets, the Customs and Excise Department did so by the least margin (1.6 per cent). The Income Tax Department exceeded its target by 3.1 per cent while the Value Added Tax Department registered the best performance by exceeding its target by about 12 percent. Similarly, the Table indicates that, over the first half of the financial year 1996/97, altogether the four revenue departments of the Authority exceeded the target by 5 per cent i.e., by KShs.3.1 billion. Respectively, the four revenue departments over the period exceeded their departmental targets by 2.9, 4.2, 15.7 and 6.3 per cent. We observed that over the financial year 1995/96 and during the first half of the financial year 1996/97, the Value Added Tax Department alone was responsible for about 41 per cent of the revenue realised above the overall target.

256. It is noted from the Table 3 that, over the first half of the financial year, 1996/97, total revenue raised by Kenya Revenue Authority was KShs.64.5 billion. The projected annualised revenue, which assumes similar revenue collection performance and which ignores possible seasonality trends in revenue collection, was KShs.128.9 billion, which would represent only 2.8 per cent increase over revenue collected during the financial year 1995/96.

257. We noted that Part V of the of the Kenya Revenue Authority Act allows the Authority to retain some percentage of revenue collected in excess of the targeted level for its use. The Committee is aware, however, that the Authority’s revenue targets, shown in Table 3 above, were lower than those reported in the Treasury’s Annual Estimates of Revenue. For instance, the overall Kenya Revenue Authority target for the financial year 1995/96 was KShs.121.3 billion compared to a target
of KShs.127.0 billion and Kshs 126.3 billion shown in the Treasury's Annual Estimates of Revenue and in the Revised Estimates of Revenue for the same financial year. The Committee thus observes that when assessed in the light of revenue targets set by the Treasury, the KShs.125.4 billion collected in the financial year 1995/96 by the Kenya Revenue Authority fell below the target.
Table 4: Actual vis-a-vis Targeted Revenue, By Departments - 1991/92 to 1994/95

<table>
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<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Target</td>
<td>Variance</td>
<td>Actual</td>
<td>Target</td>
<td>Variance</td>
<td>Actual</td>
<td>Target</td>
</tr>
<tr>
<td>Customs and Excise</td>
<td>24,384</td>
<td>24,540</td>
<td>-156</td>
<td>27,826</td>
<td>29,567</td>
<td>-1,741</td>
<td>42,316</td>
<td>44,823</td>
</tr>
<tr>
<td>Income Tax</td>
<td>17,028</td>
<td>15,836</td>
<td>1,192</td>
<td>19,971</td>
<td>18,439</td>
<td>1,532</td>
<td>36,779</td>
<td>24,875</td>
</tr>
<tr>
<td>Value Added Tax</td>
<td>8,049</td>
<td>8,755</td>
<td>-706</td>
<td>9,306</td>
<td>8,197</td>
<td>1,109</td>
<td>14,851</td>
<td>10,955</td>
</tr>
<tr>
<td>Registrar of Motor Vehicles</td>
<td>385</td>
<td>437</td>
<td>-52</td>
<td>397</td>
<td>416</td>
<td>-19</td>
<td>544</td>
<td>450</td>
</tr>
<tr>
<td>Total</td>
<td>49,846</td>
<td>49,568</td>
<td>278</td>
<td>57,500</td>
<td>56,619</td>
<td>881</td>
<td>94,490</td>
<td>81,103</td>
</tr>
</tbody>
</table>

Source: Ministry of Finance
258. The Committee takes cognisance of the fact that the revenue performance of the Kenya Revenue Authority as depicted by Table 3 needs to be assessed on the basis of performance of the four departments prior to formation of the Authority. Table 4 above thus reports actual vis-a-vis targeted revenue raised by the four tax departments from the financial year 1991/92 to 1994/95. The Committee notes that, with the exception of the financial year 1994/95, total revenues collected by the four departments were above target levels. The Table also shows that revenue raised by the Customs and Excise Department was consistently below the targeted level throughout the four financial years.

259. We note, for example, that in the financial year 1994/95 the department collected KShs.6.5 billion less than targeted. The Table further shows that between the financial years 1991/92 and 1992/93 total revenue raised by the four departments increased by KShs.7.6 billion. Similarly, between the financial years 1992/93 and 1993/94 and the financial years 1993/94 and 1994/95 total revenue collected by the four departments increased by KShs.37 billion and KShs.16.6 billion respectively. We note with concern that over the financial years 1994/95 and 1995/96, the time in which the Authority came into being, its four revenue departments raised only an additional KShs.10.6 billion.

260. It is our view, therefore, that the revenue targets set by the Treasury and Kenya Revenue Authority do not as yet reflect the true potential of the revenue base. In particular, the Committee notes that the Authority’s revenue target for the first half of the financial year 1996/97 exceeds the previous financial year’s half yearly revenue target by only 1.1 per cent. The Committee is of the view that such a target growth belies the very reason for the Authority’s existence. It has not been lost on the Committee that such a target growth does not allow revenue to keep up with inflation growth let alone any increase in planned Government expenditure due, for example, to growth in population, which is currently estimated to be 2.7 per cent. Keeping in mind our terms of reference which call on us to examine the current structure of salaries and other terms and conditions of service for the entire Civil Service, we recommend that, as a matter of utmost urgency, the Treasury and Kenya Revenue Authority effect the necessary measures to ensure that the revenue targets set are realistic and take into account planned Government expenditure. Further, we strongly recommend that the Treasury and Kenya Revenue Authority take the necessary measures to ensure
harmonisation of revenue target setting as a means of maximising revenue collection. The Committee recognises that even in the absence of a planned increase in Government spending, revenue has to increase to a level which at least meets the inflation component of non-wage Government expenditure.

261. The Committee appreciates efforts so far made by the Treasury towards realisation of higher revenue, such as the introduction of Personal Identification Number (PIN), expansion of the Value Added Tax base, introduction of the Pre-shipment Inspection Programme (PIP) and the formation of Kenya Revenue Authority. Representations received by the Committee indicated that there was considerable potential of raising additional revenue above current levels. The indications were that presently there was undervaluation of cargo by customs officers which affected import duty and anomalies in customs auctions, smuggling, Value Added Tax refunds and collections of income tax. Information available to the Committee indicated that the Authority was losing considerable tax revenue from the undervaluation of cargo and through diversion of transit cargo in the local market, and that probably 50 per cent of the total revenue due to Government was not collected. We were informed that only 40 per cent of the potential for VAT revenue is realised. All these ills were associated with corruption. In view of these shortcomings and in order to arrest the situation, we recommend that:

(a) Treasury urgently puts in place measures to strengthen existing revenue collection mechanisms with a view to sealing existing loopholes which permit revenue leakages.

(b) The Treasury devises and implements additional revenue raising measures to ensure that the newly emerging income activities under the services sector are included within the tax net.

(c) The Treasury institutes stringent measures to stamp out corruption which have led to tax evasion practices such as undervaluation of cargo, diversion of transit goods and non-receipting of purchases attracting VAT, among others.

(d) The Attorney-General ensures rigorous enforcement of the Prevention of Corruption Act, Cap 65 and related laws.

(e) The current legislation be reviewed with a view to raising penalties to deter tax evasion.
262. The Committee is also aware that the level of outstanding tax arrears owed to the Kenya Revenue Authority by various organisations remains very high. For instance, for income tax alone, the arrears amount to Kshs 25 billion while for Customs and Excise and Value Added Tax the arrears amount to Kshs 9 billion and 2 billion respectively. The Committee was told that a large part of the arrears was owed by the public enterprises. In this regard, the Committee recommends that:

(a) The Kenya Revenue Authority intensifies its efforts to collect all the taxes owed to it by individuals, public corporations and private companies within the shortest possible duration.

(b) With respect to public corporations, the Treasury and these corporations reconcile their records to determine the amounts legitimately owed between them and settlement of owing debts of bills by end of December 1997.

The Committee notes that if tax evasion is eradicated, and the revenue base is expanded to include many service activities, then reported income would also increase and therefore the ratio of revenue to GDP may not necessarily rise and may even decline.

263. We were further informed that Government lost a lot of revenue at revenue collection points in ministries and departments. In order to eliminate leakage in revenue collections, we recommend that the Treasury introduces measures necessary for security printing of Government accountable documents. The Committee also observes that many countries world-wide have introduced an environmental tax utilised by Government to reverse damage to the environment brought about by industrial and other commercial activities. We, therefore, recommend that the Government considers the possibility of levying such a tax.

Trends In Appropriations-In-Aid

264. The Committee noted that Appropriations-in-Aid (A-in-A) form an important part of Government revenues. The A-in-A is voted annually by the National Assembly and is to be accounted for by Accounting Officers. As indicated in Table 5, over the review period, actual collections of A-in-A under both the recurrent and development budgets have consistently been below the estimated targets.
Table 5: Estimates vis-a-vis Actual A-in-A Collection, 1992/93 to 1995/96

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Recurrent</th>
<th>Development</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Estimates</td>
<td>Actuals</td>
</tr>
<tr>
<td>1991/92</td>
<td>2,367</td>
<td>1,444</td>
</tr>
<tr>
<td>1992/93</td>
<td>2,313</td>
<td>1,729</td>
</tr>
<tr>
<td>1993/94</td>
<td>3,330</td>
<td>2,843</td>
</tr>
<tr>
<td>1994/95</td>
<td>6,491</td>
<td>4,804</td>
</tr>
<tr>
<td>1995/96*</td>
<td>8,718</td>
<td>6,148</td>
</tr>
</tbody>
</table>


* Provisional
Table 5 shows, for instance, that in the financial year 1994/95 KShs.6.5 billion was estimated for collection in the recurrent budget but only KShs.4.8 billion was realised. Similarly, in the same financial year KShs.12.3 billion was realised under the development budget against an estimate of KShs.23.4 billion. Trends in A-in-A collection based on provisional figures for the financial year 1995/96 shows KShs.8.7 billion as the estimated figure in the recurrent budget compared to an actual of KShs.6.1 billion. The provisional figures for the development budget for the same financial year also indicate a large shortfall of KShs.106.5 billion arising out of an estimate of KShs.128.1 billion against actual realisation of 21.8 billion. Based on data from published accounts of the Controller and Auditor-General for the financial year 1991/92 to 1994/95, the under collection of A-in-A in the recurrent budget, on average, amounted to 24 per cent of the estimates while for the development budget it was 38 per cent. We observed that performance in A-in-A collections had not always matched estimates, thus dislocating Government expenditures, particularly in respect of operations and maintenance. Accordingly, we recommend that:

(a) The Treasury ensures that Appropriations-in-Aid projections by ministries and self-accounting departments are realistic and achievable.

(b) The Treasury puts in place suitable mechanism to ensure that Appropriations-in-Aid voted by the National Assembly are collected and accounted for promptly.

Conclusion

265. Information received in the course of our inquiry indicated the existence of considerable inefficiency in the financing of Government operations. This has resulted in the inability of annual budgets to reflect national priorities. We saw several examples of considerable wastage of public resources in the form of uncompleted projects and dilapidated infrastructure. In our view, there is an urgent need to put in place mechanisms which would ensure optimal allocation between recurrent and development expenditures; between personnel emoluments and operations and maintenance expenditures; and, through ensuring that resources are directed to priority areas. We also note that there is considerable leakage of revenue and untapped potential in many revenue raising areas. In view
of the resource constraint facing the nation and considering the need to maintain a stable macro-economic environment for growth, the Committee re-emphasizes the urgency of improving revenue collection performance in order to avoid inflationary modes of financing of Government expenditures. This would also ensure that Government financing requirements do not crowd out the private sector which has a major role to play in the planned industrial transformation of the country by the year 2020.
CHAPTER 8 - STAFFING IN THE CIVIL SERVICE

Introduction

266. The staffing function in the Civil Service, like in any other organisation, involves appointments, deployment, disciplinary control, retention and promotion of staff. The staffing role is performed in the Civil Service by agencies that deal with human resource management in the Service, namely, the Public Service Commission, the Directorate of Personnel Management, Permanent Secretaries/Heads of Department, Provincial Commissioners and District Commissioners. The Public Service Commission appoints and promotes officers to fill positions in Job Group J and above and communicates its decisions to the relevant ministries and self-accounting departments which are responsible for the actual placements. Thereafter, it is the responsibility of these ministries/departments to deploy the officers against existing vacancies according to the schedules of duty and tasks involved. With regard to posts in Job Groups A to H, the Commission has delegated the powers of appointment and promotion to Authorised Officers. The Authorised Officers handle appointments and promotions on the advice of Ministerial Selection Boards.

267. In accordance with the provisions of Personnel Circular Number 2 of 20th March, 1986 on Reorganisation of Personnel Services under the District Focus Strategy for Rural Development, Provincial and District Advisory Committees were set up to handle personnel matters in respect of staff in the field in Job Groups A to D in all ministries/departments on agency basis, with the exception of uniformed officers in the Police and Prisons Departments. The powers were later extended to cover officers in Job Group E. These committees handle recruitment, promotions, discipline and deployment of staff on behalf of the ministries/departments represented at the provincial and district levels.

268. We observed that the Provincial and District Advisory Committees were supposed to make recommendations on disciplinary cases to the Permanent Secretaries/Heads of Department who have delegated powers to discipline officers on Job Groups A to H by the Public Service Commission. During the field visits, we were informed that there were many pending disciplinary cases in the districts. The Provincial and
District Commissioners complained that disciplinary cases took too long to finalise and proposed that they should be given powers to enable them finalise disciplinary cases at the provincial and district levels. We noted that it was necessary for disciplinary cases to be disposed of urgently and observed that Provincial and District Advisory Committees should be given a time-frame within which disciplinary cases should be reported to the ministry headquarters. We recommend that Provincial and District Advisory Committees finalise disciplinary cases within two months. We also recommend that the Public Service Commission and the Directorate of Personnel Management design a model format to be followed in submitting disciplinary cases to ministry headquarters in order to remove inconsistencies in handling these cases.

269. This Committee was informed that there were glaring inconsistencies in the decisions made by the various Provincial and District Advisory Committees. The Committee was further informed that occasionally District Commissioners, for example, disregarded the Personnel Officers’ advice and that in such cases some officers ended up being dismissed on the instructions of the District Commissioners. These problems were attributed partly to the calibre and seniority of Personnel Officers deployed in provinces and districts. The Committee observed that past salary review Committees had emphasised the need to have well trained Personnel Officers. Having assessed the situation and in order to strengthen the personnel function in provinces and districts and, further, in order to ensure that service rules and regulations are uniformly applied, we recommend that the Directorate of Personnel Management ensures that Personnel Officers posted to provinces and districts are suitably qualified to discharge this function. We also recommend that district personnel units be headed by Senior Personnel Officers and Provincial Personnel Units by Chief Personnel Officers to facilitate effective supervision and coordination of the personnel function in the field.

Growth in Size of the Civil Service

270. As we have stated elsewhere in this Report, notably in Chapters 1, 3 and 5, the country at independence inherited a fairly small Civil Service. Over the years new demands on the Service requiring it to undertake an expanded role in socio-economic activities resulted in its growth in size and functions. Thus the Civil Service grew in size from a workforce of
63,000 in 1963 to about 272,000 in 1991. This phenomenal growth was attributed to the Government policy of taking delivery of services closer to the people and, among other factors, to provide employment opportunities to its citizens; absorb workspaid staff in various ministries who were formerly employed mainly on donor-funded projects; and, to absorb former employees of the defunct East African Community. The growth was also attributed to the increase in the number of ministries, departments and administrative units, and the obligation of the Government to provide employment to graduates from its training institutions, including universities.

271. The Committee noted that although the Ndegwa Commission (1971), the Waruhiu Committee (1980) and the Ramtu Committee (1985) recommended the introduction of the manpower planning technique in the Civil Service, this has yet to be implemented. We are of the view that had manpower planning been introduced and practised, the uncontrolled recruitment leading to a bloated Civil Service would have been avoided. In view of the foregoing, we recommend that manpower planning be introduced in the Service and strictly adhered to so as to ensure that recruitment is done only when there is carefully assessed need for additional manpower.

Implementation of Staff Reduction Measures

272. The Committee noted that while it was evident that the over-establishment in the lower cadres of the Civil Service resulted from the Government's efforts to alleviate unemployment in the country and other factors, the large number of personnel had a negative effect on the efficiency and productivity in the Service. This called for remedial measures to address the over-staffing in certain cadres which resulted in some employees having no work to do. The overstaffing not only affected the morale of the affected employees but was also a waste of resources. The growth in size and complexity of the Civil Service over the years failed to recognise possible internal duplication, inefficiency of organisational structures, hierarchies of authority, spans of control and job descriptions and specifications. The problem was also compounded by inadequate budgetary resources for operations and maintenance due to the huge and rapidly rising personnel emolument costs in the recurrent budgets of ministries and departments.
273. The Committee was informed that one of the objectives of the current Government staffing policy in the Civil Service was to reduce the size of the Service and that since 1991 various measures were put in place to achieve that objective and to contain the rising costs of personnel emoluments and enhance provisions for operations and maintenance to a more realistic and acceptable level. According to the provisions of Personnel Circular Number 5 of 12th October, 1993, the main objective of the Voluntary Early Retirement Scheme was to reduce the size of the Civil Service at a rate of 10,000 civil servants in Job Groups A to G per year for a period of three years. The savings that were to be realised from the reduction of the size of the Civil Service were to be used in improving the terms and conditions of service for the remaining civil servants and also to reduce the imbalance between the personnel emoluments on the one hand and operations and maintenance on the other. Another measure for reducing the size of the Civil Service was natural attrition. This refers to separation of an employee with employment as a result of retirement at the age of 40, 50 or 55 years; resignation; dismissal; termination of appointment; retirement on medical grounds; retirement in the public interest; or, death. In accordance with the provisions of Personnel Circular Number 5 of 12th October, 1993, natural attrition was envisaged to reduce the size of the Civil Service at the rate of 6,000 employees every financial year from 1993/94 to 1995/96. Issues touching on retirement are addressed in Chapter 20 on Superannuation.

274. During the period from September 1993 to November 1994, abolition of vacant posts in Job Groups A to G was done in three phases. The first phase was in September 1993 when 13,954 posts were abolished; the second phase was in February 1994 when 8,381 posts were abolished; and, the third phase was in November 1994 when 3,999 posts were abolished, making a total of 26,334 vacant posts abolished in ministries/departments in various cadres. These posts had been vacant for quite some time and it was evident that they were redundant. In addition, all the posts vacated by retirees under the Voluntary Early Retirement Scheme were frozen while those vacated through normal attrition were abolished if they remained vacant for more than six months.
Impact Assessment of Staff Reductions

275. It was submitted to the Committee that the Voluntary Early Retirement Scheme was implemented without first carrying out a staff analysis to determine staffing levels of various cadres in the Civil Service. As a result, the Scheme aggravated an already existing problem of uneven distribution of staff. Under the Scheme, some stations lost more than 90 per cent of their staff in one cadre. This is a clear indication that staffing studies to determine staffing levels in ministries/departments based on priorities of activities were necessary before implementation of the Scheme.

276. The Committee was informed that a number of ministries/departments had lost a high percentage of certain cadres such as drivers, copy typists, artisans and subordinate staff through the Scheme and that staff distribution in stations did not necessarily match staffing needs. The Committee was further informed that as a result of the staff shortages in certain areas, the Government had decided that some critical and well trained cadres such as copy typists, artisans and drivers, among others should be ring-fenced to stop further retirements under the Scheme. The Committee was also informed that the Government was in the process of carrying out an exercise as part of the reform programme with a view to establishing staffing norms for key cadres. We are of the view that it is necessary for the remaining staff to be fairly distributed so as to alleviate shortage of staff in stations that are already understaffed. The Committee, therefore, recommends that the Government takes immediate steps to facilitate fair distribution of the remaining staff in the Service.

277. It was submitted to the Committee that as a result of the staff reductions, both through the Voluntary Early Retirement Scheme and natural attrition, the workload of the remaining staff increased and that consequently the remaining staff were demoralised and demotivated as the benefits they were promised after the staff reductions had not materialised.

Establishment Control and Management

278. Establishment control involves maintaining the right number of personnel in the establishment in terms of the authorised posts vis-a-vis
the bodies in post by cadre at any given time. Establishment control is, therefore, a continuous process of maintaining Civil Service personnel statistics. The Committee was informed that under the Civil Service Reform Programme, this system was also being used to enforce the current policy on staff reductions. The Committee noted that the existing establishment control and management systems in the Civil Service were manual, slow, prone to errors and often wasteful. The Committee noted further that an efficient and effective establishment control and management system lies in its links with the payroll system and budgeting. We are of the view that Management Information System (MIS) would facilitate quick decision making as computer net-working could be applied to access information without having to use telephones and calling for files containing the information. The concept of MIS is discussed further in Chapter 10 on Management Practices in the Civil Service.

279. With respect to management of personnel records, the Committee was informed that the Government was committed to the introduction of an Integrated Payroll and Personnel Database (IPPD) system in the Service under the Civil Service Reform Programme. The IPPD system was intended to merge, synchronise, harmonise and provide net-working mechanisms in the current payroll, complement control and personnel budgeting systems. These three systems had been operating separately since 1967 and this was the cause of data redundancy and inconsistency in the Service. The IPPD was expected to provide accurate, consistent and reliable personnel information for timely decision making. The Committee noted that this was an important system as it would facilitate a net-working mechanism in the payroll, complement control and budgeting systems. In view of the foregoing, the Committee recommends that:

(a) The Directorate of Personnel Management facilitates a very strict establishment control system and that all complement control records in ministries/departments be computerised.

(b) The Government expedites the introduction of Integrated Payroll and Personnel Database system in the Civil Service.
Deployment of Staff in the Civil Service

280. In any organisation, deployment or redeployment should be for purposes of placing an officer in an appropriate position to utilise his skills, knowledge and aptitude for the accomplishment of the organisation's objectives as well as giving the officer job satisfaction. Consequent upon the staff reductions in the Civil Service, the Government felt that there was need to carry out staff deployment/redeployment throughout the Civil Service. The Committee was informed that an Inter-Ministerial Task Force was appointed by the Government to look into issues relating to deployment of staff in the Service. The recommendations of this Task Force are discussed in the following sections.

281. The Committee observed that in the Civil Service there was lack of proper utilisation of staff as some officers are deployed in the wrong jobs. The Committee noted, for instance, that occasionally some engineers are removed from their jobs and deployed in general administrative positions for which they may have no aptitude. The Committee also observed that it was very demoralising to remove an officer from a field where he was properly deployed and post him to a totally different field in which he did not possess the requisite skills. The Committee recommends that officers be deployed in areas where they have the requisite skills.

282. The Committee further observed that the Civil Service did not appear to have criteria for deployment of professional and technical personnel. For instance, the Committee noted that most doctors in the Service were deployed in urban areas while there was a big shortage in the rural areas where the majority of citizens live. These are the areas where the majority of the doctors should be deployed. The Committee recommends that the Government develops criteria to ensure equitable deployment of professional staff.

283. It was submitted to the Committee that the reason why some departments were experiencing acute shortage of junior staff in some cadres was improper implementation of the Voluntary Early Retirement Scheme. The Committee noted that the Government was supposed to redeploy the staff and ensure that there was fair distribution in all departments, but so far this has not been done. The Committee,
therefore, **recommends** that the Government embarks on the deployment/redeployment of staff and ensures fair distribution in all departments.

284. The Committee was informed that most junior staff, i.e. those in Job Groups A to G prefer working near their rural homes to avoid high transportation costs and housing problems experienced in urban areas and that attempts to transfer such staff were usually resisted. The Committee noted that it was Government policy under the District Focus Strategy for Rural Development for junior officers, such as subordinate staff, clerical officers, drivers, among others, to be recruited and deployed in their home districts. The Committee **recommends** that in carrying out the staff rationalisation exercise, the Government takes into account the requirements of the District Focus Strategy for Rural Development.

285. It was submitted that the low pay and lack of adequate allowances have been a constraint to rational staff deployment in the Service. The issues of low pay and inadequate allowances are dealt with in Chapters 17 and 19, respectively.

286. The Committee noted that recruitment by the Public Service Commission, and by Authorised Officers in ministries/departments under delegated powers, was undertaken on the basis of existence of authorised vacancies and that this was done without consideration of the needs of the ministries/departments or the changes that had occurred over the years since the establishment of the posts. This led to overstaffing and under-utilisation of staff. The Committee was, however, informed that under the Civil Service Reform Programme, a redeployment exercise would be carried out to address the problem of over-staffing and under-utilisation of staff. The Committee **recommends** that the Directorate of Personnel Management undertakes job analysis and evaluation as a basis for carrying out staff redeployment in the Service.

**Deployment on the Basis of Vacancies**

287. The Committee was informed that in the Civil Service, vacancies arise as a result of promotions, natural attrition, merger of ministries/departments or creation of new posts. The general practice was that approval of the Directorate of Personnel Management must be sought
before the posts are filled. The Committee learnt that often posts are filled without first carrying out needs assessment and confirming the availability of tools of work. In view of the foregoing, the Committee **recommends** that before any vacant posts are filled in ministries/departments, Authorised Officers be required to carry out job analysis and justify to the Directorate of Personnel Management the need to fill the posts and the availability of the necessary tools to enable the officers perform their work.

**Transfer on the Basis of Deployment/Redeployment**

288. Transfers are either ministerial or inter-ministerial and are carried out by the Central Government Postings Committee in the Office of the President in respect of administrative officers. Transfers, deployment or redeployment in respect of other cadres are initiated by Authorised Officers, ministerial or departmental postings committees, where these exist, or by the administrators of the various schemes of service. Occasionally, requests come from the officers themselves. A variety of reasons may influence transfers, deployment or redeployment. These include service interests, the need to resolve personality conflicts which undermine service delivery and other pressures which cannot be easily defined, or for personal reasons, such as family needs and medical grounds. We, however, received representations that transfers, deployment and redeployment are not always made in the interest of the Service. Our view is that the needs of the Service ought to over-ride all other interests. Accordingly, we **recommend** that Authorised Officers and postings committees first examine the biographical data of an officer, job content, appraisal reports and the work environment including availability of tools of work and service needs before initiating or accepting proposals for posting.

289. The Committee learnt that in some cases transfers, deployment or redeployment had resulted in overstaffing in some areas and understaffing in others, thereby creating unnecessary imbalance in staffing structures and disruption in service delivery. In this regard, we **recommend** that self initiated requests for transfer be approved subject to availability of vacant positions and availability of operational tools in the receiving stations and suitable replacements in the sending stations.
Deployment in Hardship Areas

290. It was submitted to the Committee that it had not always been possible to get suitably qualified staff to man work stations designated as hardship areas. The Committee was told that civil servants associated these areas with adverse climatic conditions; economic hardships; lack of security; lack of infrastructure, such as good roads, electricity, telephones; inadequate educational and health facilities as well as social amenities, among others. We were also told that civil servants perceived postings to these areas to be a punishment. The Committee noted that while it may not be true in all cases that postings to these areas were on punitive grounds, perceptions to that effect have become prevalent and that they tend to paint a negative image of the Government. We are of the view that the Government should take suitable measures to reverse these perceptions.

291. The civil servants also considered the psychological and economic factors involved with family separations to be an added burden. They complained of being disadvantaged as their colleagues and even juniors working in non-hardship areas were considered for promotions thereby superseding them. As a result, many civil servants were reluctant to serve in these areas. The Committee also heard that some officers posted to the hardship areas remained there for many years as their ministries were unable to provide suitable replacements. During visits to the provinces, the Committee found the officers to be demotivated, demoralised and their performance very low. It was represented to the Committee that the Government should provide adequate compensation in form of allowances to the officers posted to hardship areas in order to attract and retain qualified personnel. Arising from the foregoing, we recommend that:

(a) Authorised officers desist from posting officers to these areas on disciplinary grounds.

(b) In order to encourage suitably qualified officers to serve faithfully and wholeheartedly in hardship areas, postings to these areas, as far as possible, be on promotional basis.

(c) The Government enhances the level of hardship allowance paid to officers serving in these areas as recommended in Chapter 19 on Other Terms and Conditions of Service and
provide additional incentives so as to attract and retain qualified officers in the hardship areas.

(d) Officers posted to hardship areas be reposted to other areas in the country after a tour of duty not exceeding three years unless they volunteer to and the Government agrees that they serve for longer periods.

(e) Authorised Officers identify with minimum delay officers who have overstayed in the hardship areas for reporting to other areas once suitable replacements have been identified.

Intra and Inter-Ministerial Deployment

292. We received representations that we consider recommending the establishment of an intra - and inter-ministerial coordinating unit in the Directorate of Personnel Management to handle transfers and deployment of officers in Job Groups A to H. We were told that in the absence of such a coordinating unit the initiative on transfer and deployment would lie with individual officers. The result, we heard, would be that transfers and deployment would serve personal needs rather than those of the service. We have scrutinised these representations and found that the Directorate is already performing this role by receiving for consideration for approval requests from Authorised Officers on matters touching on cross-transfers of staff in these cadres. With regard to inter-ministerial deployment we found that this is the responsibility of Authorised Officers under delegated powers which, in our view, they should be allowed to exercise without undue external interventions. In the circumstance, we find no merit in the proposal to establish an intra - and inter-ministerial coordinating unit on transfers and deployment of staff.

293. The Committee was informed that various ministries/departments had surplus personnel in cadres with similar minimum educational qualifications. With minimum training, the officers in such cadres could perform well if re-deployed to ministries/departments with staff shortages in similar cadres. The Committee is of the view that such officers should be identified and considered for redesignation and posting to departments experiencing staff shortages. The re-designation and redeployment should be based on the needs and efficiency of the Service and not on extraneous considerations. Upon redeployment of these officers, suitable retraining programmes should be put in place to equip them with requisite skills. To
achieve this objective, the Committee recommends that a retraining programme be developed under the auspices of the Civil Service Reform Programme.

Concentration of Staff in Service Delivery Points

294. As the majority of the Kenyan population lives in rural areas, it is imperative that most of the civil servants should be deployed in those areas. This would ensure delivery of goods and services to the majority of the citizens. For this to be possible, ministries/departments should practise effective delegation to facilitate proper utilisation of employees.

295. The Committee was told that the staffing pattern in ministries/departments was unbalanced. This was attributed to the absence of staffing norms which resulted in the co-existence of over-staffing and under-staffing in the Service. We were told that urban areas tended to be overstaffed whereas rural stations were understaffed and that most ministries had their approved establishment controlled and attached to their headquarters rather than individual field stations. As a result of this, staffing in field stations was done on an ad hoc basis from the headquarters.

296. The Committee noted that the greatest number of professional personnel is concentrated in urban centres, especially in Nairobi and that in the rural areas, professional services were concentrated at the district headquarters and almost none at the divisional and locational levels. The Committee further noted that the ratio of professionals to technicians was worse in the rural areas than in the urban centres and that a large number of professional personnel are engaged on assignments quite different from their specialisations. For instance, in the Ministry of Health, the District Medical Officer of Health was more of an administrator than a doctor.

297. Having regard to the foregoing and taking cognisance of the important role played by professional and technical personnel in the implementation of development policies and programmes and in the delivery of services to the citizens, it was necessary for such personnel to be deployed in the field stations close to service delivery points. For this to be possible, the Committee recommends that ministries decentralise their approved personnel establishments and services from the
headquarters to the districts in line with the District Focus Strategy for Rural Development.

Disparities in Levels of District Departmental Heads

298. The Committee was informed of disparities in headship levels in the field. For instance some district departmental heads were graded at Job Group K while others were graded as high as Job Group N. A similar complaint was lodged with us regarding Personnel Officers and we addressed it at paragraph 268 of this Report. We consider that such glaring disparities are inhibitive of free debate and interaction between heads of different ministries in the field.

The Role of the Directorate of Personnel Management

299. In the preceding paragraphs of this Chapter, we discussed various staffing methods in the Civil Service. We also noted the reasons leading to some areas being over-established while others were under-established. We were informed that there was lack of manpower planning in the Civil Service and that this shortcoming, coupled with the staff reduction measures which were not preceded by studies to determine appropriate staffing levels, led to the uneven distribution of staff in the Service.

300. The Committee observed that the Directorate of Personnel Management plays an important role in staffing in the Civil Service. We were informed that the Civil Service is bloated because in the past the Directorate of Personnel Management created some posts without carrying out organisational studies to determine whether there was need for additional manpower and whether tools and equipment were available to facilitate work performance. To this end, the Committee has recommended at paragraph 265 in this Chapter that the Directorate of Personnel Management should facilitate the introduction of the manpower planning technique in the Service.

Staffing Norms

301. Staffing norms involve workload analysis with a view to determining the number of employees required to perform a certain task. By carrying out exercises on workload analysis, it is possible to determine
the individual level of performance and the technology involved. When this is done, it is possible to know the number of officers required to perform a certain task.

302. The Committee noted that the Directorate of Personnel Management had been approving posts in the Civil Service without staffing norms and job evaluation criteria. Since the Directorate of Personnel Management was responsible for creating establishments, it should have been involved in the development and implementation of staffing norms. However, it was submitted to the Committee that it had not been possible for the Directorate of Personnel Management to give sufficient professional guidance in this area due to lack of well trained management analysts. The Committee observed that it was necessary for the Directorate of Personnel Management to train management analysts in all areas relevant to their job.

303. The growth in size of the Civil Service between 1963 and 1991 was uncontrolled as the Directorate of Personnel Management was creating posts for ministries/departments even when they were having redundant posts which could otherwise be traded-in during the creation of posts. The trading-in of such posts has not been happening as the ministries/departments insisted on retaining all their posts including the redundant ones. This was an aspect that was tying up financial resources unnecessarily and led to the situation where the personnel emoluments vote increased to the detriment of operations and maintenance. This was one reason why it was common to find idle officers in ministries/departments who were underutilised due to lack of tools and equipment.

304. The Committee also observed that while it was necessary for the Directorate of Personnel Management to train management analysts, the issue of creating staffing norms was urgent especially in view of the ongoing retrenchment. The Committee recommends that the Government hires the services of external consultants to assist the Directorate of Personnel Management in creating staffing norms.

305. The Committee was informed that there were no staffing norms in the Civil Service, the Directorate of Personnel Management intended to develop them for each cadre in the Service with a view to determining
staffing levels in each ministry/department. We were informed that this would be done under the auspices of the Civil Service Reform Programme. The Committee was also informed that the implementation of the Voluntary Early Retirement Scheme was done before undertaking a staff analysis to determine staffing levels of all cadres in Job Groups A to G and that this analysis would have assisted ministries/departments to set their retrenchment targets.

306. Since staffing norms keep on changing as the level of technology changes, it is important that the Directorate of Personnel Management ensures that they are regularly evaluated, updated and strictly adhered to. It would also be necessary for the Directorate of Personnel Management to have adequate and well trained management analysts in order to effectively undertake workload analysis aimed at reviewing staffing norms in the Service. The Committee was convinced that once staffing norms were developed for each ministry/department, human resources would be productively utilised in the Civil Service.
CHAPTER 9 - GRADING SYSTEM IN THE CIVIL SERVICE

307. The grading structure in the Civil Service gives the general classifications of various posts, the salaries attached to those posts and the general comparison between posts and salaries. The grading structure, therefore, gives the value of jobs and the career progression. It is in this context, that the grading structure in the Service, has acquired a synonymous meaning with the salary structure. The grading structure has a direct relationship with an officer's status, level of earnings, financial and non-financial incentives and with the amount of pension payable to the officer upon retirement from the Service.

308. A sound grading system is based on job evaluation which aims at grouping similar positions and ranking various job titles in a hierarchical manner on the basis of job responsibilities and complexity so that they can be treated consistently and equitably on issues related to remuneration and allied personnel matters.

309. The current grading structure has evolved since colonial times and has been modified by past salary review commissions and committees, notably the Lidbury Commission (1954), the Flemming Commission (1960), the Pratt Commission (1964) and the Ndegwa Commission of Inquiry (1971). The Ndegwa Commission is basically the source of the present grading structure with slight modifications by the Waruhiu Committee (1980) and the Ramtu Committee (1985).

310. The Lidbury Report, for instance, recommended the cessation of salary differences based on race and this led to a system of basic salary scales with inducement allowances for expatriates. The Flemming Commission further recommended an inducement allowance ("overseas addition"), again, for expatriate officers. This system of common salary scales, made up of 78 salary grades, with 193 separate and inconsistent salary points, is what was in existence upto the time of the Ndegwa Commission.

311. The Committee noted that the commissions which were appointed before 1970 were concerned with the civil services of East Africa, hence the salary structures of those days were not particularly suited to the Kenyan Civil Service. The Ndegwa Commission was, therefore, the first
to review the Civil Service as an independent entity, taking into account peculiar conditions obtaining in Kenya.

312. The Ndegwa Commission introduced 15 Job Groups which were based on a simple method of job ranking which was based on task analysis, qualification requirements and subsequent representative assignments, derived from a pragmatic recognition of the "salary clusters" that existed up to that time. The Ndegwa Commission, therefore, recommended a system of job evaluation whereby the 78 salary grades were to be rationalised and placed into each of the 15 Job Groups and that future regrading of posts be based on job evaluation to be undertaken by the Directorate of Personnel Management on a continuous basis.

313. It was noted that the uniform grading and salary structures for all cadres set out in the Ndegwa Report was soon altered. Personnel General Letter Number 43 of 18th July, 1973 categorised certain university qualifications as "professional" for the purpose of recruitment into the Civil Service and pegged the relevant posts on a higher salary scale than other non-professional posts at the time of entry into the Service. This action was triggered by the Ndegwa Report which recognised the need and general scarcity of such critical specialisations as medicine, engineering, law and economics. The Report stressed the need to lay emphasis on training Kenyans in these fields and to provide an incentive to attract and retain them in the Service. The Committee noted that over the years more professions were added to this list.

314. The grading structure recommended by Ndegwa Commission, apart from the introduction into it of Job Group Q for heads of department thereby extending it to a 16 - tier structure, stood the test of time during the period between the Ndegwa Commission and the Waruhiu Committee. However, Waruhiu Committee added two new job groups, namely, Job Groups R and S and abolished Job Group Θ.

315. The Committee further noted that several other related changes have taken place since the adoption of the Ndegwa Report. These changes continue to have an impact on the grading structure in the Service. The Ramatu Report recommended, and it was accepted, that entry levels for professional university graduates be up-graded from Job Group J to Job Group K. However, the entry levels of their counterparts in possession
of non-professional degrees were retained in Job Group H. Personnel General Letter Number 8 of 1st February, 1994 changed this state of affairs by up-grading the entry point of the latter to Job Group J. This upgrading brought wide-ranging and general changes in the lower cadres of semi-skilled, skilled and technical personnel in the Service.

316. There have since been two extension in grading structure with the Ramtu Committee introducing Job Group T while the Government in 1994 introduced Job Group U on an in-house basis. This extended the Service grading structure to 19 job groups, ranging from Job Group A to Job Group U. This move created further anomalies, such as the gap between Permanent Secretaries, who were moved from Job Group R to Job Group S, and the Deputy Secretaries, who remained in Job Group P.

317. Further, we noted that the grading structure and salary scales introduced by the Ndegwa Commission continue to operate but with the modifications introduced by the Waruhiu and Ramtu Committees and those by the Government. However, the up-gradings introduced in 1985 seem to have had adverse effects on both grading of posts and salary structures in that they triggered demands for other up-gradings across the Service. The Ramtu Committee did the "Job Re-classification and Re-Grading" without any serious job evaluation but indicated the need for job analysis and evaluation to be undertaken in due course by the Directorate of Personnel Management. However, there is no indication that this exercise was ever undertaken. Instead, the Service seems to have adopted a practice of grading and upgrading of posts through the issue of new or revised schemes of service for various cadres. We were informed that various constraints made it difficult to fully implement the recommendations of the Ramtu Committee, the main one being the need to control Government expenditure on personnel emoluments. In view of this, the anomalies in the grading structure still persist.

318. Schemes of service are supposed to chart the career path, expectations and training of civil servants. However, the Committee observed that schemes of service have mainly been used as tools of upgrading of posts. There are also inconsistencies in the grading structure because the Directorate of Personnel Management tries to fit schemes of service into a predetermined grading structure. As a result, new designation titles and grading levels are brought in to close the gaps in the
grading structure. In view of this, the Committee recommends that schemes of service should be developed for every cadre in the Service and that in developing these schemes, the structure should be based on job evaluation.

319. The Committee was informed that ministries/departments continued exerting pressure on the Directorate to upgrade certain posts, especially with regard to headship of specific departments which they considered critical and with heavy workload. Due to financial constraints, authority has only been granted to upgrade the top post, leaving the ones below and thereby creating more gaps. For instance, there are cases where the top post is at Job Group Q whilst the deputy is at Job Group N.

320. The Committee further learnt that the current practice of upgrading some departmental heads on an ad hoc basis has also created disparities in the grading structure in the Service since it has resulted in headship of departments with similar workloads at different levels. Again, when the posts of the heads of department are upgraded, other posts below them are not upgraded due to financial constraints and hence the existing gaps in the grading structure. The Committee recommends that the Directorate of Personnel Management ensures that any future upgrading considers the entire structure for a given cadre as opposed to selected positions.

321. In addition to the foregoing, the Committee noted that appointments on a "personal basis" cause disparities in the grading structure. Occasionally, when officers are appointed into the Service from other organisations they bring with them higher salaries thereby causing disparities in the grading structure. There are also cases of officers from within the Civil Service who are deployed in areas where they are not competent. For instance, an engineer, who is in Job Group 'R', would be removed as a disciplinary measure from his area of specialisation and deployed on a "personal basis" as a Deputy Secretary, a position graded at Job Group P. The Committee further noted that, occasionally, officers who have stagnated in one grade for many years are recommended for promotion on a "personal basis". The Committee recommends that the Directorate of Personnel Management ensures that:

(a) Appointments on a "personal basis" are discontinued.
(b) Cases of officers who have been re-deployed outside their
areas of specialisation as a disciplinary measure are referred to the Public Service Commission for dealing in accordance with existing disciplinary procedures.

322. The Committee, having noted all the above issues, feels that perhaps the time is ripe for the review of the current grading structure to determine whether or not a unitary grading structure is still necessary. The extension of the grades as indicated above and the need for continuous upgrading as already done through schemes of service, would seem to support departure from a unitary grading structure. Indeed we learnt that in other civil services, the advantages of an all-embracing pay structure are breaking down, that the uniformity of grading frequently inhibits effective management and that the concept of a career in a unified civil service has little relevance for most civil servants, whose horizons are bounded by their occupations or professions or, at most, by their department or ministry. It is perhaps on account of such considerations that the Government has decided, as stated in the Development Plan 1997-2001, to abandon the current general job groups and instead develop schemes of service with their own pay scales aligned with similar scales in the private sector. The Committee recommends that under the ongoing Civil Service Reform Programme, a new and more flexible grading system based on job evaluation in the various occupations and professions be developed.

323. The sharing of the same job group between some heads of department and Permanent Secretaries led to the regrading of the latter from Job Group R to S in July, 1994 in order to remove that anomaly and in recognition of the heavy responsibilities shouldered by Permanent Secretaries. It was also put to us that the gap in grading between Permanent Secretaries and Deputy Secretaries had created difficulties in the co-ordination of administrative services in ministries whenever Permanent Secretaries were absent from office. The Committee was told that some heads of department were graded at Job Groups P, Q or R and that in the absence of the Permanent Secretary, a Deputy Secretary was not able to supervise them. It was proposed to the Committee that the grading of Permanent Secretaries vis-a-vis all other grades in the service be reviewed and that a post of Director of Administration be established in ministries/departments to bridge the gap between the Permanent Secretary and his deputy. The purpose of this would be to ensure effective
delegation and supervision in the absence of the Permanent Secretary. This would also close the gap existing between the Permanent Secretary, Job Group S and the Deputy Secretary, Job Group P. The Committee also noted that the position of Deputy Secretary, Job Group P was not upgraded in 1987 when the Scheme of Service for Administrative Officers was issued and that the position of Senior Under-Secretary was abolished to specifically give way for up-grading of the lower positions in line with the Ramtu Committee recommendations. The Committee noted further that a post of Director of Administration, Job Group R was subsequently established in the Provincial Administration Department of the Office of the President.

324. In Chapter 25, we have recommended new terms and conditions of service for Permanent Secretaries which puts them outside the current grading system. In order for the new system to work efficiently and also close the resultant gaps in grading at this level, we recommend the creation of the post of Principal Administrative Secretary at Job Group S whose holder will be the principal assistant to the Permanent Secretary. With the creation of this post, there will still be a gap between it and that of the Deputy Secretary. We, therefore, also recommend that a post of Director of Administration graded at Job Group R be established in Ministries. In order to streamline gradings in the administrative cadre, we further recommend that the post of Deputy Secretary be upgraded to Job Group Q and a new post of Senior Under-Secretary be created and graded at Job Group P. We have received considerable evidence that the Service is top heavy. We also noted that some ministries/departments were overestablished in the senior grades of the administrative cadre. To correct this situation we recommend that a study be done to determine the actual requirements of each ministry/department for such posts. In particular the study should establish the requirements for the posts of Director of Administration, Deputy Secretary and Under Secretary.

325. With regard to gradings in the Provincial Administration, we have been told that Provincial Commissioners, who are currently graded at Job Group S, do not have effective deputies and that instead, some District Commissioners are deployed to the provincial offices to serve as personal assistants to the Provincial Commissioners. The Committee is convinced of the need to have a deputy to the Provincial Commissioner at a fairly senior level. We, therefore, recommend the creation of the post of
Deputy Provincial Commissioner and that it be graded at Job Group R. This will necessitate the re-alignment of the grading structure in order to eliminate unnecessary gaps as shown on the table below.

Table 6: Grading Structure for Provincial Administration

<table>
<thead>
<tr>
<th>Designation</th>
<th>Present Job Group</th>
<th>Proposed Job Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provincial Commissioner</td>
<td>S</td>
<td>S</td>
</tr>
<tr>
<td>Deputy Provincial Commissioner (New Post)</td>
<td>-</td>
<td>R</td>
</tr>
<tr>
<td>Senior District Commissioner</td>
<td>P</td>
<td>Q</td>
</tr>
<tr>
<td>District Commissioner I</td>
<td>N</td>
<td>P</td>
</tr>
<tr>
<td>District Commissioner II</td>
<td>M</td>
<td>N</td>
</tr>
<tr>
<td>Senior District Officer (New Post)</td>
<td>-</td>
<td>M</td>
</tr>
<tr>
<td>District Officer I</td>
<td>L</td>
<td>L</td>
</tr>
</tbody>
</table>

326. Apart from the representations we received from the Permanent Secretary, Provincial Administration and Internal Security in respect of the administrative service, he also made proposals relating to upgrading of posts in the departments falling under his purview. As we have stated elsewhere in this Chapter, any upgradings not covered in this report shall be subject to carrying out of job analysis and evaluation.

327. The Committee noted the need to consider all posts that had not been upgraded since the Ramtu Committee’s Report. This would bring
them at par with other posts of similar worth in the Civil Service and hence maintain status quo as per Ramtu Report. The Committee further noted that there was an urgent need to close the existing gaps and remove other disparities in the grading structure and, therefore, recommends that an urgent job evaluation exercise be undertaken with a view to harmonising the grading structure.

328. In recommending the above, the Committee was prompted by the existence of many disparities in the present grading structure as explained in the foregoing paragraphs. While the Committee took cognisance of the need for a comprehensive job evaluation in the Service, it was aware that such an exercise was very involving and would take time to finalise. We recognise that the Directorate of Personnel Management might not have the capacity to undertake a task of this complexity. We, therefore, strongly recommend that a private consultant, who can undertake this exercise within a period of six months, be hired. We further recommend that the exercise be done as part of the ongoing Civil Service Reform Programme.

329. In deliberating on the general question of gradings and the grading structure, we also considered the position of the heads of certain civil service departments whose functions ranked highly within the framework of national objectives and priorities. These heads, and the departments they head, were considered critical in terms of their responsibilities, workload, accountability and their contribution to the national economy. Such positions included the Director of Medical Services, Director of Education, Director of Agriculture, Director of Livestock Development, Director of Veterinary Services and the Engineer-in-Chief. We also considered the position of two other heads of department, namely, the Director of Planning and the Inspector of State Corporations whose functions had assumed increased importance due to their role in coordinating the implementation of the Eighth National Development Plan, 1997-2001 and Sessional Paper No. 2 of 1996 on Industrial Transformation to the Year 2020.

330. We noted that there were heads of some senior secondary schools and of teachers' training colleges who were appointed substantively as Chief Principals, a position which was graded at a level equivalent to Job Group R in the Civil Service. It was further noted that the Provincial
Directors of Education, who supervised the above heads of institutions and evaluated their performance, were graded at Job Group P. In addition, the Director of Education, who was in-charge of education in the country, was graded at Job Group R, equivalent to Chief Principals. The above arrangement was not only anomalous but also adversely affected the reporting relationship by eroding the chain of command and thus demoralising supervisors. The Committee recommends that the Director of Education be graded at Job Group S so as to reinforce his supervisory role and that the following positions in the Ministry of Education be re-graded as indicated:

**Education Department**

<table>
<thead>
<tr>
<th>Position</th>
<th>Job Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Deputy Director</td>
<td>R</td>
</tr>
<tr>
<td>Deputy Director</td>
<td>Q</td>
</tr>
<tr>
<td>Senior Assistant Director</td>
<td>P (New Post)</td>
</tr>
<tr>
<td>Assistant Director</td>
<td>N</td>
</tr>
</tbody>
</table>

**Inspectorate (Education)**

<table>
<thead>
<tr>
<th>Position</th>
<th>Job Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Inspector of Schools</td>
<td>R</td>
</tr>
<tr>
<td>Deputy Chief Inspector of Schools</td>
<td>Q</td>
</tr>
<tr>
<td>Senior Assistant Chief Inspector</td>
<td>P (New Post)</td>
</tr>
<tr>
<td>Assistant Chief Inspector</td>
<td>N</td>
</tr>
</tbody>
</table>

331. The past salary review committees considered the Directorate of Personnel Management to be a central management agency which played a co-ordinative role in the formulation of personnel policies and procedures as well as overseeing performance management in the Civil Service. Those committees, therefore, recommended that the Permanent Secretary and Director of Personnel Management be graded at the same level as the Permanent Secretary, Ministry of Finance and that the staffing of the Directorate be strengthened accordingly. This Committee further noted that the Directorate of Personnel Management experienced an acute shortage of staff due to high staff turn-over and was, therefore, constrained to efficiently fulfil its obligations.

332. The past salary review committees also noted the weaknesses of personnel units in handling disciplinary matters and other personnel
functions in ministries/departments and recommended that the units be strengthened through staffing and staff training. This Committee also noted that the Government in recognition of these weaknesses and in an effort to strengthen the personnel units, issued Circular Number OP.36/1A of 6th April, 1990 and directed that the heads of personnel units be exclusively responsible for all personnel matters and be answerable directly to Authorised Officers and that the units be headed by senior officers at Job Group P level.

333. We further noted that following the upgrading of the position of Deputy Director of Personnel Management from Job Group Q to Job Group R and the Programme Director. Civil Service Reform Secretariat from Job Group Q to R, the positions below these levels were not regraded and gaps, therefore, existed at Job Group Q, which needed to be closed. Consequently, the Committee recommends that the grading structure in the Directorate of Personnel Management and personnel units in ministries/departments be harmonised accordingly.

334. It was proposed to the Committee that the present grading structure in the Directorate of Personnel Management needed to be strengthened as the existing one did not give the Directorate the authority and image commensurate with its central, unique and enormous role in the Civil Service. We were also aware that the Directorate of Personnel Management did not have adequate capacity to monitor implementation of policies and guidelines, some of which were occasionally flouted or ignored. We noted that the recent upgrading of the positions of Deputy Director in the Directorate of Personnel Management from Job Group Q to R created gaps in the grading structures in the schemes of service for Management Analysts; Personnel Officers; and, Human Resource Development Officers, all of which were administered by the Permanent Secretary and Director of Personnel Management. We are also aware that these cadres will be expected to play a key role in the implementation of some of the recommendations we have made in this Report. Additionally, Personnel Officers attached to ministries/departments would also be expected to play a key role in the management of human resources under the new set-up so as to facilitate implementation of Government policies and programmes.
335. Having regard to the foregoing and taking cognizance of the need to strengthen the Directorate of Personnel Management and the personnel units as well as streamline the reporting relationships in ministries/departments, the Committee recommends that:

(a) The existing post of Senior Deputy Director of Personnel Management, Job Group R be up-graded and redesignated "Principal Administrative Secretary, Job Group S. This would be in line with what we have recommended for other ministries/departments. The holder of this post will coordinate the activities of the functional Divisions in the Directorate as well as being the effective deputy to the Permanent Secretary and Director of Personnel Management.

(b) New positions of Senior Assistant Director and Deputy Programme Director, Civil Service Reform Secretariat (CSRS) in the Directorate of Personnel Management and the Senior Principal Personnel Officers in ministries/departments be upgraded from Job Group P to Q.

(c) The positions of Assistant Director, Assistant Programme Director (CSRS) in the Directorate of Personnel Management and Principal Personnel Officers in ministries/departments be upgraded from Job Group N to P.

(d) The positions of Principal Management Analyst and Principal Programme Officer (CSRS) be created in the Directorate of Personnel Management and graded at Job Group N.

(e) A new position of Assistant Principal Personnel Officer be created in ministries/departments and graded at Job Group N.

336. In view of what we have stated above in paragraph 329, we are of the view that the title of the post of Director of Medical Services and its grading in the Civil Service structure should be reviewed. In this regard, we note that the Director of Medical Services is responsible for the organisation, control and co-ordination of health services at the national level. This responsibility entails overall planning, direction and development of Government health services, including curative, preventive and promotive services. In terms of staff, he has supervision of over
and promotive services. In terms of staff, he has supervision of over some 40,000 medical and health personnel in Government health institutions. In short, the Director of Medical Services is responsible for effective management of health services in Government health institutions. He also exercises general superintendence over health services in the private sector for purposes of ensuring acceptable standards in the provision of medical services in the country. In this respect, he is the Registrar of Medical Practitioners and Dentists Board which is responsible for the registration of doctors. He is also the Chairman of the Pharmacy and Poisons Board which is responsible for the registration of drugs and chemical substances used in medical preparations. He is also the custodian of the Public Health Act, Cap 242.

337. Considering the onerous responsibilities placed upon the office in the administration, management and co-ordination of health services for the nation, we are of the view that the post of Director of Medical Services ought to be redesignated and appropriately graded. Accordingly, we recommend that the post of Director of Medical Services be redesignated to Director of Health Services. We further recommend that the post be graded at Job Group S.

338. We have further noted that while paramedical staff in the Ministry of Health were upgraded vide the issuance of a revised scheme of service for health personnel in September 1994, the doctors/dentists were left out. We are satisfied that there is a strong justification for the upgrading of doctors considering their life-saving role in society. We have also noted that due to low pay and unattractive terms and conditions of service, there has been an exodus of doctors from the Service and that such doctors have ended up in private practice and in other countries where they are offered better employment terms. We received strong representations to the effect that the Scheme of Service for doctors/dentists be revised and split into two to cater for medical doctors/dentists in both health institutions and administration offices. It has been argued that this move would enable the ministry of health to attract and retain doctors in health institutions as the proposed Scheme allows them to get their promotions to the level of Senior Deputy Director of Health Services, while still practising and treating patients in the hospitals. It was also represented that the current grading structure for doctors/dentists should be elongated by the creation of a new post of Senior Assistant Director of Medical Services at Job
the Scheme of Service for this cadre be revised and split into two as proposed and further that the grading structure be re-aligned as shown below:

(a) **Medical Administrators/Managers**

<table>
<thead>
<tr>
<th>Position</th>
<th>Job Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director of Medical Services</td>
<td>S</td>
</tr>
<tr>
<td>Senior Deputy Director of Medical Services</td>
<td>R</td>
</tr>
<tr>
<td>Deputy Director of Medical Services</td>
<td>Q</td>
</tr>
<tr>
<td>Senior Asst. Director of Medical Services</td>
<td>P</td>
</tr>
<tr>
<td>Asst. Director of Medical Services</td>
<td>N</td>
</tr>
<tr>
<td>Senior Medical Officer of Health</td>
<td>M</td>
</tr>
<tr>
<td>Medical Officer of Health I</td>
<td>L</td>
</tr>
<tr>
<td>Medical Officer of Health II (intern)</td>
<td>K</td>
</tr>
</tbody>
</table>

(b) **Medical Specialists**

<table>
<thead>
<tr>
<th>Position</th>
<th>Job Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Specialist</td>
<td>R</td>
</tr>
<tr>
<td>Senior Specialist</td>
<td>Q</td>
</tr>
<tr>
<td>Specialist I</td>
<td>P</td>
</tr>
<tr>
<td>Specialist II</td>
<td>N</td>
</tr>
<tr>
<td>Senior Medical Officer in Health</td>
<td>M</td>
</tr>
<tr>
<td>Medical Officer of Health I</td>
<td>L</td>
</tr>
<tr>
<td>Medical Officer of Health II (intern)</td>
<td>K</td>
</tr>
</tbody>
</table>

339. We would like to point out that although currently the entry level for posts categorised as "professional" in the Service is Job Group K, we are of the view that professionals should be categorised in order of their importance in the economy. We have, elsewhere in this Report, recommended that a job evaluation exercise should be carried out for the entire Civil Service within six months of the submission and acceptance of this Report so as to streamline the grading structure. We are convinced that such an exercise will be able to establish different criteria for classifying "professionals" in the Service.

340. For similar reasons as stated in paragraph 323, the position of Director of Agriculture is one of those that were considered critical in policy formulation and decision making in the Civil Service by past salary review committees and that currently this position is graded at Job Group R. In view of the fact that the Ministry of Agriculture, Livestock
Development and Marketing is expected to play an important role in providing raw materials as we move towards industrialisation and in ensuring food security in the country, the Committee recommends that the Director of Agriculture be graded at Job Group S.

341. We further noted that both the Director of Livestock Development and the Director of Veterinary Services are currently graded at Job Group Q. We are satisfied that in order to re-align and streamline the grading structure in the Ministry of Agriculture, Livestock Development and Marketing, the grading of these two positions needs to be reviewed. Consequently, the Committee recommends that the positions of Director of Livestock Development and Director of Veterinary Services be graded at Job Group R.

342. In order to re-align the grading structure and close the resultant gaps, we recommend re-grading of the positions in the Department of Agriculture, Department of Livestock Development and Department of Veterinary Services as follows:

**Department of Agriculture**

- Director of Agriculture: Job Group S
- Senior Deputy Director: Job Group R
- Deputy Director: Job Group Q
- Senior Assistant Director: Job Group P (New Post)
- Assistant Director: Job Group N

**Department of Livestock Development**

- Director of Livestock Production: Job Group R
- Deputy Director: Job Group Q
- Senior Assistant Director: Job Group P (New Post)
- Assistant Director: Job Group N

**Department of Veterinary Services**

- Director of Veterinary Services: Job Group R
- Deputy Director: Job Group Q
- Senior Assistant Director: Job Group P (New Post)
- Assistant Director: Job Group N

343. Arising from similar reasoning in paragraph 323, the position of
Engineer-in-Chief in the Ministry of Public Works & Housing has been considered as critical in policy formulation and decision making in the Service by past salary review committees and that this Ministry will be expected to play a key role in the development of infrastructure as we move towards industrialisation. Currently, the Engineer-in-Chief is graded at the same level with the Chief Engineer (Roads), i.e Job Group R. Additionally, we also noted that there is a gap at Job Group Q level between the Chief Superintending Engineer (Roads), who is graded at Job Group P, and the Chief Engineer (Roads) currently graded at Job Group R. In order to re-align and streamline the grading structure in the Roads Department, we recommend that the Engineer-in-Chief be graded at Job Group S and that a position of Principal Superintending Engineer (Roads) be created and graded at Job Group Q.

344. Equally and as explained in paragraph 323, the Director of Planning plays a central and co-ordinative function in the Civil Service particularly following the establishment of planning units in ministries/departments and the District Focus for Rural Development strategy and should, therefore, be graded appropriately. We recommend that the Director of Planning be graded at Job Group S. Consequential to this, there will be a gap between him and his deputy. Therefore we recommend the creation of a post of Deputy Director of Planning at Job Group R. In addition to this, the Committee noted that supervisory and co-ordinative roles played by the Inspector of State Corporations warrant the upgrading of the post. The Committee observed that the Inspector of State Corporations supervises chief executives of state corporations whose remuneration is by far higher than his and that the Auditor-General (Corporations), who audits the same Corporations, is graded at Job Group S. We have also been influenced by the need for intensified monitoring of the performance of state corporations, most of which are responsible for the laying of infrastructures required for rapid industrialisation. The Committee, therefore, recommends that the post of Inspector of State Corporations be upgraded to Job Group S. Consequential to this upgrading we recommend that a post of Senior Deputy Inspector of State Corporations at Job Group R be created.

345. We believe that the positions we have recommended for regrading and creation will help streamline the Civil Service grading structure. We wish to reiterate that the grading structure we have recommended should
not be interfered with by the creation of new positions or regrading of positions without an appropriate job analysis and evaluation being done. To this end, we have recommended elsewhere in this Chapter that the Directorate of Personnel Management should facilitate a job evaluation exercise in the Civil Service to be done within the next six months. In carrying out the job evaluation exercise, the Directorate of Personnel Management should take into account that the country has planned to achieve the status of a Newly Industrialised Country by the year 2020.

346. Allied to the problem of disparities in the grading structure is the use of designation titles. The Committee appreciates that designation titles have been used as a stopgap measure to bridge the gaps created by certain upgradings. We further noted that the Mbithi Committee recommended that the Directorate of Personnel Management should harmonize job titles. It is evident that no action was taken on this recommendation as this problem continues to exist in the Service in that such designation titles as "Principal" and "Chief" continue to be used in an inconsistent manner. For instance, in the Scheme of Service for Personnel Officers, Chief Personnel Officer is graded at Job Group M and Principal Personnel Officer at Job Group N, while in the Scheme of Service for Economists/Statisticians, Principal Economist is graded at Job Group N and Chief Economist at Job Group Q.

347. In view of the foregoing, the Committee recommends that the Directorate should carry out an exercise with a view to harmonizing the designation titles in the Service. We further recommend that the Directorate should revise the schemes of service where there are inconsistencies in the use of designation titles to ensure their harmonisation.

348. In recommending the above measures, the Committee noted that there is a definite link between the grading structure, an individual’s expectations, career path, the level of professionalism and performance within the Service. Professionalism mainly affects the top and middle echelons which comprise the strategic positions in the service. Due to the competition and rate of change in the world today, there is need to ensure that holders of the top and middle level managerial positions in the Service are properly motivated. Improvement of the grading structures, hence better remuneration of various cadres within these positions, would not
only bring the Service closer to the market rates but also may curb considerably the brain-drain from the public sector.

349. The regrading of posts at the top management level has taken cognizance of such factors as the level of responsibility, the size of financial and non-financial resources being managed and being accounted for and the sensitivity of the various sectors and their contribution to the national economy. The Committee notes that over the years regrading of posts in the Service has not been based on job analysis and evaluation and that this has brought about disgruntlement. This stresses the need to carry out a job evaluation as recommended earlier in this Report.

350. The streamlining of the Service grading structure and hence better remuneration for civil servants, should be supported by strict adherence to policies on recruitment, human resource development, promotion and discipline in order to allow for professionalism and preservation of the best traditions of the Service. It should bring to an end the ad hoc approach to grading that has pervaded the Service in recent years thereby stirring much dissatisfaction and outcry between different cadres.

351. While all the above interim measures are intended to contain the present situation, a long term measure would involve undertaking a thorough job evaluation exercise for the entire Service on a regular basis. This will ensure internal equity among the different jobs in the Service by grading jobs of similar worth at the same level.
CHAPTER 10 - MANAGEMENT PRACTICES IN THE CIVIL SERVICE

Introduction

353. The Civil Service is the operational arm of the Government charged with the analysis, recommendation and administration of public policy. Because of this central role, many factors - historical, political and ideological - have shaped its functions and structure. The Service inherited from the colonial regime was relatively small and had limited objectives of maintaining good government, law and order. The Service in independent Kenya has changed in its structure and functions. Besides being the custodian of good government, law and order, it has increasingly become the vehicle for social and economic development.

354. Over the years, the Service has successfully adapted itself to this new role and can legitimately be credited with the many achievements made in public administration. However, the complexity of modern approaches to governance and economic management require the Service to continuously adjust itself to the rapid changes that are taking place both nationally and internationally. In the various Chapters of this Report, we have stressed the need to develop a capacity, in the Service, that will enable it to effectively respond to these emerging challenges. In this Chapter, we focus attention on some of the management approaches and styles that will be required if the Service is to entrench and sustain its adaptability. In particular, we discuss issues pertinent to some key areas of the Civil Service management where weaknesses have persisted and where improvements are called for.

355. The various commissions and committees that have reviewed the operations of the Civil Service before us have invariably decried the perpetuation of outdated management practices which are characterised by rigidity of approach; lack of perception in decision-making and of appreciation of overall developmental trends; and, inflexibility of response to changing conditions. In the course of our own inquiry, we have been told that the Service continues to have a centralised bureaucratic style of management which is inherently mechanical and generally rigid. It is a style that is governed by rules, regulations and precedents and that, in such a scenario, innovativeness is normally stifled and initiative hampered. We have also been told that in spite of the management improvements that
have been introduced in the Service over the recent years, the quality of its output leaves much to be desired. It is deficient in cost-effectiveness; in interfacing solutions to the problems at hand; in the ability to anticipate and isolate the consequences of alternative courses of action; and, in the unsustainability of its best practices.

356. The Ndegwa Commission 1970-71 dwelt at length on the issue of management in the Service and made sweeping recommendations on how existing deficiencies could be overcome. In particular, the Commission recommended the introduction of modern management practices including Management by Objectives. It also recommended very substantial delegation of authority on establishment matters to ministries and departments as well as the creation of a Central Management Office (CMO) - to replace the Directorate of Personnel. The role of the CMO was to be limited to matters with Government-wide implications that required uniformity and consistency. Thus, its main functions were to set standards, rules, guidelines and operating procedures for use by ministries. Needless to say, the CMO was not established and neither were most of the recommended management practices introduced. In the view of this Committee, there is no gainsaying that the problems currently afflicting the Service can legitimately be attributed, at least in part, to the non-implementation of some of the key recommendations of the Ndegwa Commission.

The Role of the Directorate of Personnel Management

357. During our interviews with Permanent Secretaries and other senior civil servants, it was put to us very strongly that the relationship between the Directorate of Personnel Management (DPM) and line ministries needs urgent re-definition. It was said that because of the failure to implement all the Ndegwa Commission recommendations, the Directorate has continued to exercise undue control over management matters in ministries. A poignant example was given of the management of the ongoing reforms in the Service. Whereas the reforms were meant to strengthen the capacity of ministries to manage their affairs independent of undue control, and for the DPM to limit its role to giving guidelines and setting standards, the latter took direct control of vital aspects of the reform activities, to the exclusion of line ministries. The consequence, for instance in the case of retrenchment, has been that ministries have
been made to retrench their best and most experienced officers, thus adversely affecting their performance.

358. Elsewhere in this Report, we have recommended that Permanent Secretaries be put on performance-related contracts with clearly specified targets to be met during the contract period. We have also recommended that they be given the widest possible freedom to manage their staff and other resources in accordance with the peculiarities of their ministries. For this new system to work, there will be need for the entire management system in the Service to be re-aligned. In particular, and in the context of the ongoing Civil Service Reform Programme, it will be necessary to re-define the role and functions of the DPM vis-a-vis those of line ministries. The current albeit mistaken perception that DPM has direct and decisive control over personnel management functions in the Civil Service will need to be corrected. We, therefore, reiterate the Ndegwa Commission recommendation that the DPM focus its activities on broad Service-wide issues like the setting of rules, regulations, guidelines and standards and leave day-to-day management to line ministries. We further recommend that the DPM becomes a centre of excellence for the Civil Service, offering consultancy services; advice on emerging innovations in management; and, assisting ministries to access new management practices and accompanying technologies. In a nutshell, the DPM should be a resource centre and a think-tank for the Civil Service in all matters of management. To achieve this goal, the DPM will need to keep abreast of the many innovations that are taking place in virtually every aspect of management development. We, therefore, recommend that the DPM develops, possibly within its Management Consultancy Services Division, a research unit to develop a management data bank on management issues and trends both in Government and the private sector.

Performance Management

359. We have stated earlier that the Ndegwa Commission recommended the introduction of Management by Objectives strategy but this was not implemented. We are happy to note, however, that under the Civil Service Reform Programme, the Government proposes to introduce management innovations such as performance management. This is a structured and systematic approach to management which is inherently
flexible and is designed to develop and improve the performance of all components of the organisation - the people, structures, systems and services - and thereby the performance of the whole organisation. We have been told that in introducing performance management in the Civil Service, the guiding principle will be that managers should be encouraged to manage by objectives and function, and less as mere blind administrators. Efforts in this direction will, therefore, focus on clarifying and delineating the objectives of ministries and departments. This will be complemented by efforts aimed at striking an appropriate balance between autonomy and accountability. The Government will also adopt a performance evaluation system which will seek to:

- derive individual performance objectives in the context of the objectives set for their organisational units;
- improve employees' performance by identifying and measuring strong and weak points of individual performance, recording evaluation in objective terms, encouraging employees in their work and giving constructive counselling to them concerning their shortcomings;
- refine and validate personnel techniques, serve as a check on qualification requirement, deployment techniques, training needs or instances of maladjustment;
- ensure objectivity in the application of personnel policies when selecting candidates for deployment and promotion when administering salary advancement within the grade, and recognising outstanding performance as well as when taking disciplinary action; and,
- identify talent and gauge future potential adequately, develop standards of satisfactory performance, clarify what quantity and quality of work of a given type is acceptable and adequate in the interest of the organisation.

360. It has been suggested to the Committee that along with performance management, the Government should also consider the introduction of performance related pay (PRP). The awarding and administration of PRP requires thorough performance monitoring, evaluation and feedback. The question has been posed repeatedly as to whether PRP should be individual-or team-based. Most proponents of
PRP have argued for team-based performance related pay because: it is easier to evaluate against the measured performance of an organisational unit than the performance of individual members; individual PRP distributed from a fixed total against personal appraisal is bound to foster unhealthy competition and resentment; co-operation within the workplace is more likely to be fostered through team rather than individual rewards; and, the distribution of the total reward available for PRP between members of a team can be done according to previously agreed norms, such as in proportion to basic salary.

361. In the view of this Committee, the introduction of innovative management approaches should be a welcome development if it contributes to improved productivity. We, therefore, recommend that the introduction of performance management and performance-related pay in the Civil Service be proceeded with. In doing so, however, the widest possible consultations with Permanent Secretaries be undertaken with a view to obtaining their understanding and acceptance. As regards performance-related pay, reconsideration should be given to the current system of awarding honoraria and responsibility allowances. We also recommend that in view of the rapidly changing approaches to management internationally, the Civil Service also avails itself of the good attributes of such other innovations as Total Quality Management, Organisation Development, Results-Oriented Management and Self-Directed Work Teams, depending on suitability for particular functions or agencies in Government.

Delegation of Responsibilities

362. The Committee believes that effective delegation of responsibilities is one of the basic principles of management. The Ndewga Commission, while commenting on management problems in the Civil Service, observed:

"Symptoms of problem areas include: little or no delegation of operating responsibilities from the senior officers down to their juniors; consequent overburdening of these senior officials with minor, routine work decisions at the expense of their concentrating on major matters of policy and programmes; misunderstanding by some junior officials of their job purpose and, more important, of
their role in the organisation especially in relation to their fellow officials; over-centralisation of authority in Nairobi...

363. According to the evidence that this Committee has received, it would appear that these problems have not only persisted but have worsened with time. We were told that at the higher levels, Permanent Secretaries are bogged down with routine administrative work while some of them have up to three Deputy Secretaries and an even larger number of Under Secretaries and Senior Assistant Secretaries at their disposal. In such a situation, the Permanent Secretary becomes overworked while his immediate subordinates are generally idle. By the same token, officers at the ministry headquarters tend to assume responsibilities that should be performed in the field. We were told that whereas the District Focus Strategy for Rural Development has delegated substantial responsibilities to the Districts, it is not unusual for the headquarters of a ministry to employ people in Nairobi and post them to the field contrary to the laid-down procedures. We also received evidence to the effect that failure to delegate arises from lack of trust, fear and lack of appreciation of the importance of delegation to the efficient delivery of services. It has also been put to us that with the advent of multi-partism, communication between and among officers has been stifled on account of suspicions.

364. In Chapter 25, we have recommended a new approach to management which involves performance-related contracts for Permanent Secretaries. For this to succeed, it is imperative that ministerial responsibilities be delegated down to the most competent levels. It will be in the interests of a Permanent Secretary to ensure that his staff at all levels are fully and productively mobilised to meet the targets set for him and his ministry. We, therefore, **recommend** that the concept of delegation be incorporated in the performance-related contract.

**Schedules of Duties**

365. A schedule of duties is basically a guide to the apportionment of duties in a ministry or department, whether at headquarters, in the provinces, districts or divisions. It delineates and assigns responsibilities. It also provides for reporting systems. In the absence of a schedule of duties, officers often find themselves working at cross-purposes especially if there is no proper guidance from their superiors. We received
representations that some ministries and departments have not developed schedules of duties for their staff. We were also informed that the chain of command had broken down in some ministries because the schedules of duties which should provide for it do not exist or are outdated. The situation is so appalling that when we requested for copies of schedules of duties from all the twenty-two ministries, only a handful responded within the stipulated period, a few others responded in trickles thereafter while the rest never responded. This confirmed the representations received from civil servants to the effect that most ministries have either not developed schedules of duties or are maintaining outdated ones.

366. Arising from the foregoing, we recommend that Permanent Secretaries be required to formulate detailed schedules of duties for their respective ministries and departments and to submit final copies to the Head of the Public Service and the Directorate of Personnel Management by 31st December, 1997. We also recommend that the approved schedules of duties be circulated in Government by the first week of January 1998 for general information. The schedules of duties will be useful not only to the concerned ministries and departments, but also to members of the public in identifying the officer who should attend to their problems in the delivery of services. The schedules of duties will also facilitate target-setting and implementation of projects and programmes. It will also lead to better performance evaluation and productivity in the Service, particularly at the top management level. Needless to emphasise, the schedules of duties should be up-dated on a regular basis.

Management Information System

367. In any organisation, the availability and timely dissemination of information is of critical importance in management. In the case of Government, the need for efficient flow of information is of even greater importance considering the span of organisations that constitute it and the volume of information that should be shared among them for effective and consistent decision-making. We have been told that the existing management information system in the Service, which is limited to payroll administration and personnel data processing, is seriously deficient. This is partly because of the nature of the existing computation and storage problems.
368. The payroll system, which has been in existence since 1967, has been running on an IBM mainframe computer which was declared obsolete about 15 years ago. The computer uses the old batch system and to get instant data for decision-making is difficult. There have, therefore, been numerous complaints about its usefulness. These include: inability to capture and process additional personnel data as required from time to time by the user ministries/departments; delays in paying salaries on time due to frequent computer breakdowns; and, irregular payment of salaries through the payroll due to lack of data validation mechanisms at the data entry stage. The computer, which is based at the Treasury, is supposed to service the entire Civil Service for both personnel systems and other modes of data. Because of the problems mentioned above, personnel data for managers, for example, are only produced quarterly. This means that management may lose valuable time to correct irregularities when they occur. In addition, the personnel staff in different ministries and departments use a manual card system without updating the computerised system in a timely manner. Since personnel costs are such a large part of Civil Service expenditure, such a deficiency undermines the system of financial management.

369. The Committee notes, however, that under the ongoing reforms, the Government is committed to the introduction of an integrated payroll and personnel database system in the Service. We have been told that by mid-1997 the Government will have completed the first phase of this initiative, which involves the connection of the system to the headquarters of all ministries and departments. In order for the new system to function, we recommend that urgent action be taken to replace the IBM mainframe computer based at the Treasury.

370. While we commend the Government for this initiative, we are constrained to state that apart from payroll and personnel data processing, there are many other purposes which a properly organised management information system can serve. We have in mind the internal needs of ministries/departments for the flow of good management-related information within the headquarters; between the headquarters and the constituent departments; and, between Nairobi and the field stations. Given the profoundly sophisticated communication systems that have emerged worldwide in recent years, we recommend that the Government designs a system of networking all its institutions through the computer in
order to facilitate speedier flow of information, faster and accurate decision-making and, consequently, increased productivity.

District Focus Strategy for Rural Development

371. The District Focus Strategy for Rural Development has been under implementation since 1st July, 1983. From the initial stages, it was recognised that the strategy was a dynamic process requiring continuous review in order to incorporate new circumstances and lessons learnt during implementation. The strategy is based on the principle of complementary relationship between ministries with their sectoral approach to development and districts with their integrated approach to addressing local needs.

372. The decision to decentralise was made following realisation of the shortcomings of centralised planning which had led to a situation where projects were designed continually for districts by ministries without thorough knowledge of the local socio-economic and physical conditions and without the local peoples' involvement. It was realised that local people needed to be involved in the identification, planning and implementation of projects in their areas to enable development to be a self-sustaining process. However, responsibility for general policy and planning of multi-district and national programmes/projects remained with individual ministries. The delegation of responsibility and authority to the officers in the field is an attempt to build capacity in the rural areas where about 80 per cent of Kenya’s population lives and 70 per cent is employed.

373. We were told that the strategy has resulted in the decentralisation of the management of public sector inputs to the districts. Line ministry departments at the district level have been strengthened through redeployment of staff from the ministry headquarters and from the provinces to the districts. Various seminars/courses have been conducted to sensitise personnel involved on the implementation of the strategy. Decisions at the district level have been institutionalised through the District Development Committees and other development committees at the divisional and locational levels. The involvement of the beneficiaries of development projects has been enhanced through the establishment of local level committees.
374. The Committee was, however, informed that despite the stated achievements, a few bottlenecks continue to impede effective implementation of the strategy. Some of the problems are:

- inadequate financial resources for both development and recurrent operations;
- shortage of staff housing and office accommodation;
- inadequate communication facilities and working tools;
- lack of attainment of value for money concept; and,
- problems relating to management of financial resources in the district treasuries.

375. Although the District Focus Strategy for Rural Development is experiencing the problems we have cited, it is a unique and good example of a home-grown idea with tremendous potential. In order to ensure that district focus remains a catalyst for harnessing and mobilising resources for the development of the rural areas, we strongly recommend that:

(a) Each district be encouraged to identify, plan and concentrate in the implementation of core and high priority projects only.

(b) All divisional and locational development committees be reactivated to ensure greater involvement of beneficiaries of development projects at the grassroots;

(c) The Treasury, in liaison with line ministries, allocates adequate financial resources for development and in particular for recurrent operations to the districts.

(d) Capacity building for planning, implementation and monitoring and evaluation be given adequate attention.

(e) The concepts of cost-consciousness and value for money be inculcated in all field staff.

(f) Steps be taken to provide appropriate housing, where applicable, and office accommodation for staff working in the rural areas.

(g) Adequate basic communication facilities and working tools be extended to staff in the field.

(h) Information flow between the district and the ministry headquarters on budgeting matters be strengthened in order to incorporate district priorities in forward budgets.

(i) District Commissioners be required to allow ministerial district heads to control funds allocated for their sectoral
programmes/projects.

376. Finally, and most importantly, the Committee observes that while the District Focus Strategy has, to some extent, succeeded in its integrated approach to addressing local needs, we nonetheless feel that there exists tremendous scope to integrate use of administrative resources through, for example, the pooling of Government vehicles, tools and equipment, secretaries and other support staff for common use at district level.

Financial Management

377. The Committee is aware that financial resources available to Government are mainly revenues from taxes, such as income tax, customs and excise duties as well as value added tax and non-tax revenue including user charges levied by various Government departments. On the basis of expected financial resources, an annual budget is prepared to cater for all Government activities and operations. The expenditure budget has three main components: recurrent expenditures, development expenditures and consolidated funds services. Each ministry has a recurrent and development budget, but expenditures on consolidated funds services, such as debt service, pensions, salaries for certain constitutional offices and subscriptions to international organisations, are centralised in the Treasury.

378. The printed estimates are presented to Parliament for approval after which Accounting Officers are empowered to incur expenditures. Each ministry has an account under the Paymaster-General's Account. Accounting Officers must keep a Vote Book in which they are required to balance expenditure commitments against their allocations. A Cash Book is not supposed to be overdrawn except with the written permission of the Permanent Secretary to the Treasury.

379. We were informed that although the Exchequer controls the release of resources, ministries have been able to commit up to the full extent of their gross expenditure ceilings without consulting the Treasury. In our opinion, this causes a problem when overall Government expenditure must be reduced below the budgeted amount due to anticipated shortfalls in revenue, or when some ministries' excess expenditures must be met by reductions in operative ceilings of others. This trend leads to the
accumulation of pending bills. We, therefore, recommend that the Treasury tightens the current system of tracking and controlling ministries' expenditure commitments. Furthermore, the high level committees recommended in Chapter 25 on Permanent Secretaries to co-ordinate and oversee budgetary allocations should also review, on a monthly basis, all commitments reflected in ministries vote books.

380. We were informed that whereas Parliament appropriates funds for use by ministries, the Treasury does not always release Exchequer issues as necessary. We were also informed that the Treasury regularly effects cuts on the approved budgets even when such funds may have been committed to development programmes. It was lamented that such cuts amount to curtailing development and render the Government unable to deliver services badly needed by the people in a timely manner. We concur in these sentiments. As stated elsewhere in this Report, our vision is that the Civil Service of the future ought to operate on the basis of set objectives pursued in accordance with work-plans in which realistic targets are set and adhered to. We have proposed in Chapter 25 on Permanent Secretaries that it is their responsibility to ensure that targets for their ministries are timely met. They cannot do this unless the necessary resources, including finances, are timely availed to them. Accordingly, we recommend that the Treasury ensures that financial resources approved for ministries are availed to the ministries in time.

381. We are aware that spending by ministries against uncollected recurrent appropriations-in-aid also undermines expenditure control. When ministries fail to collect the full amounts, they often seek supplementary allocations from the Treasury to cover the under-collection or overdraw the Paymaster-General's Account, thus leading to excess expenditures. We have already addressed this subject and made appropriate recommendations at paragraph 207 of Chapter 7 on Financing of Government Operations.

382. The Committee was informed that another obstacle to expenditure control arises when ministries under-state expected expenditures on wages and allowances to fit in with ceilings stipulated by the Treasury. In our view this practice leads to excess vote, given salary commitments. We are aware that, presently, under the Civil Service Reform Programme efforts are being made to integrate payroll and personnel data. The
Committee, therefore, **recommends** that the exercise be given the high priority it deserves in view of its central role in the budgetary process.

383. This Committee is aware that another source of overspending is Government’s failure to timely and fully reclaim expenditures on donor-assisted projects. A number of donors disburse their contributions to the development budget on a reimbursement basis. The Committee notes that as a result of this practice, Government’s own expenditure on a number of donor-assisted development projects tends to be higher than budgeted for. In this regard, the Committee **recommends** that:

1. **(a)** Line ministries ensure timely submission of reimbursement claims to the Treasury.
2. **(b)** The Treasury lodges the reimbursement claims with donors expeditiously and ensures that the claims are honoured with minimum delay.

384. We also note that presently even though the Accounting Officers are in-charge of the budgetary allocations in their ministries, in practice, the current procedures for effecting expenditures contain many loopholes which permit authorisation of expenditure without express involvement of the Accounting Officers. This has prevented effective expenditure control and resulted in many ministries over-spending in their gross ceilings. We, therefore, strongly **recommend** that any payment in excess of Kshs.10 million be approved by the Accounting Officer personally. We further **recommend** that the Accounting Officers check the ministries’ cash book daily and further that Accounting Officers regularly counter-check their expenditure returns against Paymaster-General’s Account at the Central Bank. In view of these recommendations, Accounting Officers who make commitments in excess of their ceilings should be reprimanded and disciplined when necessary.

385. The Committee is also aware that the Government has set up a mechanism to ensure prioritisation of budgetary allocations to core and high priority projects. However, these core and high priority projects have not been receiving full funding allocation. We are aware of instances where projects outside the Public Investment Programme (PIP) have received higher allocations than those in the PIP. We are also aware that the PIP exercise does not always carry out sufficient evaluation of
existing projects or screening of new ones. In view of this, the Committee recommends that the Public Investment Programme unit in the Ministry of Planning and National Development be strengthened. In addition, the Committee recommends that project selection procedures be tightened and the input from the PIP exercise accorded the importance it deserves.

386. The Committee was informed that over the years, the Treasury has issued several circulars relating to procurement, maintenance and disposal of capital equipment. To this end, the Treasury has prepared a comprehensive manual containing all the circulars relating to the procurement, maintenance and disposal of equipment. We note, however, that to-date no comprehensive revision has been undertaken to update the regulations. The Committee observes that the outdated and often rigid regulations have contributed to inefficiency. The Committee, therefore, recommends that the Ministry of Finance sets up a task force as a matter of priority, to review and update the existing Government procurement, maintenance and disposal procedures.

387. The Committee observes that with globalisation and rapid liberalisation of financial markets there is need for personnel whose duties relate to financial matters to familiarise themselves with and be exposed to the changes in the new financial environment.

388. We are also aware that the resources available to the nation are limited. In this regard, we wish to underline the point that the recommendations made in this Chapter should equally apply to all public institutions. More importantly, we wish to emphasise the need for instilling responsibility and accountability in all public servants so that they may view public funds as scarce resources which must be used prudently for the benefit of society as a whole. We, therefore, recommend that all public servants adopt the value for money concept which reflects the scarcity of national resources.

The Code of Regulations

389. The Civil Service Code of Regulations (COR) is a set of rules and procedures to guide civil servants on what is expected of them during their tenure of office. The Code sets out the rules and procedures for the
conduct of Government business; it provides information on the functions, role and powers of the Public Service Commission and Civil Service managers; and, prescribes rules of conduct to be observed by civil servants. It also specifies the terms and conditions governing the employment of civil servants including employment procedures.

390. During our tour of the provinces and following submissions and discussions with senior Government officers including Permanent Secretaries, it transpired that in spite of its importance in the day-to-day management of the Civil Service, the Code of Regulations is not readily available to senior officers in Government ministries and departments at the headquarters as well as at provincial and district levels. It is our considered opinion that in the absence of this important document, officers at all levels cannot be expected to take accurate and fair decisions when handling personnel related matters.

391. The Code of Regulations has undergone a number of revisions over the years. These revisions have been infrequent and not as extensive as they should be. The last revision was done in 1992. Further, changes in some provisions of the Code have been made by way of circular letters issued from time to time by the Directorate of Personnel Management. While this approach has served the purpose intended, we are of the view that they should be incorporated in the Code of Regulations with minimum delay.

392. In view of the foregoing, we recommend that:-

(a) That the Directorate of Personnel Management constitutes a task force to undertake a comprehensive review of the Code of Regulations before the end of 1997 and, in doing so, incorporate all past personnel circular letters that are still in force.

(b) The Directorate of Personnel Management ensures immediate availability of updated edition of the Code of Regulations for Permanent Secretaries to procure and distribute to work stations where all civil servants can access it.

(c) In future, formal comprehensive updating of the Code of Regulations be undertaken on regular basis.

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Conclusion

393. In conclusion, we reiterate that with the advent of modern management information systems, tremendous opportunities exist for effecting better and more cost-effective management practices. We urge that the Civil Service adopts these practices to enhance efficiency and productivity.
CHAPTER 11 - PROVISION AND MAINTENANCE OF PLANT, MACHINERY AND EQUIPMENT

Introduction

394. The Government has spent over the years colossal sums of public funds on the acquisition of all types of plant, machinery and equipment for use by civil servants in the course of their duties. These include various types and makes of vehicles, earth moving plant, agricultural machinery, aircraft, telecommunication equipment, broadcasting equipment, different types of furniture, typewriters, computers, facsimile machines, firefighting equipment, electrical installations and photocopiers. Similarly, substantial resources are expended daily on varying types and quantities of consumable stores such as spare parts, stationery and chemicals. Substantial resources are also spent on maintenance.

395. Our visits to various offices, and the submissions we received, revealed that there is a general shortage of plant, machinery and equipment in the Civil Service which is a consequence of several factors, the major one being lack of proper and sustained maintenance of the existing facilities. This is evidenced by, for example, car parks converted into "graveyards" for broken down vehicles, in the midst of acute shortage of means of transport. It is our view that inadequate replacement of unserviceable plant, machinery and equipment and delayed introduction of modern ones, though important factors, have a lesser impact in their contribution to the general shortage experienced by civil servants.

396. We are aware that the maintenance systems have generally been put in place in form of rules and regulations but what happens on the ground is quite often different. This is a consequence of many factors which touch on, for example, tendering systems, funding levels and even attitudes of civil servants towards maintenance.

397. With regard to modernisation of equipment, the Government has made significant progress which include computerisation and establishment of modern telephone communication system. There are, however, some critical areas that still require special attention, such as hospital equipment and research and technical equipment. It was submitted to us that several types of plant, machinery and equipment have been donated as part of
certain donor-funded projects and that in some instances modern machines like photocopiers have been hired from private companies who also maintain them. We support these efforts but note that modernisation has come up with diversified makes and models of plant, machinery and equipment which tends to make maintenance more expensive. We, therefore, see a need for standardisation of plant, machinery and equipment, as well as rationalisation of decisions on what is to be provided and how, for use by civil servants to enhance their productivity.

**Shortage of Plant, Machinery and Equipment**

398. As stated earlier, the Government has invested heavily in the provision of plant, machinery and equipment, and in replacing those that have become obsolete. This is evidenced, for example, by the large numbers of plant, machinery and equipment, both operational and awaiting repair, that we saw during our visits to various stations. We, however, also observed that paradoxically, these efforts by the Government have been overshadowed by the existence of a general shortage of operational plant, machinery and equipment in the Civil Service as well as inadequate supply of consumable and expendable items. The acuteness of the shortage differs from one type of equipment to another. We are only able to highlight here a few examples of plant, machinery and equipment whose shortage has, in our view, adversely affected the operations and productivity of civil servants.

399. We appreciate the recent efforts by the Government to introduce improvements in the medical sector, particularly at Kenyatta National Hospital, which are aimed at offering quality service. However, concern was expressed about an acute shortage of medical supplies in Government medical centres. Patients have been sent away to purchase medicine from private pharmacies whose prices are unaffordable by a large majority of Kenyans. Patients who are admitted to hospitals have often to share narrow beds or have to sleep on cold floors. These are occurrences which appear to have been accepted, though unofficially, despite their undesirability. On the side of specialised equipment, examples were given of availability of one dental chair to be used by five dentists, resulting in idle and frustrated dentists; and of x-ray equipment which could not be used for lack of spare parts.
400. With regard to vehicles, the number of those that are operational in the stations we visited are a small fraction of the numbers grounded. In the field in particular, lack of Government vehicles has resulted in officers using public transport while carrying files to attend to their official duties. Such occurrences undoubtedly discourage officers from undertaking field trips and this has grave consequences on the overall delivery of Government services. More often than not, policemen cannot respond to emergency calls because of either lack of vehicles or fuel, which demoralise the police and frustrates the public.

401. We received submissions expressing concern that aviation safety standards in Kenya have generally been on the decline. This, we were informed, is a consequence of poor maintenance of the ageing navigation aids, instrument landing systems and other communication facilities. Similarly, Directorate of Civil Aviation aircraft were said to be often grounded for lack of proper maintenance, resulting in idleness among pilots. We were further informed that leading countries in civil aviation are making efforts to replace the current terrestrial navigation aids with options aided by space-based satellites, but this was yet to commence in Kenya. We observe that malfunctioning of navigational and communications equipment increases flight risks, may cause expensive delays and diversions of aircraft and lowers capacity to handle emergencies.

402. It was submitted that one major cause of poor maintenance is inadequate funding. Representations made revealed that very often, stationery supplies in most of the ministries get exhausted before the end of a financial year. This is because at the commencement of the financial year, pending bills are settled first, thereby leaving inadequate funds for undertaking normal operations in the course of the year. Lack of such simple stores as typewriter ribbons or computer paper results in under-employment of secretarial staff, officers whose urgent letters cannot be sent out on time and frustrated senior officers who watch activities stall. We were given examples of police stations where members of the public have to photocopy the only abstract form available to facilitate obtaining police abstract reports. Similarly we were told of frustrations in licencing and registration offices arising from absence of official application forms. We also received submissions to the effect that inadequacy of specialised equipment and facilities, such as land survey equipment, law books and
technicians tool boxes, has adversely affected the productivity of professional and technical personnel in Government.

403. With regard to cleanliness, concerns were aired about the pathetic condition of public utilities, national monuments, office compounds, airports, stadia, hospitals, police stations and prisons. We were informed that while inadequacy of cleaning equipment was an important contributory factor, equally important were the laxity and negative attitudes of those charged with the general up-keep of Government facilities. The quality Civil Service recommended in this Report is one which will by example guide the public in acquiring positive attitudes towards cleanliness and hygiene.

404. Submissions were made to the effect that on some occasions, the shortages of plant, machinery and equipment are artificial. We were told that distribution of drugs was at times unfair owing to undue interference and malpractices which led to their inequitable distribution between hospitals. Lack of transport was another example which in some cases had resulted from lack of enough drivers due to retrenchment. We also learnt that although in certain cases some types of plant and machinery and equipment appeared to be adequate their productive capacity was low because of obsolete technology.

405. As we stated earlier, the list of inadequate plant, machinery and equipment for whatever reason is long and this has had adverse effect not only on the productivity and morale of civil servants, but also on their status in the eyes of the public. It is for these reasons that we recommend that Accounting Officers assess their requirements for plant, machinery and equipment as a matter of urgency with a view to meeting the needs of the civil service. To ensure high standards of cleanliness in Government institutions/ministries, we further recommend that provision of appropriate and adequate equipment and their use be coupled with intensive supervision. We also recommend that the Treasury formulates a clear policy on replacement of obsolete plant, machinery and equipment to enhance productivity and to save on maintenance costs.
Maintenance of Plant, Machinery and Equipment

406. It is our conviction that sustained maintenance of plant, machinery and equipment is one effective way of meeting the current requirements. Representations received indicated that maintenance standards in the Civil Service are very low and this has resulted in high incidence of grounded and unserviceable vehicles, tractors, photocopiers, typewriters, medical equipment, among others, which is a clear illustration of inadequate and irregular servicing.

407. We were informed that the Mechanical and Transport Engineers Department offers vehicle inspection services for purposes of repair while the Electrical Department services items such as generators, lifts and boilers. These preventive maintenance services are crucial as they facilitate longer utilisation of the facilities and avoid unnecessary breakdowns which are expensive and time wasting. It was submitted that preventive maintenance has not been as effective as desired because of lack of adequate tools and sometimes skills to service certain types of modern plant, machinery and equipment. In addition, transport is not always available for those who have to go round the various ministries and departments to inspect or undertake maintenance work. We, therefore, recommend that preventive maintenance be accorded high priority as a cost-saving and time saving measure and all personnel involved be provided with the relevant skills and appropriate working tools.

408. Concerning routine maintenance of broken down plant, machinery and equipment, we were informed that this has encountered several difficulties. There was a general shortage of skilled personnel in the country to repair modern equipment like autoclaves, X-ray machines, lifts and civil aviation equipment. These modern plant, machinery and equipment were either obtained from donors or purchased by the Government without due consideration of the availability locally of the skilled personnel required to undertake repairs. We were informed of cases where new machines under the charge of technicians with inadequate skills broke down during the first day of use. In some instances, local technicians were sent for training locally or abroad, but many lacked specialised skills necessitating the importation of expensive foreign technicians. Bearing in mind that the Government is putting emphasis on the modernisation of plant, machinery and equipment, we
recommend that acquisition of new and modern equipment whether through donor funding or direct Government funding be accompanied by appropriate training of local technicians to enable them handle specialised repairs. This will obviate the need for importation or use of foreign technicians.

409. We also received submissions that effective repair of broken down plant, machinery and equipment has been adversely affected by delay in provision of spare parts. Local Purchase Orders are sent out to different spares contractors and the supply is made at different times. Sometimes wrong specifications are given by officers or they are misinterpreted by either contractors or suppliers ending up with wrong spares and unnecessary delays. The rapid change in technology causes obsolescence of some machines, leading to long delays in obtaining spares. In view of the prolonged delay in provision of spares, we recommend that enough funds be allocated for purchase of fast moving spares and that technical evaluation of broken down plant, machinery and equipment be undertaken before spares are purchased.

410. Representations were made that repairs for plant, machinery and equipment has in some cases been contracted out. An example is vehicles, which are repaired in contracted garages in the districts, except Nairobi where Mechanical and Transport Department gives approval for repairs in private garages. Submissions were made that sometimes there is collusion between the officers and contractors leading to inflated bills and shoddy repairs. To ensure high standards of repair and maintenance of plant, machinery and equipment, we recommend that the policy that only garages and contractors renowned for efficiency be contracted to undertake vehicle repairs and to supply spares be continued and reinforced. Efficient garages should also be identified to be contracted to repair Government vehicles in Nairobi area. The Mechanical and Transport Engineers Department should also be enabled to undertake more repairs in Nairobi and in the district headquarters through re-introduction of the revolving fund. Other items contracted out for repairs are lifts while equipment like telephones are repaired both by Kenya Posts and Telecommunications Corporation and private telephone organisations. We strongly recommend that in the area of plant, machinery and equipment, healthy competition between public institutions and the private sector be
encouraged, such as between the Mechanical and Transport Engineers Department and private garages.

411. We are convinced that putting into place all maintenance systems, as recommended, will still not yield the required high standards if the attitude of civil servants towards maintenance is not changed. There is the tendency for them to emphasise acquisition of new facilities and to look down on repairs. Carelessness is detected where, for example, a machine requiring an air conditioned room like X-ray machine is placed in an ordinary room. Misuse of plant, machinery and equipment is rampant in the Civil Service and this leads to premature breakage and destruction. We strongly recommend that the inherent advantages of maintenance of plant, machinery and equipment be emphasised not only in the Civil Service but also in the society as a whole, in an effort to realise a positive maintenance culture. We further recommend that stern disciplinary measures be taken against any officer found misusing Government property.

Provision of Modern Plant, Machinery and Equipment

412. Realising the gains to be reaped by introducing modern plant, machinery and equipment, the Government continues to contribute significantly towards this end. For example, in the area of communication, we were informed that the old PABX - telephone exchanges in ministry headquarters and provincial hospitals have been replaced with modern computerised exchanges which have made communication easy, reliable, time saving and cheaper. We understand this facility is to be extended to cover district headquarters. We were also informed that facsimile machines are available in Government ministries. We support these efforts but also recommend that this modernisation of telephone communication systems in districts be hastened. To ease communication within the Civil Service, we further recommend that tie-lines be re-introduced without delay and that the network covers all ministries, parastatals and provincial headquarters.

413. In regard to computer technology, we got information that ministries/departments have been able to computerise but at different rates and levels. Computerisation has the advantage of enhancing data storage, retrieval and dissemination. Information technology is encouraged as it
enhances productivity of civil servants. We were, however, informed that currently there is no stated policy on computerisation, which has resulted in ministries purchasing various computer models as they wish, without seeking technical advice. This is anomalous and has sometimes caused over-supply of computers in some ministries/departments. It was also submitted that the purchase of computers is not always matched with supply of computer literate personnel. In view of the high rate at which computer technology is growing, we recommend that a policy be formulated by the Treasury on introduction and institutionalisation of computer technology in the Civil Service.

414. We have also learnt that some ministries/departments have gone further and established Local Area Network to facilitate information interchange between their various offices. We were also told of a growing interest in the use of the INTERNET and E-Mail facilities which enable access to information globally. In view of these modern trends, we recommend that all ministries/departments be assisted to establish Local Area Networks, in the short term, and to establish Wide Area Network in the long term, to cover provincial headquarters. As for INTERNET, we recommend that the Government looks into the possibility of its introducing the service, on the basis of gains to be reaped, particularly in the areas of engineering, medical, research and tourism.

415. We are unable to enumerate the many modern plant, machinery and equipment that have been introduced in the Civil Service but indications are that efforts are being made towards increased use of modern technologies in government operations. We, however, observe that modernisation has no limit because technology advancement tends to be infinite because of new inventions and innovations. But the worrying issue is whether the nation will continue to be a consumer of technology or producer. To be a newly industrialised country by the year 2020, the latter will have to apply. In view of the higher productivity associated with modern plant, machinery and equipment, we recommend that the Government continues to give priority to the use of modern plant, machinery and equipment by civil servants, either through purchase of these facilities or hiring them. We also recommend that special attention be given to modernisation of equipment in research/technical institutions to enable them to effectively guide the growth of technology. We further recommend that the Ministry of Research, Technical Training and
Technology urgently devises strategies and programmes for converting Kenya from a mere consumer of technology and inventions into a producer thereof.

Standardisation/Rationalisation of Plant, Machinery and Equipment

416. We received representations to the effect that the need for standardisation of plant, machinery and equipment came about because of problems arising from the multiplicity of makes and models in the Government. Some of these problems are:

- difficulties in acquisition of spare parts for the numerous makes and models and indeed stocking of the same;
- the high cost of training personnel to maintain the different makes;
- the drastic reduction in the resale value of equipment due to proliferation of makes and models where no particular make dominates the market; and,
- lack of economies of scales.

We have also examined the potential problems of standardisation namely, the rapid change in technology which has rendered some models of motor vehicles and computers outdated after relatively short periods; the donor conditionalities which stipulate types and sources of plant, machinery and equipment; and tendering procedures which put emphasis on pricing rather than on quality. We were told that the Kenya Police, for instance, is currently using vehicles which though inexpensive, are totally unsuited to crime control work. Despite these problems, we are convinced that the country has much to gain through standardisation because, with the current liberalisation and the resultant importation of all types of plant, machinery and equipment, the Civil Service will need to be protected from the use of inferior facilities. We, therefore, recommend that Government plant, machinery and equipment be standardised with the aim of having fewer makes and models and enhanced compatibility.

417. It was submitted that lack of effective rationalisation in provision of plant, machinery and equipment has resulted in purchase of very expensive makes and models in disregard of the scarcity of financial resources. Strong concern was expressed that top level officers in the
service are provided with expensive vehicles which is seen as a waste of resources. It was represented to us that vehicles bought for the officers were too expensive to purchase and maintain as well as a drain on Government resources. In some instances the type of equipment purchased was based on personal considerations and not those of the Service. An example was given of a senior officer trained in a certain country who had a bias for everything produced there regardless of quality and price. Despite the scarcity of funds, departmental requirements had not always been effectively and appropriately prioritised which led to idle capacity and waste of funds. For example, following the retrenchment of civil servants there existed more vehicles than drivers in some departments.

418. Modern plant, machinery and equipment is expensive to purchase and to maintain especially in the face of the low levels of funding. We were informed that in 1996/97, for example, the Government allocated KShs.607.3 million of recurrent expenditure for purchase of plant and equipment for all the ministries. We understand this provision was not enough to replace the unserviceable ones and introduce new facilities all the way down to district offices.

419. In consideration of the aforesaid, we are convinced that there is need for serious rationalisation in provision of plant, machinery and equipment. We recommend that in view of the scarcity of drivers in the Service, senior officers be allowed to drive Government vehicles or, alternatively, be granted adequate transport allowance to enable them use their own vehicles for official duty. We have made recommendations on the levels of this allowance in Chapter 19 on other Terms and Conditions of Service. We also recommend that as a long term measure, the Government looks into the possibilities of leasing or hiring from the open market modern plant, machinery and equipment such as vehicles, X-ray machines and photocopiers in view of difficulties encountered in purchasing and maintaining these facilities. Alternatively, the Government should explore the possibility of having a private plant, machinery and equipment hire company to supply it with its requirements in this regard.
Procurement

420. We are aware that there exists in the Civil Service regulations and procedures which govern the procurement of goods and services, and the disposal of assets. These regulations and procedures are contained in the Government Financial Regulations and Procedures, the Government Supplies Manual and Treasury circulars. We have examined these procedures and find them to be appropriate. However, representations received show that they are not uniformly applied in all cases. For example, there is a regulation that requires that purchases not exceeding Kshs. 30,000 per single item in a year may be purchased without reference to a tender board provided that three quotations are invited and that the order should not be repeated such that the total combined cost exceeds Kshs. 30,000 in a financial year. This regulation is sometimes abused because one supplier can use three different companies in which he has interest, two of which may be non-existent, to bid, often colluding with Government officials. This abuse often results in purchase of low quality goods and service at unrealistically high prices.

421. It was submitted also that sometimes contractors do shoddy jobs and inflate invoices. We were also informed that there is sometimes interference, whereby tenders awarded genuinely are cancelled, usually to suit personal interests. This interference is frustrating to the officers who have to re-advertise as the process may take up to six months to award another tender. The situation becomes critical in cases of tenders for lifts, boilers, generators and heavy machinery because of the enormous cost escalation involved. An example was also cited of delays in finalisation of tenders for medical supplies and drugs which resulted not only in added costs to Government but also in patients continue to suffer for no fault of their own. We have highlighted only a few of the difficulties encountered during procurement of plant, machinery and equipment. We further received representations that the financial ceilings contained in the Treasury Circular No. 13 of 1993 which revised Treasury Circular No. 5 of 1987 was overtaken by increases in prices of commodities arising from inflation over the six year period. As a result Accounting Officers found it difficult to meet the requirements of their ministries/departments using these outdated ceilings. We have scrutinised these representations and find them to have merit. Arising from the foregoing and to ensure that goods and services offered to the Civil Service are of high standards, we
strongly recommend that a thorough review of all procurement regulations and procedures be undertaken with a view to overhauling or reinforcing them.

422. Representations were made that common user items, such as stationery, hardware, textiles and furniture, are supplied to ministries/departments from the Supplies Branch, in the Ministry of Public Works and Housing. The Supplies Branch procures goods in bulk to attract discount and supply the same to needy offices at no profit. Their relatively cheap prices have attracted other Government institutions, such as schools. We were also informed that there are divisional supplies branches at the provincial headquarters and substores in several districts, all of which sell at the same price as the Supplies Branch in Nairobi.

423. Submissions were made that sometimes goods supplied from the Supplies Branch were of lower quality because the tendering system insists on lowest bidder. The Branch itself faces scarcity of staff following the retrenchment of civil servants. It was also reported that the Branch would perform better with a higher level of funding. But the critical problems cited were that unpaid debts amounted to about KShs.400 million and that ministries were not always keen to purchase goods at the Supplies Branch despite their relatively low prices.

424. We note that the Supplies Branch has been offering an important service which enables the Government save millions of shillings. It is also appreciated that some of the activities at the Supplies Branch have been computerised to facilitate greater efficiency. We recommend that, within the ongoing privatisation, the operations of the Supplies Branch be limited to selected common user items. We also recommend that provision of additional funds be looked into to enable higher levels of stock, hence more supplies of selected items to the offices/institutions which will prevent ministries from seeking authority to purchase such goods privately. The personnel at the Supplies Branch should also be empowered through training and enhanced grades in order for them to achieve high quality services. Furthermore, we recommend that in this era of liberalisation and privatisation, competition between the Supplies Branch and the private sector should be encouraged for greater efficiency and cost-effectiveness.
Inventories

425. We were informed that stores inventories have not always been kept up-to-date. Whereas laxity may be partly to blame, the manual preparation of these important records is most ineffective, particularly where disposed assets have to be removed from records from time to time. It was also submitted that the Treasury which is the custodian of all Government property, normally receives data on vehicles and not on other properties, but even this data is usually out-of-date. At the ministries, different officers keep inventories for different assets. In view of the importance of having up-to-date records of all Government assets, we recommend that inventories be computerised in all ministries/departments including district and provincial headquarters. Computerisation should, however, be rationalised as some expendables and consumables need not be computerised. We also recommend that the Treasury keeps an up-to-date data bank of all Government assets.

Boarding of Unserviceable Stores

426. Boarding of Government assets on the basis of fair wear and tear is undertaken as a cost saving and cost recovery measure following laid down regulations. While open tender and sometimes auction should be used in the transactions of selling disposable goods, we were informed that private arrangements are sometimes entered into. In addition, technical evaluation which is an important aspect is not always done, or the assets are deliberately under-valued. At the same time we learnt that there is a lot of idle plant, machinery and equipment whose disposal is long overdue and this delay leads to vandalism and depreciation. We recommend that the regulations governing boarding of Government assets be enforced to ensure that it achieves its purpose of being a cost-saving and cost-recovery measure.

Conclusion

427. The Committee is of the view that to achieve high standards of productivity in the Civil Service, improved remuneration will have to go hand in hand with recognisable efforts towards providing appropriate and adequate plant, machinery and equipment for use by civil servants. We are convinced that if all grounded plant, machinery and equipment were
to be made operational, this would go a long way in rejuvenating the Civil Service to render quality services. This would be followed by a rationalised modernisation of plant, machinery and equipment. Provision of plant, machinery and equipment is given prominence in this Report because it has a crucial role to play in motivating civil servants not only to serve the public better but, more importantly, to guide the country on the path of technological advancement for industrial transformation by the year 2020.
CHAPTER 12 - TRAINING

Introduction

428. We have stated in Chapter 3 on the State of the Civil Service that this Committee received representations from civil servants to the effect that the Civil Service had not always effectively addressed the objectives of the Government owing to lack of well thought-out training needs assessment. The representations indicated that the majority of ministerial and departmental training committees tended to promote individual interests rather than those of the Service. The civil servants were clear in their representations that training ought to be taken more seriously in developing the human resource in the Service and that training needs assessment ought to be undertaken more regularly. In this Chapter, we examine the subject in greater detail and make recommendations on how appropriate and timely training could enhance the efficiency and effectiveness of civil servants in the delivery of services.

429. We are aware that Government's commitment on effective manpower training in the Civil Service dates back to the early days immediately following independence when training programmes were rapidly instituted to develop and improve managerial skills, expertise and leadership qualities, particularly for middle and top management level staff who took up positions previously held by non-Kenyans. These endeavours were a success in that by the late 1970's most of the critical positions in the Civil Service were in the hands of confident and competent Kenyans. Realising the importance of manpower training in the development of the young nation, the Government continued to give it priority as evidenced in the Report of the Training Review Committee 1971-72 chaired by Mr. W. N. Wamalwa and Sessional Paper No. 6 of 1988 on Education and Manpower Training for the Next Decade and Beyond. We appreciate the Government's determination in trying to ensure a continuous supply of skilled manpower for the entire national economy through training because it is within this framework that the Civil Service will be reformed to induce higher levels of efficiency and develop capacities required for effective formulation and implementation of Government policies. We strongly believe that, just like in the post-independence period, the country is now in dire need of a professional, efficient and competent Civil Service with capacity to effectively guide the nation in all spheres of development.
430. The subject of professionalism in the Civil Service was addressed in the Report of the Civil Service Salaries Review Committee, 1990-1991 chaired by Prof. P. M. Mbithi (Mbithi Committee). According to Mbithi Committee "... this concept implies the quest for and acquisition and masterly of theoretical knowledge, applied skills and attitudes specific to the job to be performed. It also implies the application of such knowledge and skills at sufficiently high level of proficiency, confidence and commitment. The professional and technical competence and status are acquired through formal training and apprenticeship. Performance is strictly guided by stipulated professional ethics, public recognition and licensing. The ethics are supported by codes of conduct of professional organisations which have appropriate enforceable sanctions with emphasis on service to community [rather] than to self. One of the attributes of professionalism is that the members of a particular profession promote scholarship, acquisition of new knowledge and techniques, undertake practical problem-solving tasks and result-oriented research....In addition, professionalism is also characterised by practice of objectivity, fairness and transparency."

431. We agree with this definition of professionalism, a subject we consider crucial to the Civil Service we envisage.

432. Representations were made expressing concern that the civil servants have not been adequately prepared through training to cope with their enhanced responsibilities. It was submitted that many civil servants lacked professionalism and relied on experience to tackle the challenges facing them, yet experience alone cannot provide all the skills and techniques required for modern administration and management. *The Eighth National Development Plan, 1997-2001* recognises the importance of training and states at paragraph 6.4.8 that "...human resources in the public service must be well trained, adaptable and capable of performing different tasks". Elsewhere in this Report, we have highlighted the calibre of civil servants required by the country in order to achieve the set socio-economic goals. We are convinced that training has a critical role to play towards equipping individual civil servants with requisite knowledge, skills and attitudes to enable them develop their capabilities to the maximum in pursuit of the mission, objectives and goals of their respective ministries and departments.
433. We were informed that development and expansion of training programmes have faced constraints which include lack of a clear training policy, inadequate funds and lack of proper assessment of training needs. Representations were also made that appropriate and adequate physical facilities, including equipment and materials, which are essential for enhancing training capacity have been under-provided in most training and staff development institutions. It is our view that there is need to mobilise all the resources, including financial and technical, for increased investment in human capital through improved training programmes in institutions equipped with appropriate training facilities.

Training Policy

434. We received representations that there was no clear written policy on training in the Civil Service. At independence, the training policy was to prepare Kenyans to effectively take over from the colonialists within the shortest time possible. We hold the view that between then and now, there have been new demands for training warranting clear policy statements in line with the country's development goals. We concur with the various presenters that, as we move into the 21st century and in accordance with the aspirations for enhanced socio-economic development, there is need to formulate a training policy which looks into the future and allows training to make a clear contribution in the process of industrialisation. We envisage a policy that will also allow for proper planning of training to ensure a continued and adequate supply of relevant skills to the economy. Submissions indicated that in the absence of a clear policy, training in the ministries is effected in a haphazard way, often resulting in inadequate and irrelevant training and waste of resources. In view of the critical need for well trained civil servants who will effectively face the emerging challenges of national development, we recommend that a new training policy be formulated.

Management of Training

435. We were informed that the Directorate of Personnel Management has the overall responsibility for co-ordinating the administration and management of training in the Civil Service and that the practices to be followed are normally spelt out in circulars and personnel general letters. Submissions further revealed that there are ministerial training committees
with the mandate of formulating staff development strategies and objectives in line with the ministerial/departmental goals. These committees also plan for manpower needs as well as evaluating training programmes. It was submitted that these responsibilities are undertaken in consultation with the Directorate. Representations expressed concern that training in the Civil Service is conducted without properly identified and prioritised training needs. In some cases, training projections do not exist and where they exist they are not followed. It was further submitted that clear objectives on training are widely lacking, hence making training to have insignificant impact and evaluation difficult. Further, members of the ministerial training committees are not professional trainers and this was said to be a major factor behind the stated shortcomings in training. We also received representations that although instructions had been issued on establishment of ministerial/departmental training committees, some ministries/departments had yet to comply. We were further informed that even where these committees have been established, some did not meet regularly.

436. Concern was further expressed that the Directorate of Personnel Management has not offered efficient co-ordination of training at national level and neither has it come up with the much needed new policy direction on training to guide the ministries. It was felt that routine matters like administration of overseas scholarships should be handled by the ministries themselves leaving the Directorate to take charge of formulation of a national training policy and overall co-ordination of training and manpower planning. We have noted elsewhere in this Report the role of the Directorate through the Civil Service Reform Programme in, for example, identification of training needs in the ministries and training of retirees. It is our view that each ministry should be facilitated to develop strong and lasting training structures focused on the ministerial training committees. In the current Development Plan, the Government emphasises that focus will be on "demand driven, client-centred training in order to meet the needs of the Service and thereby be able to compete effectively with the private sector in providing training". Accordingly, we recommend that Authorised Officers ensure that ministerial/departmental training committees are reactivated and appropriately strengthened to discharge the training function effectively. To enable the Directorate of Personnel Management effectively handle the training responsibilities, we further recommend that its capacity be also enhanced through the
provision of suitably qualified staff and necessary facilities.

Training Programmes

437. It was submitted that there are basically three types of training programmes in the Civil Service, namely, the pre-service, induction and in-service. For the purpose of this Report, we have put greater emphasis on induction and in-service training as these are the training programmes which mostly affect the productivity of civil servants. We, however, see the need to focus briefly on pre-service training since it has an effect on overall manpower development in the country and also because many of the professional civil servants have their origin in one pre-service training institution or another.

Pre-Service Training

438. Pre-service training is expected to prepare a person who has just completed formal education to join the labour market and ensure that he/she is effectively equipped with appropriate skills that make the candidate useful in the labour market. Further, pre-service training is in most cases essential for jobs that demand specific work skills to be acquired before deployment. We were informed that due to the ongoing Civil Service Reform Programme, the Government’s policy was that pre-service trainees should not be automatically guaranteed employment in the Civil Service once they complete their training programmes. We observe that the Sixth National Development Plan, 1989-93 indicated that the Government’s policy on pre-service training should be determined by the needs of the economy. In this regard, the Directorate of Personnel Management was urged to upgrade the manpower training surveys in the public service with a view to determining the appropriate pre-service training needs.

439. We received submissions that there was an imbalance in the provision of skilled manpower whereby some sectors like education faced acute shortage of science teachers/inspectors and also that technicians were in short supply. Many tertiary colleges were also said to be arts-oriented. We appreciate that the Government is aware of these inadequacies as indicated in the current Development Plan in which it is explained that labour shortages will be identified through periodic manpower surveys.
Further, laboratories and workshops in Government training institutions will be upgraded to ensure adequacy of teaching facilities. We were informed that the current direction is to encourage the private sector to become more involved in training at pre-service level by bridging the training gaps left over by institutions in the public service in relation particularly to science and technical courses. With the envisaged extension of loans by the Higher Education Loans Board to all qualifying tertiary level students, access to tertiary education will be enhanced. Elsewhere in this Report, we highlight the enhanced salary incremental credits to science/technical teachers to attract candidates for science/technical courses. We believe all these measures will facilitate fulfilment of the need for skilled manpower through the pre-service training programmes.

440. We received information that some ministries/departments have had the tendency of establishing their own pre-service training programmes without consulting with other key players, such as the Directorate of Personnel Management and relevant training institutions. This, we were informed, results in duplication of efforts due to lack of standardisation; lack of harmonised system in examination and certification as well as difficulties in relating training to employment. We recommend that the Directorate of Personnel Management be actively involved and consulted in the establishment and expansion of pre-service training programmes in the Civil Service to give proper guidance on the skills required by the Service.

**Induction Training**

441. We observe that induction or orientation training in the Civil Service is expected to help a new employee to effectively settle down and feel welcome. Further, the induction courses familiarise new employees with the working environment and inducts him/her with the ministry’s/department’s norms, values, expectations, challenges and attitudes. We are aware that good induction facilitates smooth integration and has a lasting impression on the employee’s perception of the objectives and mission of the ministry/department. Submissions expressed concern that induction training programmes were rarely undertaken for the newly recruited staff in the Service and many officers in senior positions undertook new schedules without adequate preparation, thereby leading to
ineffective discharge of duties. Cases were cited where new employees were only shown where to sit and work from with no idea of where to begin. It was impressed on us that for many civil servants, lack of induction was a frustrating experience out of which indiscipline, bad working habits and attitudes were developed. We therefore recommend that induction courses for all cadres of staff be given high priority in the Civil Service to enable new officers to confidently and competently handle their schedules of duties and to inculcate the right attitudes, values and working habits.

In-Service Training

442. We also got representations that in-service training had not been accorded the adequate emphasis in the Civil Service. This training provided opportunities to serving officers for acquiring new knowledge and skills and for expanding their abilities together with capacities to respond more effectively and efficiently to the dynamic as well as changing work situations. As we indicated earlier, the Government in the current development plan recognises the need to have well trained and skilled workforce which is appropriately deployed to perform different tasks. We reiterate here that the need for sustained, regular and programmed in-service training for civil servants is more urgent at present than ever before in order to achieve the quality Civil Service envisaged in this Report. We received submissions emphasising that in-service training must be regarded as a continuing process particular in contemporary times, when existing management and administrative procedures should give way to new and modern approaches. It was further submitted that in-service training supplements experience and should be provided on the basis of the employee’s job descriptions with a selection criteria based on each ministry’s training needs. Concern was expressed that many civil servants in the middle of their careers had stagnated intellectually; had a tendency of resisting change; and, had even become complacent. These are signs that the Civil Service was lagging behind the times mainly because of lack of in-service training. Presenters lamented that opportunities for in-service training were generally very scarce. We recommend that Authorised Officers make deliberate efforts for their ministries and departments to explore ways of increasing opportunities for in-service training for all cadres.
443. We further received representations that there existed informal in-service training across the Civil Service whereby officers were sometimes guided by experienced colleagues to learn on-the-job or are involved in particular projects to learn problem-solving techniques. It was also submitted that under this arrangement several useful management skills were learnt at virtually no cost. It was, however, pointed out that this kind of training, though useful, was inadequate in the provision of all the required skills.

444. It was submitted that ministries and departments usually organised their own internal in-service courses in local institutions. Presenters were concerned that the curricula for internally organised in-service courses often differed from one ministry/department to another and even within the same ministry. It was proposed that such curricula needed to be harmonised to ensure standardisation. While we appreciate the need for standardisation of subjects of general application, we nonetheless see a need for training programmes to address the peculiar problems of different fields of endeavour. Accordingly, we recommend that in developing their training programmes, ministries liaise with Directorate of Personnel Management to ensure that the training programmes equip civil servants with both general as well as specialised skills. It was further submitted that some in-service courses were organised out of the country under the sponsorship of either the Government or donors. These courses are useful as they expose the civil servants to modern techniques and skills under different environments. We, however, reiterate here the persistent concern that nominations for in-service training at times target the wrong officers and for wrong reasons as selection of candidates in such cases reflects subjective considerations, such as nepotism and tribalism. We were informed that in the case of courses offered abroad, officers considered them as opportunities for shopping. Further, that some officers are selected to attend courses found them to be outside their scope and ended up being frustrated and bringing no gain to the Civil Service. In this connection and noting that the Government currently puts emphasis on demand-driven training courses, we further recommend that only suitably qualified staff be nominated for appropriate courses.

445. We observe that the current Development Plan has laid the foundation for developing the nation’s economy to a newly industrialised status by the year 2020. Representations were received with concern that
some ministries/departments did not appear to be familiar with the content of the Plan and consequently have not set in place concrete measures to ensure efficient delivery of services in line with the goals of the Plan. Under the Plan, the Government envisages a transformed Civil Service with well developed management skills and capable of working to set targets and work plans in line with modern management practices found elsewhere in the world. We received submissions proposing that each ministry/department should urgently look into the future requirements to determine whether it has the human resource or capability to make effective contribution to facilitate the process of industrial transformation. Presenters were emphatic that each ministry has a unique role to play in facilitating the private sector to thrive and creating an enabling environment for rapid industrialisation. We concur with these views and recommend that:

(a) Accounting Officers acquire sufficient copies of the Eight National Development Plan, 1997-2001 and Sessional Paper No. 2 of 1996 on Industrial Transformation to the year 2020 for distribution to senior officers in their respective ministries for the purpose of familiarising themselves with their contents and the role which they must play in achieving the objectives therein.

(b) Each ministry takes concrete measures to refocus its training programmes with a view to developing a skills capacity which will facilitate the process of the envisaged industrial transformation.

446. We envisage in this Report a quality Civil Service with enhanced capacity to discharge its mandate in a professional manner. Our perception follows representations expressing the need for creation of a non-partisan Service which serves the Government of the day with dedication and undivided loyalty as well as offering impartial and efficient service to all members of the public. As already stated in Chapters 1 and 3, concern was raised that the reintroduction of the multipartism in 1992 found civil servants not well prepared to handle the challenges of the emerging political situation, hence the fear and indecision alluded to in those Chapters. In this respect, we recommend that the Directorate of Personnel Management develops and ensures implementation of in-service courses for the Civil Service, particularly for senior officers, aimed at achieving a non-partisan Civil Service. Such courses should include
inculcation of a high sense of nationalism, patriotism, professionalism and respect for authority.

447. We were informed that due to scarce opportunities for in-service training, some civil servants resorted to looking for such opportunities privately. Cases were given of many civil servants who acquired on their own initiatives opportunities for post graduate courses while others enroled in various courses locally, such as Certified Public Accountants and Certified Public Secretaries courses. Concern was raised that although civil servants were ready to meet the training costs, they often encountered difficulties in getting study leave without pay. It was explained that study leave with pay was only granted for Government sponsored courses or those sponsored by donors through the Government. Submissions revealed that some civil servants attending privately sponsored courses were granted study leave without pay while others are denied, even though attending courses relevant to their work. Further, the study leave without pay is at times granted by the Directorate of Personnel Management and other times by personnel divisions of ministries. It was submitted that these inconsistencies were confusing to those aspiring for privately sponsored courses. We, therefore, recommend that:

(a) Civil servants attending approved privately sponsored in-service courses relevant to their work be granted study leave without pay.

(b) The provision in the Code of Regulations making the Directorate of Personnel Management the approving authority for study leave without pay be rigorously enforced by Authorised Officers.

(c) The Directorate of Personnel Management re-enforces the bonding system for civil servants who are sponsored by the Government or by donors through the Government.

Skills Inventories

448. While we emphasise the need for acquisition of various skills, we note the concerns raised that there has never been a skills inventory for the Civil Service. There have, however, been past Government efforts to develop a national skills inventory but we were informed that the exercise had not yet been finalised. We support the Government’s intentions through the Directorate of Personnel Management to develop and compile
a skills inventory for the Civil Service. This will, among other things, facilitate identification of skills required to perform specialised tasks not only in the Service but also in other sectors for the benefit of the nation. In this connection, we recommend that a national skills inventory be developed by the Ministry of Labour and Manpower Development and that an equivalent inventory be development and compiled by the Directorate of Personnel Management without further delay.

Staff Trainers and Consultancy Services

449. Representations were made to the effect that there existed different cadres of staff trainers in the Civil Service ranging from trainers of clérical staff to trainers in staff development institutes. It was submitted that on the overall, staff trainers in the Civil Service have not been accorded the serious attention deserved. Further, few have been exposed to staff development programmes, thereby forcing the rest to learn on-the-job. Serious cases were cited of ordinary civil servants being deployed in staff development institutes without induction or any in-service training on what staff training entails. It was submitted that a consequence of this scenario was shortage of appropriately trained, qualified and experienced training staff in the ministries. We note that staff training incorporates both the actual training of staff at various cadres and the organisation of the courses including preparation of training materials. In addition, the trainers organise for acquisition of the right consultants and specialists to participate and teach specialised courses during the training sessions. Concerns were expressed that due to acute shortage of competent trainers in the Civil Service, staff training institutes, ministries and the Directorate of Personnel Management often have to hire the services of expensive private consultants. We observe that the policy of partnership with the private sector demands that trainers in the Service be of high calibre to offer quality training in order to enhance professionalism. Accordingly, we recommend that concrete efforts be made by the Directorate of Personnel Management to enhance the capacity of staff trainers in the Civil Service to the maximum with a view to their offering quality services not only to the Civil Service but also to other sectors of the Kenyan society.
Linkages Between Private Sector and Public Sector

450. The Wamalwa Report, 1971-72 stated at paragraph 17 that "There is little co-ordination or collaboration in any systematic way between the training activities in the public and private sectors". We received submissions that although the Government encourages close linkages between the private sector and the public sector in training, interaction and partnership has not yet reached the desired levels. It was submitted that because of differentials in remuneration, many highly trained serving officers on whom the Government has spent a lot of money to train end up joining the private sector even though it contributes little to their training. We further received representations that the private sector has excellent training opportunities in the form of workshops and seminars, not to mention professional training facilities for improvement of various skills, which the public sector has not fully made use of. We were informed that the private sector gets discouraged when the Civil Service sends its officers for expensive overseas training while similar courses are available in local private training institutions.

451. We observe that education and training are important long-term means of accelerating social and economic development with the impact of reducing unemployment. Concern was raised that there is little co-ordination in manpower development through training between private sector and public sector institutions. This sometimes leads to duplication of efforts, production of irrelevant skills resulting in unemployment of skilled people, shortage of some much needed skills and even wastage of resources. In view of these concerns, we recommend that modalities be put in place by the Directorate of Personnel Management to increase cooperation between the Civil Service and the private sector for joint training and manpower development. To ensure that relevant skills are produced for use in the private sector from public training institutions, we further recommend that the Civil Service collaborates closely with the private sector in the formulation of training packages and that the private sector, in the spirit of cost-sharing, contributes more significantly to pre-service training in Government institutions.
Evaluation of Training

452. As already indicated in this Chapter, a well conceptualised training programme must be based on identified training needs and any effective training programme must have clear objectives. One of the main objectives of a training programme is to enable an employee perform effectively activities that he/she could not effectively perform before training. After an officer has been trained, his/her job performance should be evaluated to determine whether the course was useful in enhancing the skills and work performance of the officer concerned. It was submitted that this type of evaluation was rarely carried out in the Civil Service and might have resulted from training being undertaken on ad hoc basis without clear objectives or lack of knowledge on evaluation mechanisms. We observe that manpower training is an expensive undertaking both in monetary and opportunity terms and it is only fair that the value for the money spent on training be realised. This can only be determined through an effective evaluation system of each training programme to gauge its impact on the officers’ performance. We, therefore, recommend that the Directorate of Personnel Management develops standardised training needs analysis and evaluation instruments for use by ministries and training institutions in their training programmes.

Financing of Training

453. On financing of training, we received submissions that over the years the Government has allocated a substantial proportion of the recurrent budget to education and training. We also observe that in recent times, priorities in budgetary provisions have been reviewed in line with emerging developmental requirements in various sectors. This competition for scarce Government funds, as we have learnt, has resulted in limited funding for in-service training and over-dependence on donor funds. The donor funded in-service training programmes normally target middle and higher level civil servants working in specific areas of the donors’ interest. We were further informed that pre-service programmes have similarly been under-provided in both recurrent and development funding, leading to acute cash flow constraints. We believe these are contributory factors to our earlier observation that only a few officers are able to attend in-service training programmes.
In an effort to supplement the low budgetary training provisions, we were informed that cost-sharing measures have been instituted which include a 20 per cent training levy for those civil servants attending in-service training courses and direct fees for pre-service trainees. Although the Government is addressing the inability of pre-service trainees to afford fees, concern was expressed that the 20 per cent training levy deducted from salaries of civil servants attending in-service courses has been a demotivating factor. Strong proposals were made that it should be abolished. This was also supported by the fact that the training levy funds have made little contribution to the improvement of training. We are of the view that the feelings expressed were genuine considering the inflationary trends which reduced the purchasing power of the civil servants in recent years. However, in view of the proposed enhancement of salary levels within the Civil Service these fears will no doubt be allayed. We therefore recommend that:

(a) In view of the important role that training plays in manpower development in the Service, the 20 per cent training levy should remain in force.

(b) This levy should constitute a training fund to be managed by the Directorate of Personnel Management.

(c) In addition, the Government should increase budgetary provision for training for both pre-service and in-service programmes in line ministries and the Directorate of Personnel Management.

Facilities for Training

We received representations that the Government has generally been responsible for provision of physical facilities, equipment and materials for training in the public training institutions. But with the rising number of these institutions in some sectors such as Education, difficulties have been encountered in meeting the demands. Cases were given of dilapidated buildings; obsolete equipment and machinery; and, persistent shortage of training materials in most of the Government pre-service and in-service training institutions. It was impressed on us that the facilities in the Government training institutions have continued to deteriorate because of inadequate maintenance and modernisation, thereby reducing their capacity to offer quality training.
456. We were further informed that the Kenya Institute of Administration was delinked from the Civil Service and acquired a semi-autonomous status through an Act of Parliament which enables the institution to operate commercially. We are also aware that middle level training institutions such as the Government Training Institute, Maseno, the Government Secretarial College, Nairobi, among others, have been converted to other purposes. It was submitted that public training institutions were also expected to search for income-generating activities to help in provision of the much-needed facilities. It was said that provision of appropriate and modern facilities would enable the Government training institutions to attract clients from the private sector, particularly in-service training programmes thus encouraging partnership and raising extra funds. This is in view of the submission that training is expected to be more demand-driven and that less attention would be given to expansion of in-service training institutions. It is in view of these new developments that we recommend that provision should be made for adequate physical facilities, equipment and trainers to prepare the Civil Service to face the present and future challenges relating to industrial transformation of the nation by the year 2020.

Conclusion

457. We have endeavoured in this Chapter to show the critical role that training will continue to play to enable civil servants to acquire the much needed modern skills and professionalism for enhanced administration and management capacities to facilitate effective and efficient delivery of services. We realise that recognition and encouragement of civil servants' individual aspirations through training does not only improve their skills but it also boosts their morale and confidence, which are required for an efficient and productive Civil Service. This is the Civil Service that is expected to interact and co-operate with the private sector at corresponding levels of competence.
CHAPTER 13 - ETHICS AND WORK CULTURE

Introduction

458. Since independence the Government has made appreciable efforts in ensuring socio-economic and political development of the nation. This is reflected in various policy documents and Government’s pronouncements which are aimed at achieving a growing and sustainable economy, high per capita income, equal opportunities, social justice and proper work ethics. In recent times, the Government has formulated new economic policies with the aim of achieving industrial transformation by the year 2020. It is the conviction of this Committee that Kenyans will continue to contribute willingly and to the best of their ability to the aspirations of these policies. In this respect the Committee is aware that the Eighth National Development Plan, 1997-2001 calls for hardwork dedication and sacrifice from all Kenyans. The commitment of the Government to this goal is seen in the 1992 manifesto of the ruling party - KANU - where it is stated on page 7 that "... there should be the widest possible participation of the people at all levels of Government. KANU will continue to weld all communities into one loyal, dynamic and progressive nation .... The new KANU programme will require a cadre of well trained, highly motivated hardworking and dedicated public servants, who are totally professional and not distracted by outside interests".

459. As reported in Chapter 3 on the State of the Civil Service, the Committee received representations that civil servants had not been performing their duties to the expected standards and that service delivery in the Service had considerably declined over the years. It was put to the committee that civil servants either lacked or did not appreciate important values such as integrity, honesty, love of work, unqualified respect for authority, and patriotism. Our inquiry revealed the concern that the work habits obtaining in the contemporary Civil Service have a close correlation with the level of ethical standards of individual civil servants and that what the Civil Service is today is a true reflection of the whole society whose ethical standards have been eroded to worrying levels.

460. Indeed, we submit that to endeavour to change the ethical standards of civil servants for the better without similar and concurrent efforts on the part of the wider society would be a futile exercise. It follows,
therefore, that for such an effort to have any significant impact, greater focus should be on the entire society with a view to establishing a common point of reference on ethical standards. We believe that it is within this framework that civil servants will be facilitated to acquire high ethical and work standards in order to inspire public confidence and trust in public institutions. We received strong views as to ways and means of improving ethical standards in the society in general, and in the Civil Service in particular which we highlight in the following paragraphs.

Ethics in Society

461. We received representations that while education and training institutions were generally doing their best to instil in the youth the right values, it was difficult to get role models for the youth not just in the local communities but also in schools, training institutions and the Civil Service. Having considered these views, we conclude that the society as a whole is lacking commonly shared values which are required to guide the people in their behaviour. This is evidenced by the many ills afflicting society today and which the Government is endlessly trying to contain. We highlight only a few of these ills which in our view arise from the lack of fully accepted and documented national values.

462. Dishonesty, for instance, appears to have permeated into nearly all institutions in society, be they private, public or religious. Some entrepreneurs are known to have deliberately over-charged or inflated bills regardless of the poverty obtaining in the country and showing little concern for the value of being mindful of other people's welfare. We received submissions about businessmen who sell un-receipted goods with the purpose of avoiding payment of Value Added Tax in collusion with purchasers and of cases of under-invoicing on exports and imports which resulted in underpayment of duties and taxes to the detriment of Government revenue. Needless to say, all these activities undermine the national economy and the welfare of Kenyans. We have already addressed the issue of tax evasion and recommended appropriate sanctions at paragraph 260 (c) and (d) of Chapter 7 on Financing of Government Operations.

463. We received representations that self-respect and respect for others, including respect for authority have been eroded to undesirable levels. In
this regard, it has become common to hear of cases where parents have beaten teachers in front of pupils, of teachers who have assaulted students in a manner contrary to professional regulations, and that even religious leaders have taken to settling scores in public, to the chagrin of the faithful. Examples were also given of non-observance by motorists and non-enforcement by the police of the traffic laws which resulted in the very high death toll that has come to be associated with the Kenyan roads.

464. It is now a common observation among Kenyans that money and material wealth, regardless of how earned or gained, are widely used as a basis for measuring one's success in life, status in the community and even respect in society. It becomes unfortunate indeed when hard work, good education and competence are regarded as inferior to money and material wealth. The consequence of this has been a rush for money and material wealth with the misconceived notion that the end justifies the means.

465. Other ills pointed out to us are tribalism and nepotism which have been a hindrance to the creation of a fully cohesive Kenyan society. In addition, these ills have sometimes led to employment of incompetent people or unfair distribution of the country’s resources. Concern was expressed that these two ills have been shrouded in hypocrisy despite the Government’s efforts to highlight their adverse effects. We believe that the many tribes in Kenya are an important asset and can live together harmoniously for their common good. In this regard, we recommend that all efforts be made to fully exploit the varied talents of all Kenyans for enhanced socio-economic development.

466. It was submitted that of all the ills facing the society, corruption is the most critical one in that it embodies many other vices like greed, dishonesty, lust for money, laxity, negligence and even inefficiency. For this reason, we see a need to focus on it briefly. We recognise that the Government has taken cognizance of the existence of corruption as seen in the Policy Framework Paper on Economic Reforms for 1996 - 1998, where it is said in paragraph 11 that one strategy of creating conditions for rapid and sustained growth, is the elimination of corruption. It was reiterated that corruption is a two way activity. While we concur with this view, we also note that there is a tendency to highlight only the receiver and not the giver of bribes.
467. Submissions were made that cases of corruption are manifested in situations such as missing files, commissions or "kick-backs", land grabbing, under-collection of Government revenues, forced *harambee* contributions and inflated bills. While many people tend to perceive corruption on monetary basis only, we believe that to fight it successfully it should be seen beyond money. This is because corruption also encompasses unfair exploitation of one's position, status or resources to have influence or prestige to the detriment of the interests of other members of society. We were informed that corruption itself as an activity is difficult to detect as it is undertaken in secrecy but its effects are clearly discernible.

468. Corruption has adverse effects on the society as it demoralises the hard working people; is a major drain on the country's resources; encourages inefficiency in the public service; and, if not checked, develops into an accepted culture and eventually a seed of destruction of the whole nation. We are aware that the Prevention of Corruption Act, Cap. 65 provides for severe sanctions against offenders but the fact that its provisions are not always strictly enforced is testimony to how deep corruption has penetrated the nation's systems and institutions. It was submitted that cases of the most corrupt being protected by high ranking officers can attest to the aforesaid. We, however, support the Government's efforts as indicated in the current Development Plan at Paragraph 8.9.3 that "... efforts will be intensified to curb corruption through legal reforms to clarify rules and regulations, Civil Service reform to reduce the capacity and incentives for civil servants to be corrupt, and budgetary reforms to limit abuses related to public revenues and expenditures."

469. We are convinced that the nation is at a stage where most members of society are fully conscious of the need to arrest the current downward trend of national ethical standards. Our deduction is based on the many submissions strongly expressing an urgent need to set ethical standards by which each member of society should judge himself, be judged or judge others. During our inquiry and on the basis of our own research, we were made aware that the subject of ethics in society is not new. In the past just like now there have been strong representations calling on the Government to do something about the erosion of ethical standards in the society. Many presenters admitted that the ethical standards that the
African society was renowned for have been diluted by importation of foreign values, through the media and also interaction with people from other cultures. This has led to society's loss of identity and a tendency, particularly for the youth, to accept blindly new values which are emerging at the expense of good traditional values. Respect for elders and mutual social responsibility between the society and its members were given as examples of traditional good values which we are slowly losing. We are convinced that just as the church looks for saints among the assembly of sinners, those in leadership positions must set an example before the rest of the Kenyan society. It is from this premise that we recommend that urgent and concerted efforts be made by the Government in collaboration with religious organisations to establish acceptable standards of behaviour for all Kenyans. In order for the people to be guided properly on the expected high standards of behaviour, we recommend that a national code of ethics be formulated as a matter of urgency.

470. We are convinced that a national code of ethics would be invaluable in revitalising Kenya's national ethos. These include nationalism and patriotism which should be promoted by Kenyans. The country's self-help spirit manifested in the Harambee motto has contributed significantly to national development. The erosion of ethical standards has had a negative effect on the Harambee motto, which has sometimes been misused with the effect of people becoming reluctant to readily make donations. In addition, we observe that the spirit of Peace, Love and Unity has been an inspiration to the Kenyan people in their efforts to observe these important values. We believe that observation of high ethical standards will provide a firm foundation for enhancement of national ethos which are important in binding the society together and giving it its rightful identity.

471. As noted earlier, education and training institutions are making efforts towards instilling in the youth the right values. We are, however, of the view that much more remains to be done to ensure a firm foundation right from pre-primary level to tertiary level. For example, we are aware that while Social Education and Ethics is offered as a subject at secondary level, submissions revealed that the subject is more academic than a guidance for good morals. We, therefore, recommend that every school and training institution be provided with at least one teacher
qualified and competent to handle guidance and counselling with the aim of instilling acceptable values and standards of behaviour amongst the students in particular, and the rest of the school/college community in general. We, further, recommend that Adult Education curriculum gives special emphasis to national social values and good citizenship.

**Code of Ethics for the Public Service**

472. We mentioned earlier that there is a need to have acceptable national ethical standards to act as a reference point for the behaviour of all Kenyans. We observe here that the significance of high ethical standards is seen in the availability of many codes of ethics for professionals like doctors, lawyers and engineers. These codes are drawn in accordance with the laws under which the various professions are established. We note also that each member subscribes to the drawn up code of ethics and is liable for disciplinary action on abusage of the code. It was submitted that the codes are usually based on ethical principles or values mostly focusing on personal integrity, truthfulness, honesty, respect for others and work excellence. We recognise that some of the professionals referred to here are also civil servants. In this respect, we appreciate that encouragement of high standards of behaviour in accordance with the various professional codes of ethics will have a positive impact on the Civil Service.

473. Submissions were made to the effect that there has been a general laxity in enforcement of the various codes of ethics for professionals. This is depicted in, for example, the very high charges of professional fees for services rendered to the public, which are sometimes difficult to justify and the public sees it as exploitation; recurring court cases involving misconduct of one professional or another and failure by some professionals to stand firm for the principles guiding their professions when a particular occasion demands it. We, however, observe that the codes of ethics for the various professionals have generally played a positive role in safeguarding the professional behaviour of their members. We, therefore, recommend that those professions without codes of ethics be encouraged to formulate them and the existing codes of ethics be fully enforced to ensure that high professional standards are achieved and maintained.
While we appreciate the need to have high professional standards in the country, we also see the necessity to focus on public servants whom we believe have a crucial role to play in steering our country towards high levels of development. For the purpose of this section of the Chapter, the term "public servant" comprises civil servants, employees in state corporations, members of parliament, councilors, co-operative officers, and all other people whose services are remunerated through public funds. Public servants, therefore, include those people who play important roles in various capacities and the society looks up to them both for guidance and for enabling it to achieve its goals. Submissions were made that the society expects the public servants to reflect the best of ethical and professional standards. It was said that public servants should portray highest standards of self-discipline in their service to the people. In addition, they should observe honesty in all their official assignments and where conflicts between public and private interests are concerned, the society expects the public interest to prevail. Our inquiry revealed that the society aspires for a public service that is fully committed to serve, and where all officers are transparent and accountable for their actions. Concern was, however, expressed in submissions that these stated virtues have not been well and fully documented as a guide for public servants. It was further submitted that this could be an important contributory factor to the low quality of service of the contemporary public servants.

It was submitted that today's public servants are, for example, more self-serving than serving the public, are dishonest, not compassionate to the public, misuse power and generally are a burden to the taxpayer. To a certain extent, we concur that some public servants have not performed to the expectations of the public they serve. Some have exploited their positions to unjustly enrich themselves, while others have given priority to their private concerns at the expense of the public interest. It was submitted that some public servants as leaders in the society have not acted as role models. Further, some senior public servants have colluded with unscrupulous people to defraud the Government of millions of shillings. We support the strong representations to the effect that there is need to have the expected high ethical standards of public servants documented in form of a code in order to guide them in their service to Kenyans. Arising from the foregoing and having regard to the provisions of Sections 26, 36 and 68 of the
Constitution of Kenya and section 55 of the Advocates Act, Cap 16 which make the Attorney General a statutory member of the three arms of Government, we recommend that the Attorney General takes the necessary action to develop a code of ethics for the public service to provide a basis for enhancing public confidence in the integrity of public leaders and the public sector in general. The code of ethics will guide public servants on expected ethical standards and enable them take a lead in the improvement of national ethical standards.

476. In the course of our inquiry, representations were made on characteristics of leadership in the public service. Many presenters emphasised that there is a dire need for good leadership in the Service if the country is to achieve the set goals in the shortest period possible. Asked to define good leadership, most presenters admitted that there were myriads of opinions in view of the different characteristics of leadership depicted in the public service. It was said that many are the leaders who employ double standards to the point of believing in "do as I say but not as I do". Such leaders are ostensibly promoters of public interest when in the open but in private they defraud or assist in defrauding the Government. Others urge the public and junior public servants to work hard and be disciplined while they are busy looking for short-cuts to be rich and in the course of it their moral standards deteriorate to low levels. Submissions emphasised that most letters of appointment of leaders to various high positions articulate the expected high standards of conduct in relation to work and ethical standards but many are the leaders who care little on adherence to the stipulated guidelines. Similarly, few are those in positions of authority who ensure that the laid down laws on proper conduct are followed. We observe that when those in positions of leadership have questionable ethical and work standards, their influence is bound to impact negatively on the rest of society.

477. We are in agreement with the submissions to the effect that there are certain attributes or qualities that constitute good and exemplary leadership. It was emphasised that a good leader should, for instance, maintain a high level of integrity and honesty in all official and unofficial activities; should depict genuine patriotism thus putting the national interests first; should be devoted to duty; should be disciplined and above reproach thus earning respect; and should serve the Government with undivided loyalty. Further, representations were unanimous that leaders
should be accountable for their actions as they hold their offices in trust for the public; and that they should not engage themselves in malpractices, such as corruption or favoritism. We observe that although pronouncements have been made at various fora on what leaders should do or not do, these have not been properly and fully documented in a way that leaders and those aspiring for leadership can easily read and understand. It is our view that the country has of late experienced critical social-economic and political developments that call for high standards of leadership. We, therefore, recommend the development of a code of ethics to guide those in positions of leadership on the standards of conduct to be observed by them and to provide for sanctions against violation of the code. For the purpose of developing the recommended code, we further recommend that a national code of ethics committee be appointed with specific functions which would include identifying appropriate rules of conduct to be observed by public servants and leaders and sanctions against those who violate the code. We also consider that creation of an office of Ombudsman which we have elaborated on in the following Chapter would ensure compliance with these codes.

478. We have already discussed the need for and recommended the establishment of a code of ethics for the public service. A similar code has been recommended for those in general positions of leadership. We further recommend that a national code of ethics committee be established and be given specific terms of reference including identification of rules of conduct to be observed by the leaders and of sanctions against those who violate the code.

Work Culture

479. The current Development Plan states at paragraph 6.5.23 that "... poor work culture and ethical standards lead to, among other things, laxity, corruption, nepotism, and ultimately to sub-standard products... The drastic shift away from the cumbersome regulatory framework and inward looking policies of the past means that Kenyan’s human capital has to change its work culture and ethics." The Plan continues to state that efficiency of the Civil Service will require to be improved. We have already stated at paragraph 468 the need to put in place a code of ethics for the public service which we believe would lead to improvement in the working habits of civil servants. Submissions were made that for the
country to achieve rapid national development and in particular industrial transformation by the year 2020, civil servants must revolutionise their working habits. In Chapter 3 of this Report we have given the state of the Civil Service in regard to, for example, civil servants level of performance, their morale, perceived status and attitudes to work. In this section we highlight some of the working habits of civil servants which in our view portray poor work culture.

480. It was submitted that the Civil Service was generally characterised by laxity, non-observance of punctuality and that many officers put in fewer hours of work. We were informed that since those expected to supervise have also adopted these negative habits, effective supervision was lacking and that this aggravated the situation, thus leading to low productivity. In addition, we were told that management of time was poor and that officers often went late for work, meetings or appointments, and that they were not cautioned for the indiscipline. Cases were given of many meetings for senior officers which took unnecessarily long with issues being repeated over and over again. We consider that poor time management plays a big role in the low productivity in the Civil Service. Accordingly, we recommend that the culture of time management be strictly practised in order to enhance discipline, punctuality and productivity.

481. We received representations concerning the culture of fear which pervaded the Civil Service particularly at senior management levels. An example was cited of officers who fear to attend to or give services to anyone imagined to be "politically incorrect" so as to avoid sanctions. We were informed that some officers go out of their way to please politicians in the belief that failure to do so might lead to sanctions. Concern was expressed that some teachers, for example, fear to discipline errant children of high ranking people for fear of reprisals. We were further told that supervisors feared to discipline their juniors who were perceived to have the protection of "god fathers". We observe that this culture of fear leads to low morale, indecisiveness and low productivity and is therefore incompatible with the quality civil service that the country urgently needs. In view of the foregoing, we recommend that Authorised Officers put in place appropriate measures to remove the element of fear among civil servants in order to promote objectivity, fairness and productivity in the Civil Service.
It was also represented to us that some civil servants had developed negative attitudes towards their work, were apathetic and insensitive in the way they served the public. Examples were cited where Ministers were given inadequate replies to parliamentary questions; traffic offenders went unpunished; member of the public were kept waiting for many hours in queues in public offices before they were served; and, patients were mistreated in Government health institutions. We believe that these gross acts of indiscipline tended to dent the image of the Government. We were informed that good performers were rarely commended even with simple letters and generally there were few incentives to encourage commitment to service. We were told that there were cases of promotions of non-performers which demotivated hard workers and led to apathy. Frustrations arising from these negative actions were usually vented on the innocent public. We recommend that the culture of rewarding good performance, for instance, in the form of commendation letters, bonuses and training be strongly encouraged in the Civil Service.

The examples we have highlighted on the work habits of civil servants demonstrated that though some civil servants were hard-working and committed, others required to be encouraged to improve in their performance. It is our view that for civil servants to be effective facilitators of the private sector they have to work like their counterparts in this sector. For example, they need to adopt modern management strategies such as Total Quality Management in rendering services. This would require nationalistic and patriotic Civil Service with a culture of hard work, commitment and devotion to service to enable it face effectively future challenges. Only when the Civil Service attains the above attributes would the country be able to achieve high technological and industrial development.

Code of Regulations

As we have stated in Chapter 10 of this Report, the Code of Regulations provides for the general rules and procedures to guide civil servants on what is expected of them during their tenure of office. Arising from the representations made to us we have recommended that the Code, which was last revised in 1992, be suitably amended and updated by the Directorate of Personnel Management. Section G of the Code contains general rules of conduct to be observed by a civil servant so as
to maintain his integrity and loyalty to the Government and also uphold the dignity of the public office to which he has been appointed. It states that a civil servant occupies a special position within the Civil Service and he/she should be proud of that position and ensure that his/her conduct both in public and private life does not bring the service into disrepute. We observe that the *Code of Regulations* for civil servants was revised in 1992. We mention this because submissions were received to the effect that there is need to review the rules of conduct as they appeared inadequate in regulating the way civil servants conducted themselves while discharging their duties. It was said that the control measures appeared not to work or were out-dated. Considering also the views we have expressed on the work culture in the Civil Service, we are of the opinion that there is need to focus attention on the "Rules of Conduct" with a view to strengthening and making them more realistic.

485. With respect to private interests of civil servants, the "Rules of Conduct" prohibit, for instance, civil servants from holding private interests which would conflict with their official duties. The Rules further require senior officers in Job Group M and above to apply to the Permanent Secretary, Office of the President while all other officers are required to apply to their respective Permanent Secretaries for authority to hold private interests. It was submitted that this regulation was not adhered to and that little or no effort was made to ensure its implementation. As a result, civil servants were engaged in private interests and did not give adequate attention to their duties. The situation was exacerbated when Government facilities and time were used on private interests. In Part II of this Report, we have recommended an improved remuneration package for civil servants. We have also recommended the establishment of a permanent body to review their terms and conditions of service at short and regular intervals. We have similarly recommended an improved work environment in which civil servants would be expected to be fully and productively occupied. In view of the foregoing and on the understanding that the Government commits itself to the proposed improvements, we **recommend** that regulations pertaining to the holding of private interests by civil servants be strictly adhered to and effectively enforced in the interest of the Service.

486. It was submitted that although civil servants are prohibited by the Code of Regulations from engaging in active politics, cases were cited
where some of them openly expressed support for certain political views and parties. We subscribe to the principle that civil servants should not engage themselves in active politics and should serve the Government of the day with undivided loyalty. We, therefore recommend that the rule that civil servants should not engage in active politics be rigorously enforced.

487. We noted that civil servants were prohibited by the Code from receiving valuable presents whether in money form or in kind and that presents received from public personages which cannot be refused without causing offence should be handed over to the Government. Submissions made to us, however, indicate that by and large, this rule has not been adhered to. We recommend that the rule of conduct prohibiting civil servants from receiving presents be enforced.

488. The rules of conduct are clear that civil servants facing pecuniary embarrassment are liable to disciplinary proceedings. Representations were made that it was difficult to enforce this rule because of the current low level of remuneration of civil servants. We observe that unless the remuneration of civil servants is improved significantly this rule will continue to be difficult to enforce. We have recommended an improved remuneration package in Part II of this Report.

489. It is our view that the Code of Regulations has over the years given good guidance to civil servants on how to conduct themselves. In view of the various incidents we have enumerated where the conduct of civil servants has sometimes been wanting, we recommend that the "Rules of Conduct" for civil servants in Section G of the Code of Regulations be reviewed and incorporated in the recommended code of ethics for public servants.

Discipline

490. We have stressed in this Report that all efforts should be made to improve the quality of service rendered by civil servants. Earlier in this Chapter, we expressed the need for higher ethical standards in the Civil Service. It is our view that good discipline is an important component of not only high ethical standards, but also improved work culture. We received submissions that unchecked indiscipline resulted in negative work
culture depicted in, for example, absenteeism, lack of respect for authority, laxity, shoddy work and misuse of Government property.

491. The regulations governing discipline in the Civil Service and the procedures to be followed in cases of breach of discipline are found in the Public Service Commission Regulations made under the Service Commissions Act, Cap. 185. It was submitted that the disciplinary procedures are very clear that all acts of misconduct by officers are dealt with as soon as possible after the time of their occurrence. We were also informed that disciplinary procedures dictate that disciplinary cases should be dealt with promptly and finalised within a period of 6 months. We received representations to the effect that in practice, disciplinary processes take too long and this inhibits prompt application of justice. It was explained that the delay emanates from ministries which sometimes give inadequate supporting information to the Public Service Commission or from the Commission itself where shortage of staff is said to be the main cause. It was also submitted that there is sometimes interference in disciplinary procedures from high ranking officers and even personalities outside the Civil Service. This has resulted in some officers feeling protected, hence continuing in their indisciplined behaviours.

492. We cannot over-emphasise the need for good discipline in the Civil Service. It was proposed that authorised officers be empowered to handle all disciplinary cases in their respective ministries. We are aware that the Permanent Secretary is authorised to appoint a committee of not less than three senior officers to investigate serious breach of discipline and decide the disciplinary measure to take on the basis of the committee’s report. We are also aware that the authorised officer handles discipline cases of officers in Job Group H and below. It is our view that the Public Service Commission is still the right overall body to safeguard civil servants against victimisation and that it should endeavour to make the Civil Service a role model in upholding justice. However, the Committee believes that it is also the duty of the Commission to assist the authorised officers in the removal of officers whose conduct is proved to be incompatible with the high standards of behaviour and productivity prescribed in this Report. We therefore recommend that the Public Service Commission be more aggressive and determined in handling all disciplinary matters to ensure prompt application of justice to both the affected officer and the Government which acts on behalf of taxpayers.
We further **recommend** that in order for the Commission to keep up with rapidly changing management systems, it should make a comprehensive review of the current disciplinary procedures and possibly borrow a leaf from practices in the private sector.

**Conclusion**

493. We have endeavoured to show the interdependence between the public service and the rest of the society in regard to improvement and maintenance of high ethical standards. We strongly feel that it is the responsibility of each and every Kenyan to observe high ethical standards. But we are equally convinced that public servants have a bigger responsibility for ensuring that their standards of behaviour are of the highest level possible. This is because the society expects them to be exemplary not just in their official capacity but also in their private lives. We have supported the strong views we received during our inquiry that there is need to develop codes of ethics for leaders generally, for public servants and for the whole society. It is our belief that adherence to the recommended codes would enable all Kenyans to join hands for greater heights of development of our country. There are many good Kenyans both in the public service and society at large. They have a challenge to spread their positive attributes around for the good of society and not to let evil triumph by tolerating or doing nothing about it. This challenge is well summed up in the following, anonymous exposition:

"When in society the shameless triumph; when the abuser is admired; when principles end and only opportunism prevails; when the insolent rule and the people tolerate it; when everything becomes corrupt but the majority is quiet because their slice is waiting.... When so many 'whens' unite, perhaps it is time to hide oneself, time to suspend battle; time to stop being a Quixote; it is time to review our activities, to re-evaluate those around us, and return to ourselves."
CHAPTER 14 - OMBUDSMAN

Introduction

494. When His Excellency the President announced the appointment of this Committee, among others, on 12th December, 1996, he also announced the Government’s intention to create the office of Ombudsman to deal with public complaints against maladministration, including corruption. He intimated that the Ombudsman institution would receive complaints, investigate them and recommend remedial measures to him direct, regardless of who was involved. "I have sung for a long time against graft, but it is still going on," he lamented. He envisaged the institution to be small.

495. The pivotal role of the Civil Service in the management of the affairs of Kenya was acknowledged in all representations made to us from all over the country. As noted elsewhere in this Report, representations also lamented that indiscipline, lust for wealth and corruption were rampant and that unless these were checked effectively, they would affect the entire fabric of society. On the issue of corruption, one presenter recalled that the malpractice was in many other countries. The presenter alluded to corresponding malpractices in Kenya’s Civil Service. Corruption and inefficiency were condemned and our Committee was urged to seriously address them in the context of the Civil Service. It was pointed out to the Committee that every system needed a breather; that the Civil Service was a system and as such must have a breather; and, that the form the breather takes was a matter of modality. Strong representations were made urging the establishment of a Kenyan equivalent of the Ombudsman as a necessary additional institution to provide an antidote against maladministration in its various manifestations.

496. The Civil Service is a gigantic employer and, in view of the central place it occupies in the country’s Government machinery, it plays a crucial role in the development of the nation. The Civil Service has a substantial proportion of the best minds and expertise the nation can offer in all fields but they are underutilised in most cases. In a liberalised economy where privatisation is supposed to be the driving force, the role of the Civil Service becomes crucial in providing infrastructural and
facilitative services to the private sector. This makes it imperative that the Civil Service must be run professionally and efficiently with its officers adequately compensated. On the whole, this is not the case at the moment and instead the Civil Service has come to be associated with bureaucratic tendencies, inefficiency and corrupt practices.

497. A submission made to this Committee proposed the establishment of a code of conduct for the Civil Service incorporating structures that would make it difficult for officers to discriminate on the basis of tribe, colour, creed or gender; stiff penalties for corruption; and, the establishment of Ombudsmen where the public could report cases of corruption and other malfeasances. The authors of the submission, a representative group, reported: "If you organize a function and you want a permit, you must give money to the Chief to get a permit". They decried corrupt practices on the part of civil servants, politicians as well as members of the public who engaged in corruption and who should likewise be punished and, further, that there should be a code of conduct for all Kenyans. In Chapter 13 of this Report, we have recommended codes of ethics for both public servants and other people in leadership positions as well as one for the whole society. We hold the view that the establishment of Ombudsman will complement the recommended codes of ethics by safeguarding against non-compliance.

**Historical Perspective**

498. The institution of Ombudsman has been the subject of tremendous interest to and discussion by Kenyans at various fora for a long time. It continues to generate lively debate among Kenyans whenever occasion for discussing it arises. Proposals for its establishment in Kenya have been made repeatedly to various Government appointed committees in the past and these have been repeated before us. We survey below its treatment by previous Government committees or commissions.

499. The Commission of Inquiry (Public Service Structure and Remuneration Commission) 1970-71 chaired by Mr. D. N. Ndegwa (the Ndegwa Commission) traced the origin of Ombudsman to Sweden where in 1809 the first Ombudsman was appointed and that several other countries thereafter followed suit. The Commission summarised the role of the Ombudsman as the protection of the individual citizen against
injustice arising from misconduct, errors of judgement, abuse of office or encroachment by people in authority. The Commission also noted that many such acts do not usually amount to criminal offences, nor do they necessarily create legal liability for which redress could be sought in a court of law. The Commission further observed in respect of the institution as follows:

"As a system of external control over the public services the Ombudsman has a salutary effect on the quality and efficiency of public officers. The knowledge that their acts or omissions could be subject to public scrutiny keeps them constantly on the alert. Moreover, the mere existence of this institution tends to enhance public confidence in the Government since in the eyes of the public the Government is seen to have nothing to hide. The evidence adduced before us...indicates that a real need exists for the appointment of an Ombudsman in Kenya. Serious allegations regarding tribalism, nepotism, corruption and other forms of malpractices were made against civil servants and other public servants...these allegations, if not heeded and investigated impartially, could undermine the integrity of the Government and adversely affect public confidence and the morale of the public services. The situation needs to be contained; and we believe that one of the ways to achieve this would be through the Ombudsman."

500. The Government's response to the Ndegwa Commission's recommendation was contained in paragraph 107 of Sessional Paper Number 5 of 1974 according to which the Government considered that the office of Ombudsman was unnecessary in a parliamentary democracy where the Government and its servants could be sued or prosecuted. A citizen injured by an abuse of office by public servants could also have the matter raised in Parliament by means of a Parliamentary Question. The Government was also apprehensive that the Ombudsman might be misused by unscrupulous elements in society for witch-hunting and undue victimisation. The Commission's recommendation was not accepted by Government.

501. After the proposal to establish the institution of Ombudsman was
rejected in 1974, debate on the subject continued unabated. One such occasion was the National Leaders Conference held at the Kenya Institute of Administration in January 1978. The summary of proceedings contained a paragraph as follows:

"It was suggested that one way of eradicating corruption, and of providing machinery for members of the public to register complaints, was the establishment of the institution of an Ombudsman to be headed by a senior respected and strong personality - preferably a judge of long service and experience."

502. At the end of the Conference a resolution on the subject of Ombudsman was passed in the following terms:

"That corruption is strongly condemned and that legal proceedings should be instituted against those who practise it and that in addition an office should be established through which members of the public and leaders alike can get redress for wrongs done against them to ensure the efficiency of governmental administrative practices."

503. The Civil Service Review Committee, 1979-80 chaired by Mr. S. N. Waruhiu (Waruhiu Committee) revisited the subject of Ombudsman. In its report, the Committee noted that the word "Ombudsman" meant a person who acted and spoke on behalf of someone else, and that it had come to mean a special institution for the protection of the rights of the citizen against abuse of power, error and neglect by the authorities. The basic idea behind the creation of the Ombudsman was that the rights of the people would be better safeguarded if the activities of the authorities were watched by an independent people's tribunal. According to the Waruhiu Committee, the Ombudsman should be appointed by the Head of State on the recommendation of Parliament.

504. During its inquiry, the Waruhiu Committee sought to assess whether there had been any change in the need to establish the office of the Ombudsman. Among other things, the Committee examined the various arguments previously advanced against the institution. With regard to the right to sue the Government in courts of law, the Committee noted that there was no redress for many of the wrongs which the
individual might suffer at the hands of those in authority. Thus when a public servant failed, neglected or refused to do that which he is employed to do, the matter might be difficult to question in a court of law. Quite often the aggrieved person had not suffered any damage. It is impractical to question the merits of every discretionary decision in a court of law. What is more, judicial inquiry merely penetrated to the merits of the exercise of administrative discretion and it did not penalise errors of fact. Injustice suffered by the aggrieved person ought to be widely interpreted to cover not only the injury redressible in a court of law but also the sense of outrage aroused by unfair or incompetent administration even where the complainant had suffered no actual loss. Most of the wrongs which might be done by public servants were not challenged in courts. There were also other disadvantages confronting the individual vis-a-vis governmental agencies.

505. With regard to proceedings in Parliament as a means of restraining abuses of power and securing rectification of individual grievances, the Committee observed that the efficiency of these proceedings could not be measured exactly. Many cases of alleged injustice or hardship caused to individuals by Government action or inaction were raised at question time by Members of Parliament only after private letters to or interview with Ministers yielded no satisfactory response.

506. The Committee acknowledged that Parliamentary Questions and informal approaches had a part to play in democracy but also acknowledged a need for other machinery for investigation and rectification of individual grievances. In the view of the Committee, the Ombudsman offered means for investigating complaints against administrative acts and decisions where there were no statutory procedures available for dealing with complaints.

507. On the question of the Ombudsman being misused by unscrupulous elements in society for witch-hunting and undue victimisation, the Committee observed that a lot would depend on the public standing of the Ombudsman. The conditions under which the Ombudsman was to be appointed would be similar, if not identical, to those under which judges were appointed and this should afford a measure of protection against misuse of the institution. The Waruhiu Committee also concluded that the institution of Ombudsman was needed in Kenya and recommended its
establishment. The Government’s response was contained in paragraph 46 of *Sessional Paper Number 10 of 1980* which reiterated the contents of paragraph 107 of *Sessional Paper Number 5 of 1974*, i.e. the Government once again rejected the establishment of the office of Ombudsman and for the same reasons. The institution was, therefore, not established.

**Current Position**

508. This Committee, in addition to obtaining first-hand representations from Kenyans on the subject, has also done research on the feelings of Kenyans on it since the Waruhiu Committee Report. This research has confirmed that Kenyans have been consistent and persistent in urging the establishment of the institution of Ombudsman. Literature availed to us emphasised that Parliamentary redress procedure was usually inadequate and that recourse to the courts was frequently considered to be inappropriate. We take cognizance of the fact that litigation is very expensive and out of the reach of many Kenyans.

509. With regard to the office of the Ombudsman being used for witch-hunting or otherwise misused, we are of the opinion that this argument is untenable. Existing offices and institutions such as those of the Controller and Auditor-General and the Judiciary could also be misused by unscrupulous persons and yet this has not proved to be the case. In any case, some machinery exists for checking and dealing with such misuse. The Ombudsman would provide much needed additional machinery against maladministration. A society must have faith in its established institutions and ensure that they are manned by people of the highest integrity.

510. We are also aware that although there are many ways in which governmental action can be challenged in courts of law by applying for prerogative writs such as mandamus and certiorari, these writs will not be issued to persons or bodies acting in purely administrative capacity. The courts cannot, therefore, deal with a large area of administrative acts such as partiality, neglect, omission and incompetence. It is in respect of these grey areas that there is need to establish an independent institution similar to the Ombudsman to deal with those aspects of maladministration for which no statutory procedure exists.
Sectoral Ombudsmen

511. The submission alluded to at paragraphs 487 and 489 of this Chapter proposes the establishment of Ombudsmen where the public could report cases of corruption. We interpret the submission to be calling for establishment of sectoral Ombudsmen for specialist institutions or trades and an overall Ombudsman to exercise superintendence over maladministration generally; and, that this overall Ombudsman be designated Chief Ombudsman and placed higher than the sectoral Ombudsmen.

512. It is observed that sectoral Ombudsmen already exist but do not adequately cater for all grievances of the general citizenry. The Controller and Auditor-General is one such sectoral Ombudsman. His function is to control financial mismanagement, but maladministration goes beyond financial mismanagement. The legal profession has its sectoral Ombudsman in the form of a Complaints Commission "...established... for the purpose of enquiring into complaints against any advocate, firm of advocates, or any member or employees thereof." When the Commission finds a complaint against an advocate to constitute a disciplinary offence, it files disciplinary charges against the advocate before the Advocates Disciplinary Committee. The latter sits as a tribunal to hear evidence against and for the accused advocate. If the Disciplinary Committee finds the advocate guilty, it may mete out punishment ranging from admonition to striking off the Roll of Advocates. Both of these institutions offer their services at no cost to the complainants and this is an essential characteristic of ombudsmen. These institutions do, however, suffer the shortcoming of being limited to specialised areas or institutions.

513. We note with interest from newspaper reports that as late as February 1997 the subject of Ombudsmen and human rights commissions came up for deliberation at the Commonwealth African Heads of Government in Gaborone, Botswana where it was urged that African states should, among other things, "empower Ombudsmen ... and Human Rights Commissions".

514. Here at home, it was announced vide Kenya Gazette Notice No.3482 dated 21st June, 1996 that the President had appointed a Standing
Committee on Human Rights. The terms of reference of the Committee were given as follows:

(i) to investigate complaints of alleged violation of the fundamental rights and freedoms set out in the Constitution;
(ii) to investigate complaints of alleged injustice, abuse of power and unfair treatment of any person by a public officer in exercise of his official duties; and,
(iii) to educate the public as to human rights and freedoms by such means as the committee deems fit including publication, lectures and symposia.

The Gazette Notice added that the Committee shall not investigate any matter which is pending before court or involving relations or dealings between the Kenya Government and any other government or international body.

515. We have had sight of the proposed organisation chart of the Standing Committee on Human Rights and noted that it aims to have four departments, namely, Administration and Finance Department; Education Department; Human Rights Department; and, Ombudsman Department. The four departments have been proposed to be at par and all are to report to the Standing Committee. This is not the structure envisaged by those who petitioned the Government through the various committees alluded to at paragraphs 491-499 of this Chapter as well as this Committee for the Ombudsman institution. However, the incorporation of an Ombudsman Department into the portfolio of the Standing Committee on Human Rights partly answers the petitions.

516. Our view is that the type of Ombudsman called for through previous committees as well as this Committee is an Ombudsman of general jurisdiction. An independent Ombudsman who will be a full-time citizens’ watchdog over general maladministration and report directly to the highest institution or institutions in the land. For him to do so effectively, he has to be a person of high calibre and to be placed at a position high enough to enable him report directly to the Head of State. We do not underestimate the importance of "human rights", which appear to be the central object of the Standing Committee on Human Rights. Indeed, we think it is a loaded subject with peculiar problems of its own.
which may require undivided attention.

517. Chapter V of the Constitution of Kenya headed "Protection of Fundamental Rights and Freedoms of the Individual" categorises the rights alluded to in the chapter as follows:

(a) right to life, liberty, security of the person and protection of the law;
(b) freedom of conscience, of expression and of assembly and association; and,
(c) protection for the privacy of his home and other property and from deprivation of property without compensation.

These entitlements or expectations described in the Constitution of Kenya as fundamental rights and freedoms are what are popularly referred to in international fora as human rights. They seem to be principally aimed at safeguarding the citizen at individual level. That would be the pre-occupation of human rights bodies. The terms of reference given to the Standing Committee on Human Rights make it an omnibus, to take on board and address violations of those rights and freedoms specifically acknowledged in Kenya's Constitution as fundamental as well as rights and freedoms not so acknowledged but whose abuse may nonetheless cause disenchantment with the Government machinery, erode its image and undermine its effectiveness. Both sets of rights are undoubtedly important. However, we observe that the way the subject of human rights has been marketed by its protagonists has tended to make it engender anti-Government feelings and animosity. The approach has been accusatorial and antagonistic. Because of the subjective and emotive nature of the subject of human rights it would, in our view, have been better for it to be dealt with separately from the subject of ombudsmanship.

518. If, for instance, the Police torture a suspect in their custody, this is violation of the suspect's constitutionally protected fundamental right. If injury is caused to the victim of torture, this constitutes a serious crime for which the police officer concerned can be prosecuted. In addition, the Police Force may be sued for damages. If no prosecution is mounted, this would be a popular subject for intervention by a human rights body. On the other hand, the victim of torture may not be able to sue for damages on account of poverty. We have been told that about 11 million Kenyans
live below the poverty line. So there is a large body of Kenyans which will not be able to enforce its human rights because it is poor. To such Kenyans, the existence of a human rights body to resort to for assistance in getting their grievances redressed would be a vital component of the Government machinery. In this connection, our attention was drawn to section 84 (5) of the Constitution of Kenya which, among other things, provides:

"84.(5) Parliament -
(b) shall make provision -
(i) for the rendering of financial assistance to any indigent citizen of Kenya where his right under this Chapter has been infringed with a view to enabling him engage the services of an advocate to prosecute his claim; and,
(ii) for ensuring that allegations of infringement of such rights are substantial and the requirement or need for financial or legal aid is real."

We are not aware if legislation has been enacted to meet the requirements of the above section. It is our view that such legislation is overdue and should be enacted without delay. Accordingly, we recommend that the Attorney-General takes the necessary action with minimum delay to ensure that legislation is enacted for granting of financial or legal aid to indigent citizens whose fundamental rights under Chapter V of the Constitution have been violated.

519. Reverting now to ombudsmanship, which we think should be handled separately, we note that there is a widely held view whereby the Ombudsman has been described as a citizen protector, impartial arbiter between Government and the individual, harmoniser of public administration and restorer of public trust in the modern administrative state. Modern democracy depends for its health and quality on an open and trusting relationship between the governed and the government. It is now a trend in all enlightened societies worldwide for people to demand explanations for what their governments are doing and thinking. Increasingly, they expect to be treated by their governments in a considerate and sensitive manner with full recognition of the rights of individual citizens to a life of quality within a democracy. The presence of an Ombudsman, or movement towards setting one up, is a natural step
to assist the consolidation of a democracy and a reduction of the distance between officials and the people and to help them to understand each other.

520. We make below a brief survey of the Ombudsman institution’s function in various parts of the world. In Hawaii, the institution is described as "The Man for All Reasons"; in India they have "Central Vigilance Commission"; while in Austria the institution is called "The Peoples’ Attorney". In all these countries and in other parts of the world, the Ombudsman concept is but one means of providing safeguards against injustices inflicted on the people by those in authority. According to the 18th Annual Report of the Mauritius Ombudsman, by 1991 about 50 countries world-wide had adopted the Ombudsman system.

Central Forum for Addressing Grievances

521. During our tours of the provinces and in our discussions with representatives of ministries, non-governmental organisations and the private sector, it was emphasised that there was urgent need for a central, readily accessible and inexpensive forum for addressing and settling grievances. Some submissions saw a civil servants’ union as the appropriate forum. On the other hand, other submissions saw the Ombudsman as the most appropriate and effective institution for addressing grievances generally and for counter-checking malpractices of those in authority in particular. We share the view that the Ombudsman is a necessary additional institution to provide an antidote against maladministration in its various manifestations.

522. With regard to corruption, for instance, we take cognisance of the existence in the law of severe sanctions against corrupt practices. The following provisions of the Prevention of Corruption Act, Cap. 65 may illustrate the point:

a) Section 3 (3) provides, among other things, that a person who commits an offence of corruption under the section is liable to imprisonment for a term of not less than five years and not more than ten years where the amount or value of the gift, loan, fee, reward, consideration or advantage exceeds ten thousand shillings.
b) Additionally, the court convicting the offender may order forfeiture of the amount or value of the gift, loan, reward, consideration or advantage received by the offender. And unless the court for special reasons otherwise orders, the offender is liable to be adjudged to be forever incapable of being elected or appointed to any public office, and to be incapable for seven years from the date of the conviction of being registered as an elector; and if at the date of the conviction he has been elected as a member of any public body, his seat must be vacated from that date.

c) Section 11 provides that in any trial or inquiry by a court of or into an offence punishable under this Act, the fact that an accused person is in possession, for which he cannot satisfactorily account, of pecuniary resources or property disproportionate to his known sources of income, or that he had, at or about the time of the alleged offence, obtained an accretion to his pecuniary resources or property for which he cannot satisfactorily account, may be proved and taken into consideration by the court as corroborating any other evidence in the trial or inquiry that the accused person received or obtained the money, gift, loan, fee, reward, consideration or advantage in question.

d) Section 11B provides for establishment of an Anti-Corruption Squad under a director empowered to assume responsibility for any investigation or prosecution commenced by the Police for an offence involving corruption.

523. Yet, despite all these elaborate legal provisions, corruption is reported to be on the increase. Inefficiency, which the Civil Service has been accused of, provides fertile ground for corrupt practices as seekers of services are tempted or induced to bribe in order to hasten the procurement of the services. There is dire need for a central forum to which the general populace has access to report mischievous or suspicious activities for probing and action. The Ombudsman institution becomes relevant in this regard. It provides a handy mechanism for the people’s fight against corruption and other social malpractices.
Case for General Ombudsman in Kenya

524. We have given due consideration to the deliberations of the Ndengwa Commission, National Leaders Conference (1978) and the Waruhiu Committee on the institution of Ombudsman. Likewise, we have examined representations made to us during our inquiry as well as other literature urging the establishment of a Kenyan equivalent of the Ombudsman. It is acknowledged that there already exist in Kenya sectoral Ombudsmen which address various management problems in a number of specialised fields. We have also taken cognisance of the functions of the Ombudsman institution world-wide and the rationale for the institution.

525. Kenya believes in the rule of law and recognises that without law and order there would be chaos, exploitation and fear. The KANU Manifesto, 1979 rightly acknowledges that one objective of the rule of law is "to uncover corruption and other social malpractices". This objective has been widely endorsed in submissions made to us during our inquiry. Having considered all the opinions expressed and the evidence made available to us, we are of the view that there is a clear indication that the time is now opportune for the establishment of a Kenyan equivalent of the Ombudsman, which should be independent and have general jurisdiction over maladministration or malpractices in the public sector. We, therefore, recommend that there be established, by an Act of Parliament and without delay, an independent commission to carry out the functions of an Ombudsman and to be known as the Ombudsman Commission. As a guide, we offer in Appendix I some suggestions on the constitution and scope of operation of the proposed Commission.
CHAPTER 15 - PUBLIC RELATIONS IN THE CIVIL SERVICE

Introduction

526. In this Chapter, we assess the current state of public relations in Government, the institutional framework within which it is practised and the possible improvements that need to be introduced to make it more effective. Our Committee is not the first to examine and comment on this matter. We are aware that the Ndegwa Commission and subsequent review committees before ours have addressed this important subject and have made observations and recommendations which, in retrospect, are as valid today as they were during those reviews. We recognise that information is a powerful tool for development, especially if it is well analysed, interpreted and communicated to those who need it for decision-making. Kenya, therefore, needs to develop a crop of civil servants who have the capacity to analyse, understand, interpret information and communicate well among themselves and with the public.

527. In the context of our Report, public relations basically means the practice of creating, promoting and maintaining good will and a favourable image among the public towards the Government, and the methods and techniques used to achieve that goal. The public relations process implies commitment to Government development programmes and communication of its vision, policies and programmes to the citizens. The policies, goals and programmes of the Government should be known, explained and understood by all and feedback received from the grassroots. In this respect, we are aware that the Government recognises and appreciates the role of public relations as a means of promoting national interest while countering negative publicity emanating from both local and international fora.

528. During our interviews with Government Ministers, Permanent Secretaries, chief executives of various organisations, church leaders and a cross-section of Kenyans, strong representations received attest to the existence of a very disjointed and ineffective public relations system in the Civil Service. The submissions indicated that the prevailing system of communication within and among Government ministries and between them and the grassroots was inadequate. Indeed, we are aware that quite often the Government appeared to be under siege from critics but nobody
seemed to speak for it. Rejoinders came intermittently and mainly in response to accusations.

Background

529. We were informed that public relations or imaging did not assume importance until the second world war when the machinery of propaganda was very effectively used. Submissions received highlighted the fact that the best imaging of government has always been most conspicuous during times of crisis, especially in war when the successes and triumphs of government were drummed up. However, we observe that it is not possible in these modern times to maintain a positive image of an organisation, and particularly a government, without the involvement of the media. Public meetings have to be publicised and the objectives and strategies of government have to be portrayed in good light. The radio, television and the print media are at the forefront in this regard.

530. We were told that imaging can either be personal whereby one becomes one's own spokesman, or it can be done through an institutionalised apparatus. We learnt that in some countries, governments engage specialist researchers to gather information on what the people expect of government. These researchers give feedback to a government spokesman who in turn promptly addresses the issues raised. This approach has the advantage of disarming critics proactively. It was also made known to us that other governments engage press officers in each ministry who work to a chief government spokesman. The spokesman packages the information received and undertakes the imaging of government through regular press briefings. In this case, the spokesman is even allowed to sit in attendance in cabinet meetings in order to get first hand information on the thinking of government on various issues of national interest.

531. Here in Kenya, Ministers are the spokesmen in their ministries. All ministries, with the exception of the Ministry of Labour and Manpower Development and the Ministry of Co-operative Development, currently have information officers seconded from the Ministry of Information and Broadcasting to perform public relations functions. We hasten to add, however, that in our opinion the ministerial public relations officers merely co-ordinate activities relating to press briefings and
speeches. This situation notwithstanding, the Committee is aware that the Government acknowledges the important role of public relations as a tool for effectively communicating its policies and programmes and for projecting its image. We were informed that in the absence of a chief Government spokesman, the Ministry of Information and Broadcasting has been performing the public relations function for the Government. This role includes gathering, analysing and processing information for dissemination to the media outlets.

**State of Public Relations**

532. As we have stated elsewhere in this Report, the public sector has witnessed considerable expansion over the years and the dispersion of its functions and operations has impacted on the citizenry in all corners of the country. In response to this expansion, the Ministry of Information and Broadcasting has in turn undergone considerable expansion to ensure effective representation at all levels. In this regard, we were told that the ministry is currently represented at all the provincial, district and divisional levels through its network of information officers. The creation of more administrative units country-wide has put extra strain on the existing resources and, in turn, the ministry’s ability to fulfil its mandate.

533. The present system whereby ministries have press officers discharging the public relations function is considered grossly inadequate. This is so because the press officers are inadequately trained to effectively handle the demanding public relations function and the public relations units are not only under-staffed and under-equipped but are also lowly placed in the ministries’ hierarchy. Having carefully considered representations made to us, we are of the opinion that efforts of the Ministry of Information and Broadcasting should be supplemented. We, accordingly, recommend that Permanent Secretaries urgently establish multi-disciplinary public relations systems which are backed by Public Relations Divisions headed by professionally qualified public relations officers and supported by suitably qualified staff and adequate equipment to enable them effectively undertake the imaging of Government. In addition, given the size and complexity of Government functions, we are of the view that civil servants, departments and ministries should regard themselves as public relations agents of the Government in their daily operations. Good public relations is as a consequence of satisfactory
performance that is publicly visible and appreciated. Poor performance by civil servants distorts the image of the Government. It is, therefore, incumbent upon every civil servant to ensure quality performance.

534. It is our view that ministries and departments should focus more attention to the dissemination of information on their activities to the public, for example, through electronic media, publications, field visits and barazas. The ministries/departments should also devise ways and means of obtaining feedback from the public. We, therefore, recommend that in every Government department, throughout the country, there should be a conspicuously mounted and clearly labelled "Suggestion Box" for soliciting views from members of the public and civil servants on the performance of a particular Government department. The suggestions received should be analysed daily and acted upon as appropriate.

535. The Ministry of Information and Broadcasting has since independence provided press attaches to Kenya's diplomatic missions abroad through the Ministry of Foreign Affairs and International Cooperation. The press attaches are expected to gather and analyse information on Kenya and formulate responses where necessary and provide information on Kenya to interested parties. Essentially the press attaches perform a public relation function. However, as already noted in paragraph 526 press officers are not suited to effectively protect and promote Kenya's image. As a result, Kenya's image abroad has been dented by adverse commentaries and publicity in foreign political and socio-economic circles. In this regard, we are concerned that Kenya does not have public relations officers in some key countries where criticism of Kenya's position on several issues is sharpest.

536. We were told that most journalists, especially those working for the western media have a lot of respect for well-argued, point-by-point rebuttals than lengthy dismissive replies. The fact that any officer in a given mission reads newspapers does not necessarily make him or her an expert in dealing with adverse press reports. While anybody can deny whatever is being alleged against our country, it requires a certain level of sophistication to prepare an effective rebuttal against unwarranted criticisms. In view of what we have stated above, we recommend that urgent efforts be made to identify and post suitably qualified Public Relations Officers to the country's missions abroad, particularly in
missions in key countries, to protect and promote Kenya’s image internationally.

537. During the course of our visits to the provinces and based on documentary evidence submitted to the Committee as enunciated in paragraph 528, we gathered that communication with and among Government ministries and between them and the grassroots was inadequate. Organisational bottlenecks aside, this unsatisfactory situation was aggravated by lack of basic equipment, machines, stationery, transport, suitable office accommodation in the newly created districts, inadequate operating budget and inadequately trained personnel.

538. Several visits to the field revealed that a number of otherwise serviceable vehicles which belonged to the Ministry of Information and Broadcasting were grounded for avoidable reasons such as lack of fuel or drivers. This, we were told, explained why information officers tended to arrive late for official functions. Many times the officers begged for lifts from other departmental colleagues or worse still from interested parties. As a result of this dependence on others the news material was not always dispatched on time. In some cases the news material was influenced by interested parties who provided transport.

539. The Committee was told of reduction in the budgetary allocation to the Ministry of Information and Broadcasting over the years as a contributory factor to the Ministry’s inability to perform as expected. This trend may be attributed to the fact other ministries/departments perform their own public relations function rather than it being performed by the Ministry of Information and Broadcasting. We note that the reduction in the budgetary provision has adversely impacted on the Ministry’s training programmes, particularly in the field of public relations. We further note that the Ministry of Information and Broadcasting is the institution in Government responsible for recruiting, training and posting of press/public relations officers to other ministries/departments. It is also responsible for administering their Scheme of Service. The Ministry, therefore, forms a reservoir from which these officers are drawn for deployment in Government. It is, therefore, logical that the Ministry should be strengthened in terms of financial, human and material resources. Accordingly, we recommend that:
(a) Adequate financial, human and material resources be allocated to the Ministry of Information and Broadcasting to enable it discharge its mandate.

(b) Special emphasis be placed on recruiting personnel who are well trained and professionally qualified in public relations, communications and information services.

540. The Committee noted that over the years the Government has achieved a lot in terms of implementing various development programmes countrywide. However, the positive development efforts of the Government have not been adequately highlighted. Where there have been a few shortcomings, the Government has received negative publicity. This negative publicity has tended to over-shadow the achievements by the Government. In the past there were efforts by the Ministry of Information and Broadcasting towards educating the public on current affairs and other topical features. In this regard, we are reminded of past radio programmes such as "The Way It Is" which used to be run by Kenya Broadcasting Corporation. The Committee recommends that the Ministry of Information and Broadcasting introduces innovative programmes and publications for imaging the Government's efforts and achievements.

**Challenges in Public Relations**

541. As civil servants assume their new role of facilitating and guiding the country on the path to industrial transformation by the year 2020, the role of, and demand for, better public relations in Government will increasingly assume greater importance in mobilising the people to play their part in the industrialisation process.

542. The Ministry of Information and Broadcasting will face a challenging task of imaging the Government and will, therefore, require the necessary resources to meet this challenge. In this connection it is encouraging to note that the Ministry has recently established a Media and Research Services Division to monitor public opinion both locally and internationally and to evaluate the impact of this opinion on the image of Government. The Division will also formulate appropriate publicity programmes to create a positive image of the Government. It will use its
expertise to update the Government on a regular basis regarding developments in the mass media which touch on its policies.

543. We have already recommended the establishment of multi-disciplinary public relations systems in Government ministries/departments. We have also recommended the creation of Public Relations Divisions in the ministries to back up the systems. In addition, we have recommended the strengthening of the Ministry of Information and Broadcasting which is the reservoir from which public relations personnel are drawn. In order for the overall public relations system to operate effectively, there is a need for a co-ordinator who should be strategically placed within the entire Government structure. In our view, the most appropriate place would be in the Office of the President which co-ordinates all Government functions. Arising from the above, we **recommend** that the Directorate of Personnel Management creates a post of Chief Government Spokesman in the Office of the President. The spokesman will package information received from the ministerial public relations systems and undertake the imaging of Government. In this connection, we further **recommend** that the Chief Government Spokesman holds regular press briefings to address critical issues affecting the Government’s image.

**Conclusion**

544. In Chapter 4, this Committee has enumerated some challenges that the Kenyan nation will face in the 21st century. We have argued that the nation should strive to achieve higher development targets. We, therefore, emphasise that to realise these achievements, the civil servant of the 21st century should adopt modern management practices and techniques in the course of his work. In addition, we consider that the civil servant should have the following attributes:

- be loyal, patriotic, dedicated and committed to both the Government and the nation as well as uphold the philosophy and ideals of the nation and have faith in her destiny;
- be strong and decisive in taking decisions and solving problems;
- be well versed in management techniques and practices that enable him/her achieve desired
results;
- be well informed, aware of and sensitive to what is going on around him/her and have a thorough understanding of the Government policies and the strategies to implement them;
- be guided by the desire to excel and a sense of urgency in achieving positive results;
- conduct himself/herself ethically and practise professionalism;
- be a trainer to those who work below him/her by example, well thought-out instruction and delegation;
- be transparent and accountable to ensure that whatever he/she does is open to public scrutiny;
- be collaborative and team-spirited in his/her interactions with other civil servants and the general public and be seen to be a servant to members of the public and not their master;
- be innovative and a positive agent of desired change;
- be a motivator of colleagues and a symbol of excellence to the younger generation;
- be able to relate to counterparts in the private sector; and,
- be able to cultivate a sense of belonging to the department or organisation that he/she is working for.

The Committee reiterates that the civil servant of the 21st century is expected to be a positive agent of public relations for the Government. It is through his/her actions that the public forms an image of the Government and the country and, therefore, it is important that he/she enhances this image at all times.
PART III
CHAPTER 16 - CIVIL SERVICE PAY POLICY

Current Pay Practices

545. In the context of the Civil Service, pay refers to the package containing salary and allowances payable to a civil servant at the end of the month. The pay package normally contains salary and remunerative allowances, such as house allowance, medical allowance, responsibility allowance, entertainment allowance and transport allowance, among others. The Code of Regulations provides guidelines on administration and payment of salaries and allowances and these guidelines are reinforced from time to time by circulars issued by the Directorate of Personnel Management. Section H of the Code provides guidelines on the administration of salaries while Section J deals with allowances and Section L deals with housing. Changes in the rates of pay usually occur as a result of representations to the Government, reviews by the Directorate of Personnel Management, recommendations of salary review committees and commissions or Government directives. They also occur as a result of periodic reviews of minimum wages in the country in accordance with the Regulation of Wages and Conditions of Employment Act, Cap. 229.

546. As we have stated in Chapter 11 on the Grading System in the Civil Service, remuneration is based on a grading structure ranging from Job Group A for Subordinate Staff III to Job Group U for the Permanent Secretary, Secretary to the Cabinet and Head of the Public Service. The lower grades (Job Group A - H) in the Civil Service have longer salary scales with a maximum of 16 salary points, while the higher scales (Job Group J and above) have a maximum of 7 salary points. Entry grades in the Service depend on the educational qualifications and experience, with the lowest entry point at Job Group A where no formal educational qualification is required. The entry grade for secondary school leavers, with at least D+ in the Kenya Certificate of Secondary Education, is Job Group E. Certificate holders of approved courses enter the Service at Job Group G while Diploma holders enter at Job Group H. University graduates enter the Service at Job Groups J or K, depending on the type of degree course and the entry requirements of the respective schemes of service. This is a clear indication that the entry grade in the Service is largely determined by educational qualifications.
547. The Civil Service has incremental salary scales which provide for payment of higher salaries to experienced officers than those of new recruits, although both may be on the same scale set for the job itself. Service regulations also provide for the award of automatic annual increments until the maximum of the salary scale is reached and for incremental credits for previous relevant approved experience. The regulations also provide for deferment and stoppage of increments on the grounds of unsatisfactory work performance. The Committee was informed that the current practice is to grant officers annual salary increases which on average range between 4 and 5 per cent of an officer's basic salary.

548. It was submitted to the Committee that civil servants earn annual salary increments automatically, irrespective of whether their performance was satisfactory or not. It was also submitted that performance in the Civil Service was measured by the length of service in one grade and that this was one of the key factors in determining qualifications for promotion. It was proposed to the Committee that performance should not be measured only by the length of service and also that annual increments should not be awarded automatically but on the basis of measured performance.

549. The Committee considered these representations and is of the view that under the ongoing Civil Service Reform Programme, the Government should introduce performance-related pay. The Committee is convinced that it is possible for the Civil Service to set standards of work performance and identify performance indicators which should form a basis for work measurement and provide for both awards and sanctions. However, as this translates into tying pay to each individual officer's performance, a very meticulous staff appraisal system will have to be put in place. With the introduction of performance-related pay in the Service, the Public Service Commission will be responsible for the award of performance-related pay to officers in Job Group J and above, while Authorized Officers in ministries/departments will handle cases of officers in Job Groups A to H. Consequently, the Committee recommends that annual salary increments be awarded strictly on the basis of satisfactory work performance and that the current practice of awarding automatic annual increments be discarded. It is the view of the Committee that by using work performance to grant performance-related pay, the
Government will be able to remove non-performers from the Service. To cater for such cases, we **recommend** that the current Public Service Commission regulation governing the removal of officers from the Service be amended to provide for the removal of unproductive officers.

550. The Committee received representations that the current Civil Service salary scales were too long, especially at the lower levels, and that there was a lot of overlapping in the scales. The Committee noted that the degree of overlap between scales was inconsistent. The lowest percentage of overlap was 37.5 per cent between Job Groups F and G; S and T, and, T and U. The highest percentage overlap was 77.7 per cent between Job Groups G and H, and N and P. The Committee was informed that presently it is possible to find cases where junior officers were earning more than their supervisors and that it was also possible to find three officers in three different salary scales earning the same salary. The Committee heard that in such a situation, effective supervision was difficult. It was proposed to the Committee that salary scales be shortened and that overlapping should also be removed. The Committee agrees with these observations and **recommends** that salary scales be shortened and that overlapping should be minimized.

551. We note that there is no formal scheme of service for the subordinate staff in the Civil Service and that their terms and conditions of service are governed by personnel circulars issued from time to time by the Directorate of Personnel Management. The latest of these is Personnel circular No. 1 of 1991. We further note that the provision of this circular are also contained in Section E.31 of the Code of Regulations. These documents provide for, among other things, grading structure, appointment and promotion requirements in the Subordinate Service. It was proposed to the Committee that civil servants in the category of Subordinate Staff III, Job Group A, should be promoted to Subordinate Staff II, Job Group B, after five years; Subordinate Staff II to Subordinate Staff I, Job Group C after four years; and to Senior Subordinate Staff, Job Group D after three years. We consider it desirable that this cadre of staff should have a formal scheme of service as is the case with other cadres in the Civil Service. We, therefore, **recommend** that the Directorate of Personnel Management develops a scheme of service for the Subordinate Service. The scheme should, among other things, address the question of length of time it takes civil
servants in this cadre to progress from one grade to another.

552. It was also proposed to the Committee that Subordinate Staff should be accorded pensionable status. It was, however, not clear to the Committee why they have over the years been denied pensionable status. The Committee is of the view that members of the subordinate service should be accorded pensionable status. Accordingly, we recommend that members of the Subordinate Service be appointed on permanent and pensionable terms of service like other civil servants.

553. The Committee noted that Government has adopted a practice of appointing external committees to review Civil Service salaries and other terms and conditions of service and make adjustments after five to six years on average. The common practice with such salary review committees has been to recommend salary increases which would ensure that the lowest grades are awarded a higher percentage increase in a declining trend to the highest grade which is awarded the least percentage increase. As a result of these practices, the gap between the highest paid and the lowest paid civil servants kept on being narrowed. This trend has an adverse effect in the Service as it leads to the erosion of the purchasing power of salaries at the higher levels and consequently to a high turn-over of professional and technical personnel. The Committee was concerned that high staff turn-over at these levels will make it increasingly difficult for the Government to implement its development programmes. Consequently, the Committee recommends that in order to reduce the high staff turn-over, especially at the higher levels, the Government ensures that in granting general salary increases, the higher ranks be considered for higher percentage increases. We further recommend that in granting the general salary increases, the Government takes into account the actual cost of living of the lowest paid civil servants.

554. The Committee observed that the idea of awarding higher percentage increases of salary to the higher levels and lower percentage increases to the lower levels is not a new one and that it is in line with the shift in Government policy since July 1994 when senior civil servants were awarded salary increases at the rate of 16 per cent, while junior civil servants were awarded increases at the rate of 6 per cent vide Personnel Circular No. 6 of 7th July 1994. Permanent Secretaries were also upgraded with effect from 1st July 1994 and awarded enhanced personal
allowances which moved their remuneration closer to those of chief executives in the private sector. The Committee observed that the Government has also stated in paragraph 5.19 in the *Eighth National Development Plan, 1997-2001* that the new policy with regard to remuneration of civil servants "...will involve deliberate efforts by the DPM to match public sector wages with those in the private sector... [as]...each scheme of service will have its own pay scales aligned with similar scales in the private sector."

555. The Committee received representations to the effect that the practice of implementing the recommendations of the various salary review committees in instalments had not helped civil servants to absorb the impact of inflation shocks. For instance, the salary increases recommended by the Waruhiu Committee (1980), the Ramtu Committee (1985) and the Mbithi Committee (1991) were implemented over three year periods. The Committee noted that the benefits of these salary reviews impacted differently on civil servants as those who had reached the maximum of their salary scales during the period of implementation of the salary increases suffered the greatest erosion of their real income, while those who were still moving within their scales had an added advantage as they continued to earn their annual increments. In view of the foregoing the Committee recommends that recommendations on salary increases be implemented in one instalment in order to avoid erosion in purchasing power of salaries of civil servants, and that where this is not possible, the Government makes upward adjustments in line with the economic changes that will have taken place during the delays in implementation.

556. The Government occasionally announces *ad hoc* salary increases for civil servants which at times cover only the lower ranks, i.e Job Groups A to G, thereby ignoring the middle and higher ranks in the Service. The Committee observed that this practice has adverse effects in the Service as it demoralises and demotivates the middle and senior level civil servants who do not benefit from the salary increases. The Committee, therefore, recommends that whenever salary reviews are announced by the Government, they cover all grades in the Service.
Salaries vis-a-vis Allowances

557. It was noted by the Committee that in the Civil Service, salaries are normally higher than allowances and that, as a result, civil servants are over-taxed. The Committee observed that since 1994 there has been a shift in this practice and that in July 1994, Permanent Secretaries were upgraded and their pay packages included many non-taxable allowances. Similar allowances were also given to employees of the Judiciary and the State Law Office. This is in line with the current trend whereby organisations increase the number of allowances in pay package instead of awarding high salary increases. The Committee also observed that when employees pay packages include non-taxable allowances, taxation is not only minimised and the "take home pay" increased but also that there is no implication on the pension bill.

558. Having regard to the foregoing and taking cognisance of the recent shift in pay policy in the Civil Service, the Committee recommends that the Government loads Civil Service pay packages with more non-taxable allowances.

Civil Service Salaries vis-a-vis Salaries in State Corporations

559. Our enquiry revealed that state corporations are classified into five broad categories, namely, commercial; financial; developmental; and, regulatory, consultative/advisory, professional and miscellaneous. The functions and responsibilities and management methods in the various state corporations are defined in their enabling Acts or, if incorporated under the Companies Act, Cap. 486, in their respective memoranda and articles of association. Their detailed procedures, controls and management practices are developed by their various management boards.

560. We noted that in discussing the remuneration between the Civil Service and the parastatal sector, the Waruhii Committee remarked at paragraph 496 (b) of its report that meaningful comparisons of salary scales between the Civil Service and state corporations was not possible because of differences not only on job titles but also due to differences in the responsibilities attached to various posts. That committee also observed that the training, experience and expertise required in the management of state corporations was not necessarily the same as that
required in the Civil Service.

561. We have scrutinized these observations and are of the view that while the situation described by the Waruhiu Committee might have been true some seventeen years ago, the situation had since changed, particularly in view of the policy statement in the *Eighth National Development Plan*, that the Government is to bring salaries in the Civil Service closer to those in the private sector. In this respect, we wish to reiterate that continued disparities in remuneration between the Civil Service and the parastatal sector will have far reaching ramifications for the former in terms of attracting and retaining suitably qualified staff, especially at the management level and in the professional and technical cadres. It will also have serious consequences in the supervision of parastatals and their delivery of services. For instance, while Permanent Secretaries who are charged with the supervision of state corporations might be doing their best, the low remuneration paid to the Permanent Secretaries is a barrier in the effective discharge of responsibility. Our Committee holds the view that lack of effective supervision of the parastatals has contributed to the numerous management problems confronting them. This is certainly not in the interest of the nation.

562. We observed that Permanent Secretaries and other senior civil servants are appointed from time to time to serve as chief executives of state corporations. As there are possibilities of officers reverting to the Civil Service, there is need to address the issue of their pay once they resume their Civil Service career where the remuneration is low.

563. Having regard to the foregoing, the Committee is of the view that Permanent Secretaries should be remunerated higher than the chief executives of state corporations to reflect their supervisory role over state corporations. This issue, among others, is addressed in greater detail in Chapter 25 on Permanent Secretaries. As to the disparity between the salaries of other staff in the Civil Service and in state corporations, particularly in the professional and technical grades, the Committee recommends that the gap in pay between the Civil Service and state corporations be closed with a view to attracting to and retaining in the Civil Service skilled and high level manpower.
The Committee observed that the current practice is for State Corporations to review their terms and conditions of service following review of those in the Civil Service. The Committee is of the view that this practice should be discouraged. In this regard, we have discussed in paragraph 574 in this Chapter and in paragraph 559 of Chapter 17 on Recommended Salaries the need for the establishment of a permanent pay review board to review and harmonise on a continuous basis pay and benefits for the entire public service. Accordingly, we recommend that the review of the terms and conditions of service for state corporations be done separately and strictly on the basis of performance and ability to pay under the purview of the permanent pay review board.

The Committee noted that some state corporations are exempted from the State Corporations' Act Cap 464, and that, as a result, it becomes difficult for the Inspector of State Corporations to monitor and oversee their operations. The Committee on Salaries and Other Benefits in State Corporation, 1993, chaired by Mr. P. M. Mullei observed "...that blanket exemptions [of state corporations] such as that provided for under section 2 (b) (vii) is counter productive in regard to excesses which the Act was intended to control". That Committee further noted that such exemptions were mistaken to imply exclusion from Government control. We find merit in these observations and consider that there is need for requests for exemption, grading and up-grading of state corporations to be subjected to strict performance evaluation and to be granted on the basis of a clearly defined criteria and on the understanding that Government will continue to exercise general oversight to exempted state corporations. Having considered these observations this Committee recommends that the Government commission a study with a view to:

(a) Establishing clearly defined criteria for exempting state corporations from the State Corporations Act.

(b) Establishing clearly defined criteria to be used in grading and up-grading of state corporations from one category to another.

Civil Service Salaries vis-a-vis Salaries of Local Authorities

The structures of salaries and fringe benefits in local authorities are
based on their size, complexity of functions and levels of responsibility. In this regard, we noted that local authorities were classified into four committees, namely, Committee No. 1 for Nairobi City Council and Mombasa Municipal Council; Committee No. 2 for all other Municipal Councils; Committees Nos. 3 and 4 for County and Town Councils, respectively.

567. The Committee noted further that the terms and conditions of employment in local authorities were negotiated between the Association of Local Government Employers (ALGE) and the Kenya Local Government Workers’ Union (KLGWU) through collective bargaining. However, for the purposes of ensuring uniformity and assuring availability of the necessary resources for their implementation, these agreements must be ratified by the Minister for Local Government before they are submitted to the Industrial Court for registration. This Committee observed that a number of local authorities are unable to implement these agreements due to lack of funds. Issues touching on local authorities are addressed in Chapter 23 on the Local Government Service.

568. With regard to the Civil Service, salaries are normally reviewed through external committees appointed by the Government at intervals averaging six years. However, in the local authorities, owing to more frequent revisions which are undertaken every two years through collective bargaining, remuneration levels have been rising to the extent that now they have slightly surpassed those in the Civil Service. This point is covered in greater detail in paragraphs 67 to 69 of Chapter 2 on Economic Background. As observed at paragraph 67, the average annual wages for local authorities employees in 1990 were lower than those in the Civil Service by about 25 per cent and that the wages rose at a faster rate between 1991 and 1995 thereby over-taking those paid by the latter. The increase was however negligible resulting in lower staff turn-over from the Civil Service to local authorities compared to other sectors in the country.

Civil Service Salaries vis-a-vis Salaries in the Private Sector

569. The terms and conditions of service of employees in the private sector are in a majority of cases also dealt with through collective bargaining. Consequently, the terms and conditions of service are
normally the subject of collective bargaining agreements which, in all cases, have a provision for regular periodic revisions. Civil Service salaries and other terms and conditions of service are usually revised after an average of six years as explained above, while those of the private sector are reviewed after every two years.

570. The Committee observed that the irregularity and length of intervals between salary revisions in the Civil Service have tended to widen the gap in remuneration levels between the Civil Service and the private sector. The Committee noted that the Government accepted in *Sessional Paper Number 3 of 1985* to carry out salary reviews for civil servants every two years but this has not been implemented. The wide disparities which resulted in salaries between private sector and the Civil Service had an adverse effect on the latter. The upshot was a drain of senior professional and technical personnel from the Civil Service to the private sector where they were offered better terms and conditions of service. This explains why there are many vacancies at senior levels in the professional and technical cadres in the Service. In this regard, it is encouraging that the Government has taken the first step by stating at paragraph 6.5.9 in the *Eighth National Development Plan* its intention to match as far as possible remuneration in the Civil Service to that obtaining in the private sector.

571. Having noted the shift in Government policy as explained above and taking cognisance of the Government’s commitment in the *National Development Plan* to narrow the gap between the Civil Service salaries and private sector salaries, our Committee recommends that the Government implements its intention to narrow the gap in salaries between the Civil Service and the private sector. The Committee is convinced that this measure will stem the high incidence of staff turn-over from the Civil Service.

**Public Service Pay Review Board**

572. We received representations from civil servants that in the absence of a mechanism to address regularly their terms and conditions of service, they would like to have their union reinstated. They were unhappy that while their counterparts in the private and parastatal sectors and local government service had unions to press for improvement of their terms
and conditions of service, the Civil Service had none. They lamented that the ad hoc external committees appointed from time to time by the Government to review their terms and conditions of service were at very long intervals and that the recommendations made by these committees were either not fully implemented or, where there was implementation, it was done in such a way that the advantages they would have gained were eroded by inflation. While some civil servants called for a union to speak for them, others were of the view that a union would not be necessary if the Government established a mechanism under which their terms and conditions of service could be reviewed regularly and at short intervals.

573. Our scrutiny of the union issue and that of regular review of terms and conditions of service for civil servants revealed that although the Ndegwa Commission (1971), the Waruhiu Committee (1980) and the Ramtu Committee (1985) recommended that the Government reviews Civil Service salaries regularly and at short intervals, this has not been implemented. Civil servants were also of the view that the Civil Servants Welfare Association was not suitably placed to press for or promote their demand for improved terms and conditions of service as it was not a union. In the circumstances, they felt that their welfare was not being adequately addressed by their employer. We found these representations meriting urgent attention in the interests of improving performance in the Civil Service and effective delivery of services.

574. Arising from these representations we inquired from the civil servants if establishment of an alternative mechanism such as a pay review board would meet their needs, they generally conceded that it would. The idea of a pay review body is not a new one. The Teaching Service has the Teachers Service Remuneration Committee while the Armed Forces have the Armed Forces Pay Review Board which regularly review the remuneration of the teachers and the Armed Forces, respectively. Establishment of a pay review board to cater for the Civil Service will, in our view, obviate the clamour for a union and the need for periodic ad hoc committees to review their terms and conditions of service. The review board would also set criteria and address requests for delinking of Government departments from the Civil Service. With an expanded mandate, it will also address and harmonise requests from the parastatal sector for grading and upgrading, and the levels of remuneration for their non-unionisable staff.
575. Having regard to all the foregoing, we recommend that:

(a) The Government establishes a permanent Public Service Pay Review Board to review regularly and at short intervals the terms and conditions of service for the entire Public Service. The full functions of the Board are discussed in Chapter 17 on Recommended Salaries.

(b) The permanent Public Service Pay Review Board be located in the Directorate of Personnel Management.

576. The implementation of the above recommendations will necessitate amendment of laws which have already established pay review bodies in sub-sectors of the public service in order to transfer existing pay review functions from those bodies to the overall permanent Public Service Pay Review Board.

Disparities in Salaries and Allowances Within the Civil Service

577. It was submitted to the Committee that there were disparities in salaries and allowances in the Civil Service. The Committee was informed that such disparities were a hindrance to effective supervision in the Service as it was difficult for one to supervise an officer who was earning higher remuneration than one’s own.

Expatriates and Topping Up of Terms and Conditions of Service

578. The Committee noted that the terms and conditions of service for expatriates engaged by the Government have an impact on the Civil Service. The Committee was informed that expatriates were usually deployed as consultants on donor-funded projects as a result of conditionalities given by donors and that they enjoy special terms, i.e. higher salaries, allowances and other benefits than those of civil servants attached to the projects. The Committee also noted that occasionally some local people are employed on expatriate terms in the donor-funded projects while civil servants deployed in the donor-funded projects only received salary top-ups. The Committee also noted that there are some expatriates in the Civil Service who are earning as much as Kshs.1,000,000 per
month. Ironically, the Committee noted, there are some civil servants who worked together with those expatriates and were equally qualified, but are not considered for commensurate salary top-ups. The Committee observed that this affects the morale of such officers.

579. The Committee noted that, occasionally, project agreements signed between the Government and the donors provided for counterpart personnel to be attached to a project to facilitate its continuity when the expatriates left. The Committee also noted that in some cases the agreements provided for an officer to understudy the consultant. While the counterpart personnel were as qualified as the consultants, the understudy was supposed to learn the job from the consultant and eventually take over when the expatriates left. The Committee observed that at times the expatriates did not prepare Kenyans to eventually take over when the project was finally handed over to the Government. In such cases, the expatriates kept on requesting for the extension of their contracts on the basis that there were no qualified Kenyans to take over. The Committee also noted that occasionally some expatriates introduced in some project agreements new components when their tours were about to expire and convinced their bosses overseas that there was need for a further tour.

580. The Committee observed further that some donor-funded projects collapsed once they were handed-over to the Government by the donors due to failure of the expatriate personnel to prepare civil servants attached to projects to eventually take over the management of such projects. The Committee felt that in all negotiations with donors, the Government should insist on the inclusion of a provision for counterpart personnel in the project agreements. The Committee recommends that in all donor-funded projects, counterpart personnel be attached to the expatriates to facilitate continuity of the projects.

581. The Committee observed that in donor-funded projects, it was necessary for agreements to provide for job descriptions to facilitate evaluation of the expatriates’ work performance. The Committee felt that there should be regular evaluation of the expatriates’ performance. The Committee recommends that all evaluation reports on the performance of the expatriate personnel be submitted to the donors through their respective Permanent Secretaries. The Committee is convinced that if the
expatriates’ performance was evaluated regularly, it would be possible for the Government to know whether any problems in a project were associated with the expatriate personnel or the civil servants who are deployed there as counter-part personnel or as understudies. The Committee also recommends that Permanent Secretaries very closely monitor the operations of donor-funded projects and ensure that everything goes as planned.

Payroll Administration

582. The Committee noted that payroll data capture instruments were in the process of being redesigned by the Directorate of Personnel Management with a view to eliminating the chances of "ghost payments" or "ghost workers" being introduced into the payroll. The Committee was also informed that other initiatives being undertaken by the Government included minimising the number of officers with access to the payroll information and establishing payroll audit units in ministries/departments. The Committee was told that the Directorate of Personnel Management had introduced new personal numbers in the Civil Service as part of the Civil Service payroll reforms and that this was aimed at controlling unauthorised recruitment in the Service. The Committee was informed that with the introduction of new personnel numbers, the Directorate of Personnel Management had eliminated unauthorised recruitment and introduction of "ghost workers" into the Civil Service payroll. In Chapter 10 on Management Practices, we have discussed the problems related to the use of the current mainframe computer in payroll administration.
CHAPTER 17 - RECOMMENDED SALARIES

Introduction

583. Having discussed the current Civil Service pay policy in the previous Chapter, in this Chapter the Committee provides the cardinal principles on which our proposed salaries are based. First, we discuss the inflation factor which is dealt with in greater detail in Chapter 2 on Economic Background. Second, we present the concept of living wage which we consider to be critical in proposing salaries. Third we consider the need to narrow the gap between the Civil Service salaries and those in the private sector. This need was recognised in the KANU Manifesto, 1992 wherein the ruling party stated that salaries and benefits in the public service must be comparable with those in the private sector. In 1994 the Government reaffirmed this position by awarding higher increases (16 per cent) to officers in Job Group H and above and lower increases (6 per cent) to those in Job Group G and below. We also note that the Government through the Eighth National Development Plan, 1997-2001, has further addressed the matter by promising deliberate efforts to match public sector wages with those in the private sector. This issue is discussed before consideration is made of issues related to the salary structure itself. We conclude the Chapter by discussing matters that touch on the Government’s ability to pay the proposed salaries.

584. As already noted at paragraph 553 in the preceding Chapter, the Government has since 1971 been reviewing the terms and conditions of service for the Civil Service at intervals of about six years. The reviews have been done through the appointment of ad hoc committees and commissions which disband once they have submitted their recommendations to Government. Whereas this approach has served this country quite well in the past, we consider that the intervals have been too long considering the economic upheavals that take place over such long periods. We observed that when recommendations of previous committees are being implemented, Government has tended to implement recommended salaries in phases. Under a situation of fast changing economic circumstances, such as the country has witnessed over the early 1990s, delayed reviews and phased implementation of compensation create a scenario whereby the Service itself suffers through reduced motivation and low productivity due to the progressive erosion of the purchasing
power of earnings in the years between these reviews.

585. It is with the foregoing observations in mind that we reiterate our recommendation in Chapter 16 that a permanent Public Service Pay Review Board be established immediately to continuously review pay and benefits for the entire Public Service and that the Board be located in the Directorate of Personnel Management. Further, the Board will be expected to liaise closely with the National Steering Committee of the Civil Service Reform Programme. The Board will further be expected to collect, collate and analyse information related to such matters as cost of living, housing and principles behind payment of certain remunerative allowances, among other matters. The Board should also carry out studies on factors affecting the attraction and retention of personnel in the Civil Service. The functions of the Board should include harmonisation of pay and benefits in the different sub-sectors of the Public Service including the Civil Service, the Teaching Service, Local Government Service as well as departments which have delinked from the Civil Service such as the Judiciary. The Board will also ensure that expenditures on salaries and benefits are ring-fenced together with expenditure on operations and maintenance. The Board should produce annual reports showing its activities and recommendations. We recommend that the membership of the Board comprises respectable personalities who have excellent understanding of the operations of the Public Service but preferably not working in the Service. It is also considered appropriate that part of the membership comes from the private sector for purposes of injecting desirable private sector values in the public sector. The Board should have a small membership of between five and seven and be free to co-opt anybody who would assist it in dealing with specific aspects of its work.

Compensation for Loss of Purchasing Power and Increase in Productivity

586. In Chapter 2 of this Report, we indicated that the overall cost of living index rose from 180 to 537.5 between January 1991 and December 1996, the period of this review. This translates to a rise in cost of living of 198.6 per cent. It means that the purchasing power of the salaries of civil servants, like all other employees and other income earners, suffered a loss of 198.6 per cent. The lower income earners were the worst hit because they suffered a loss of about 202 per cent whereas the middle
income earners suffered least at 188 per cent compared to the upper income group who suffered a loss of purchasing power to the tune of 195.5 per cent. This Committee takes as the benchmark the overall cost of living index which gives all workers a loss of purchasing power amounting to 198.6 per cent.

587. The period 1991 to 1996 did not experience major growth in GDP per capita. Whereas in 1991 to 1993 growth in GDP per capita was negative, in 1994 and 1995 this indicator was positive at 0.7 per cent and 1.5 per cent respectively. Per capita GDP growth in 1996 was projected at 1.6 per cent. Therefore, productivity as measured by GDP per capita growth from 1994 to 1996 was estimated at a total of 3.8 per cent. Since the wage guidelines allow for compensation for growth in productivity, this Committee is of the view that the 3.8 per cent be added to the rise in cost of living index of 198.6 per cent to arrive at a maximum possible compensation level of 202.4 per cent.

Living Wage

588. This Committee received representations which analysed what it takes for an average family of six to live in various parts of the country. The evidence was so compelling that we are convinced that civil servants are among the least paid in the country when one considers the actual cost of living. It was noted further that whereas in May 1996 the Government announced a minimum wage of KShs. 2,094 per month, the lowest salary in the Civil Service continued to be KShs. 1,750 per month at Job Group A.

589. Evidence submitted to the Committee indicated that the lowest paid staff member in Nairobi needs at least Kshs. 9,000 per month for transport, food, clothing, school fees and other necessary items for himself, wife and four children but excluding medical expenses. The Committee concluded that since such a remuneration package does not obtain in the Civil Service, members of this cadre and others are forced to resort to other ways of surviving, including having their families live in rural areas, which leads to many family separation problems. Others resort to skipping meals and walking to and from their places of work which adversely affects their productivity. The worst manifestation of this
struggle to survive is loss of moral standards and resorting to corrupt practices. The Committee considered these factors in arriving at the recommended salaries.

**Bridging the Gap between Civil Service and Private Sector Pay**

590. One of the factors that is considered critical to determining Civil Service pay is the need to bridge the gap between the pay in the private sector and that in the Civil Service. The Committee considers that the size of this gap will determine whether the Civil Service will attract and retain adequate high level manpower. If the gap is too wide against the Civil Service, it is expected that the Civil Service will continue to lose manpower to the private sector especially when these have been trained properly and have adequate experience.

591. Representations made to the Committee indicated that the Civil Service suffered a high incidence of vacant positions at the critical levels of Job Group K and above, especially where the positions were in the professional cadres. Disparities in the average pay in the Civil Service and in the private sector are shown in Table 6.
Table 6: Disparities Between Civil Service and Private Sector Salaries

<table>
<thead>
<tr>
<th>Designation</th>
<th>Job Group Range</th>
<th>Average Pay in the Civil Service, Kshs. p.m.</th>
<th>Civil Service Pay as % of Lowest Private Sector</th>
<th>Per Cent Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Messenger</td>
<td>A-D</td>
<td>3,672</td>
<td>60.5</td>
<td>39.5</td>
</tr>
<tr>
<td>Clerk</td>
<td>D-H</td>
<td>7,258</td>
<td>100.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Typist</td>
<td>D-H</td>
<td>7,258</td>
<td>81.2</td>
<td>18.8</td>
</tr>
<tr>
<td>Entry Level Professionals</td>
<td>K</td>
<td>8,045</td>
<td>64.4</td>
<td>35.6</td>
</tr>
<tr>
<td>Middle Level Professionals</td>
<td>M-P</td>
<td>13,181</td>
<td>38.7</td>
<td>61.3</td>
</tr>
<tr>
<td>Departmental Head</td>
<td>Q-R</td>
<td>18,005</td>
<td>29.4</td>
<td>70.6</td>
</tr>
<tr>
<td>Permanent Secretary</td>
<td>S-T</td>
<td>22,895</td>
<td>13.1</td>
<td>86.9</td>
</tr>
</tbody>
</table>

Source: Office of the Vice President and Ministry of Planning and National Development.

592. From the above information, it is concluded that the gap between the pay in the Civil Service and that in the private sector widens against the former as one moves up the ladder. At the clerical level, the pay tends to be the same whereas at Typist level the gap is about 20 per cent against the Civil Service. At the entry level for professionals, the gap widens even further to about 40 per cent. For those officers who are at middle level professional cadre, the gap is about 60 per cent. Departmental heads in the Civil Service earn less than one third of the salaries of their counterparts in the private sector. Indeed, the gap is
widest at the Permanent Secretary level where their equivalents in the private sector earn about eight times the pay of a Permanent Secretary.

593. This Committee is convinced that in order to enhance morale and increase productivity in the Civil Service, this widening gap must be addressed in a systematic manner. The Committee notes that the Government, in the Eighth National Development Plan, paragraph 6.5.9, has recognised this problem by stating that periodic salary reviews in the public sector have "...resulted in the public sector wages lagging behind modern sector private wages by very large proportions leading to a loss of experienced and critical manpower to the private sector and abroad, as well as poor performance of the Civil Service in general. Hence a new approach will involve deliberate efforts by the DPM to match public sector wages with those in the private sector." This Committee urges that this policy be implemented as soon as possible in order to restore the pride of working in the Civil Service. As a step in this direction, we have recommended salaries and fringe benefits that attempt to bridge the gap between the private sector and the Civil Service. This especially applies to officers in Job Groups K and above.

594. Given the relative stability in Government employment and the resolve by the Government to bring about Civil Service reform, it is our strong conviction that if the Government keeps a maximum lag of 20 per cent behind private sector wages, employees would prefer working in the public sector. We, therefore, recommend that the gap between Civil Service salaries at Job Group K and above and those in the private sector be kept at no more than 20 per cent for the medium term. The Committee has worked out the financial implications of this recommendation and has found out that it will have minimal additional budgetary effect. In fact the numbers in these job groups add up to about 15,500 which is less than 7 per cent of the total number employed in the Civil Service. In the long run the gap should be fully closed. This Committee’s proposed salaries take into account this recommendation.

Salary Structure

595. At the moment, the Civil Service salary structure consists of 19 Job Groups with a total of 92 salary points. In line with our recommendation in the preceding Chapter that salary scales be shortened
and that overlapping be minimised, we further recommend that the following characteristics be adopted in a new salary structure:

(a) The number of salary points in any Job Group be reduced to an average of seven.
(b) Overlap of salary points be limited to a maximum of 43 per cent or three salary points as opposed to the current system where this goes beyond 70 per cent.
(c) In the likely event that stagnation occurs, we believe that this problem will be obviated by continuous review of salaries by the recommended Permanent Public Service Pay Review Board.
(d) Annual increments will not be automatic but will depend on appraisal reports based on a new more objective staff appraisal system. We have dealt with this aspect more exhaustively in Chapter 8 on Staffing in the Civil Service.

Ability to Pay

596. The Committee considered three options for compensating civil servants. Firstly, one could take it that all civil servants ought to be fully compensated at the rate of 202 per cent which is the loss of purchasing power they suffered from 1991 to 1996. If this first scenario is adopted, the Government would have to look for about KShs. 56 billion per year as additional wage bill. If, however, this is considered too high, the Government could instead split it in two phases, whereby it would have to pay about KShs. 28 billion during the first year and a similar amount during the second year. The third scenario involves paying at once but staggering the compensation rates over the job groups by paying higher percentage increases to lower paid workers and lower compensation rates to higher cadres. Thus, Job Groups A to D would get 202 per cent and E to G would get between 150 and 175 per cent while H to S would get between 110 and 135 per cent. This scenario would require the Government to pay an additional amount of about KShs. 35 billion for the wage bill. The cost implications of the recommended salaries under each scenario are shown in Table 7.
### Table 7 - Financial Implications of Different Salary Compensation Scenarios

<table>
<thead>
<tr>
<th>Item</th>
<th>Scenario 1</th>
<th>Scenario 2</th>
<th>Scenario 2</th>
<th>Scenario 3</th>
</tr>
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<tr>
<td><strong>Civil Service</strong>*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposed Bill</td>
<td>30.465</td>
<td>20.276</td>
<td>30.465</td>
<td>22.265</td>
</tr>
<tr>
<td>Current Bill</td>
<td>10.087</td>
<td>10.087</td>
<td>20.276</td>
<td>10.087</td>
</tr>
<tr>
<td>Additional Bill</td>
<td>20.378</td>
<td>10.189</td>
<td>10.189</td>
<td>12.178</td>
</tr>
<tr>
<td><strong>TSC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposed Bill</td>
<td>53.717</td>
<td>35.751</td>
<td>53.717</td>
<td>40.670</td>
</tr>
<tr>
<td>Current Bill</td>
<td>17.786</td>
<td>17.786</td>
<td>35.751</td>
<td>17.786</td>
</tr>
<tr>
<td>Additional Bill</td>
<td>35.931</td>
<td>17.965</td>
<td>17.965</td>
<td>22.884</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposed Bill</td>
<td>84.182</td>
<td>56.027</td>
<td>84.182</td>
<td>62.935</td>
</tr>
<tr>
<td>Current Bill</td>
<td>27.873</td>
<td>27.873</td>
<td>56.027</td>
<td>27.873</td>
</tr>
<tr>
<td>Additional Bill</td>
<td>56.309</td>
<td>28.154</td>
<td>28.155</td>
<td>35.062</td>
</tr>
</tbody>
</table>

* Excluding Uniformed Services (civilian)
597. As already stated in the introductory Chapter of this Report, the Committee is aware that the Government is faced with a year which has special circumstances including having to feed the nation following prolonged drought in many parts of the country. The Committee is also aware that the Government has to organise general elections during the financial year 1997/98. These two major programmes will compete for scarce financial resources which could have been earmarked for improved terms and conditions of service for the Civil Service. Despite the presence of these pressures, the Government recognised that improvement of Civil Service terms of service could not be postponed any longer and therefore went ahead to appoint this Committee. It has also not been lost on the Committee that the morale of the Civil Service should not be left to deteriorate any further because the whole economy will then face more serious losses. The Committee is, therefore, convinced that our recommendations go beyond any short term constraints that may face the Government at the moment.

598. As already indicated in Chapter 7 on Financing of Government Operations, it is the strong belief of this Committee that the potential for collection of revenue has not been exhausted. The Kenya Revenue Authority should, therefore, be given more realistic and higher tax collection targets. In particular the Authority should endeavor to collect outstanding debts especially those owed by parastatals and individuals which were understood to be in excess of Kshs 35 billion. If the Authority effectively plays its role, including finding out why tax evasion is rampant in the country, we believe that it would be possible for the Government to pay higher salaries and adequately motivate civil servants to be more productive without resorting to increased taxation. This will also be easier to achieve if the Civil Service Reform Programme is implemented expeditiously in all its aspects. With regard to the mode of payment of the new salaries, this Committee is convinced that phasing out of compensation has serious disadvantages to the civil servant in that not only does he lose due to further inflation with the passage of time, but he also loses what was rightly due to him during the phased out period. In view of the foregoing, the Committee recommends that:

(a) The recommended salaries be paid in one instalment.
(b) In order to avoid an adverse effect on the budget
deficit, the Government pays the recommended salaries with effect from 1st July, 1997.

(c) That compensation to civil servants for inflation and productivity be made at the rates shown below:

<table>
<thead>
<tr>
<th>Job Groups</th>
<th>Compensation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>A to D</td>
<td>202 per cent</td>
</tr>
<tr>
<td>E to G</td>
<td>between 150 - 175 per cent</td>
</tr>
<tr>
<td>H to S</td>
<td>between 110 - 135 per cent</td>
</tr>
</tbody>
</table>

**Recommended Salaries**

Having regard to the inflation rates over the period 1991 to 1996; considering the need to maintain a living wage for the lowest paid workers; taking into account the need to narrow the gap in pay packages between the public and private sectors in order to attract and retain high level manpower in the former sector; bearing in mind the need to improve performance in the Civil Service through motivation; and, being mindful of the Government's ability and potential to pay, the Committee strongly recommends the salaries indicated in Tables 8 to 11. The recommended salaries applicable to officers serving in Job Groups T and above are contained in Chapters 24 on the Office of the Permanent Secretary, Secretary to the Cabinet and Head of the Public Service and Chapter 25 on Permanent Secretaries.
Table 8: SUMMARY OF RECOMMENDED SALARY SCALES FOR THE CIVIL SERVICE

| JOB GROUP A | £3,021 x 81 - £3,264 x 84 - £3,516 p.a. |
| JOB GROUP B | £3,348 x 84 - £3,516 x 87 - £3,864 p.a. |
| JOB GROUP C | £3,690 x 87 - £3,951 x 90 - £4,221 p.a. |
| JOB GROUP D | £4,041 x 90 - £4,221 x 135 - £4,626 x 192 - £4,818 p.a. |
| JOB GROUP E | £4,491 x 135 - £4,626 x 192 - £5,202 x 255 - £5,712 p.a. |
| JOB GROUP F | £5,202 x 255 - £6,222 x 270 - £6,762 p.a. |
| JOB GROUP G | £6,222 x 270 - £7,302 x 339 - £7,980 p.a. |
| JOB GROUP H | £7,302 x 339 - £8,658 x 390 - £9,438 p.a. |
| JOB GROUP I | £8,658 x 390 - £10,218 x 600 - £11,418 p.a. |
| JOB GROUP K | £10,218 x 600 - £12,618 x 660 - £13,938 p.a. |
| JOB GROUP L | £12,618 x 660 - £15,258 x 720 - £16,698 p.a. |
| JOB GROUP M | £15,258 x 720 - £18,138 x 723 - £19,584 p.a. |
| JOB GROUP N | £18,138 x 723 - £21,030 x 726 - £22,482 p.a. |
| JOB GROUP P | £21,030 x 726 - £23,934 x 732 - £25,398 p.a. |
| JOB GROUP Q | £23,208 x 726 - £23,934 x 732 - £26,862 x 735 - £27,597 p.a. |
| JOB GROUP R | £25,398 x 732 - £26,862 x 735 - £29,802 p.a. |
| JOB GROUP S | £28,332 x 735 - £30,540 x 738 - £32,754 p.a. |
Table 9: RECOMMENDED CIVIL SERVICE SALARY CONVERSION TABLES

CONVERSION TABLE No. 9.1

JOB GROUP A

Present Salary Scale: K£ 1,050 x 39 - 1,206 x 42 - 1,290 p.a
Proposed Salary Scale: K£ 3,021 x 81 - 3,264 x 84 - 3,516 p.a

<table>
<thead>
<tr>
<th>Present Salary K£ p.a</th>
<th>Proposed Salary K£ p.a</th>
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</thead>
<tbody>
<tr>
<td>1,050</td>
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</tr>
<tr>
<td>1,089</td>
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<td>1,128</td>
<td>3,183</td>
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<tr>
<td>1,167</td>
<td>3,264</td>
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<tr>
<td>1,206</td>
<td>3,348</td>
</tr>
<tr>
<td>1,248</td>
<td>3,432</td>
</tr>
<tr>
<td>1,290</td>
<td>3,516</td>
</tr>
</tbody>
</table>
### CONVERSION TABLE No. 9.2

#### JOB GROUP B

<table>
<thead>
<tr>
<th>Present Salary Scale:</th>
<th>Proposed Salary Scale:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Kf 1,128 x 39 - 1,206 x 42 - 1,416 p.a</strong></td>
<td><strong>Kf 3,348 x 84 - 3,516 x 87 - 3,864 p.a</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Present Salary (Kf p.a)</th>
<th>Proposed Salary (Kf p.a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,128</td>
<td>3,348</td>
</tr>
<tr>
<td>1,167</td>
<td>3,432</td>
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<tr>
<td>1,206</td>
<td>3,516</td>
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<tr>
<td>1,248</td>
<td>3,603</td>
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<tr>
<td>1,374</td>
<td>3,777</td>
</tr>
<tr>
<td>1,416</td>
<td>3,864</td>
</tr>
</tbody>
</table>
## CONVERSION TABLE No. 9.3

**JOB GROUP C**

Present Salary Scale: \( \text{K£} \ 1,206 \times 42 - 1,416 \times 45 - 1,506 \times 54 - 1,766 \ \text{p.a} \)

Proposed Salary Scale: \( \text{K£} \ 3,690 \times 87 - 3,951 \times 90 - 4,221 \ \text{p.a} \)

<table>
<thead>
<tr>
<th>Present Salary K£ p.a</th>
<th>Proposed Salary K£ p.a</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,206</td>
<td>3,690</td>
</tr>
<tr>
<td>1,248</td>
<td>3,777</td>
</tr>
<tr>
<td>1,290</td>
<td>3,864</td>
</tr>
<tr>
<td>1,332</td>
<td></td>
</tr>
<tr>
<td>1,374</td>
<td>3,951</td>
</tr>
<tr>
<td>1,416</td>
<td></td>
</tr>
<tr>
<td>1,461</td>
<td>4,041</td>
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<tr>
<td>1,506</td>
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</tr>
<tr>
<td>1,560</td>
<td>4,131</td>
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<tr>
<td>1,614</td>
<td></td>
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</tr>
<tr>
<td>1,722</td>
<td>4,221</td>
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<tr>
<td>1,776</td>
<td></td>
</tr>
</tbody>
</table>
**CONVERSION TABLE No. 9.4**

**JOB GROUP D**

Present Salary Scale: \( K\ell \ 1,332 \times 42 - 1,416 \times 45 - 1,506 \times 54 - 1,884 \times 63 - 2,073 \text{ p.a} \)

Proposed Salary Scale: \( K\ell \ 4,041 \times 90 - 4,221 \times 135 - 4,626 \times 192 - 4,818 \text{ p.a} \)

<table>
<thead>
<tr>
<th>Present Salary K\ell \ p.a</th>
<th>Proposed Salary K\ell \ p.a</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,332</td>
<td>4,041</td>
</tr>
<tr>
<td>1,374 \ )</td>
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<tr>
<td>1,416 \ )</td>
<td>4,221</td>
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<tr>
<td>1,461 \ )</td>
<td>4,356</td>
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<tr>
<td>1,506 \ )</td>
<td>4,491</td>
</tr>
<tr>
<td>1,560 \ )</td>
<td>4,626</td>
</tr>
<tr>
<td>1,614 \ )</td>
<td></td>
</tr>
<tr>
<td>1,668 \ )</td>
<td></td>
</tr>
<tr>
<td>1,722 \ )</td>
<td></td>
</tr>
<tr>
<td>1,776 \ )</td>
<td></td>
</tr>
<tr>
<td>1,830 \ )</td>
<td></td>
</tr>
<tr>
<td>1,884 \ )</td>
<td></td>
</tr>
<tr>
<td>1,947 \ )</td>
<td></td>
</tr>
<tr>
<td>2,010 \ )</td>
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<tr>
<td>2,073</td>
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</table>
CONVERSION TABLE No. 9.5

JOB GROUP E

<table>
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<tr>
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<tr>
<td>K£ p.a</td>
<td>K£ p.a</td>
</tr>
<tr>
<td>1,668</td>
<td>4,491</td>
</tr>
<tr>
<td>1,722</td>
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</tr>
<tr>
<td>1,776</td>
<td>4,626</td>
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<tr>
<td>1,830</td>
<td>4,818</td>
</tr>
<tr>
<td>1,884</td>
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<tr>
<td>1,947</td>
<td>5,010</td>
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<tr>
<td>2,010</td>
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<tr>
<td>2,073</td>
<td>5,202</td>
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<tr>
<td>2,145</td>
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</tr>
<tr>
<td>2,217</td>
<td>5,457</td>
</tr>
<tr>
<td>2,289</td>
<td></td>
</tr>
<tr>
<td>2,361</td>
<td>5,712</td>
</tr>
<tr>
<td>2,433</td>
<td></td>
</tr>
<tr>
<td>2,505</td>
<td></td>
</tr>
</tbody>
</table>

Present Salary Scale: K£ 1,668 x 54 - 1,884 x 63 - 2,073 x 72 - 2,505 p.a

Proposed Salary Scale: K£ 4,491 x 135 - 4,626 x 192 - 5,202 x 255 - 5,712 p.a
CONVERSION TABLE No. 9.6

JOB GROUP F

Present Salary Scale:  K£ 1,947 x 63 - 2,073 x 72 - 2,577 x 111 - 3,021 p.a

Proposed Salary Scale:  K£ 5,202 x 255 - 6,222 x 270 - 6,762 p.a.

<table>
<thead>
<tr>
<th>Present Salary K£ p.a</th>
<th>Proposed Salary K£ p.a</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,947</td>
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</tr>
<tr>
<td>2,010</td>
<td>5,457</td>
</tr>
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<td>2,073</td>
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<td>2,145</td>
<td>5,712</td>
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<td>2,217</td>
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<td>2,289</td>
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<tr>
<td>2,361</td>
<td>5,967</td>
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<td>2,433</td>
<td></td>
</tr>
<tr>
<td>2,505</td>
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<tr>
<td>2,577</td>
<td>6,222</td>
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<td>2,910</td>
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<td>6,762</td>
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CONVERSION TABLE No. 9.7

**JOB GROUP G**

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<tbody>
<tr>
<td>K£ 2,505 x 72 - 2,577 x 111 - 3,021 x 414 - 3,435 x 3,822 x 135 - 4,497 x 165 - 4,662 p.a</td>
<td>K£ 6,222 x 270 - 7,302 x 339 - 7,980 p.a</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Present Salary K£ p.a</th>
<th>Proposed Salary K£ p.a</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,505</td>
<td>6,222</td>
</tr>
<tr>
<td>2,577</td>
<td>6,492</td>
</tr>
<tr>
<td>2,688</td>
<td>6,762</td>
</tr>
<tr>
<td>2,799</td>
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</tr>
<tr>
<td>2,910</td>
<td></td>
</tr>
<tr>
<td>3,021</td>
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</tr>
<tr>
<td>3,435</td>
<td>7,032</td>
</tr>
<tr>
<td>3,564</td>
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</tr>
<tr>
<td>3,693</td>
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</tr>
<tr>
<td>3,822</td>
<td>7,302</td>
</tr>
<tr>
<td>3,957</td>
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<tr>
<td>4,092</td>
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</tr>
<tr>
<td>4,227</td>
<td></td>
</tr>
<tr>
<td>4,362</td>
<td>7,641</td>
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<tr>
<td>4,497</td>
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### Conversion Table No. 9.8

**Job Group**  

<table>
<thead>
<tr>
<th>Present Salary Scale:</th>
<th>Proposed Salary Scale:</th>
</tr>
</thead>
<tbody>
<tr>
<td>K£ 3,435 x 129 - 3,822 x 135 - 4,4497 x 165 - 5157 p.a</td>
<td>K£ 7,302 x 339 - 8,658 x 390 - 9,438 p.a</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Present Salary (K£ p.a)</th>
<th>Proposed Salary (K£ p.a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,435</td>
<td>7,302</td>
</tr>
<tr>
<td>3,564</td>
<td>7,641</td>
</tr>
<tr>
<td>3,693</td>
<td>7,980</td>
</tr>
<tr>
<td>3,822</td>
<td>8,319</td>
</tr>
<tr>
<td>3,957</td>
<td>8,658</td>
</tr>
<tr>
<td>4,092</td>
<td>9,048</td>
</tr>
<tr>
<td>4,227</td>
<td>9,438</td>
</tr>
<tr>
<td>4,362</td>
<td></td>
</tr>
<tr>
<td>4,497</td>
<td></td>
</tr>
<tr>
<td>4,662</td>
<td></td>
</tr>
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<td>4,827</td>
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<td>4,992</td>
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<tr>
<td>5,157</td>
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</tr>
</tbody>
</table>
**CONVERSION TABLE No. 9.9**

**JOB GROUP J**

Present Salary Scale: \[ K£ 4,092 \times 135 - 4,497 \times 165 - 5,322 \times 186 - 6,066 \text{ p.a} \]

Proposed Salary Scale: \[ K£ 8,658 \times 390 - 10,218 \times 600 - 11,418 \text{ p.a} \]

<table>
<thead>
<tr>
<th>Present Salary K£ p.a</th>
<th>Proposed Salary K£ p.a</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,092</td>
<td>8,658</td>
</tr>
<tr>
<td>4,227</td>
<td>9,048</td>
</tr>
<tr>
<td>4,362</td>
<td>9,438</td>
</tr>
<tr>
<td>4,497</td>
<td></td>
</tr>
<tr>
<td>4,827</td>
<td>9,828</td>
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<tr>
<td>4,992</td>
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<tr>
<td>5,435</td>
<td>10,218</td>
</tr>
<tr>
<td>5,322</td>
<td></td>
</tr>
<tr>
<td>5,508</td>
<td>10,818</td>
</tr>
<tr>
<td>5,694</td>
<td></td>
</tr>
<tr>
<td>5,880</td>
<td>11,418</td>
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<tr>
<td>6,066</td>
<td></td>
</tr>
</tbody>
</table>
### Conversion Table No. 9.10

**Job Group K**

**Present Salary Scale:**  
K£ 4,827 x 165 - 5,322 x 186 - 6,252 x 222  
- 7,140 p.a

**Proposed Salary Scale:**  
K£ 10,218 x 600 - 12,618 x 660 - 13,938 p.a

<table>
<thead>
<tr>
<th>Present Salary K£ p.a</th>
<th>Proposed Salary K£ p.a</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,827</td>
<td>10,218</td>
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<tr>
<td>4,992</td>
<td>10,818</td>
</tr>
<tr>
<td>5,157</td>
<td>11,418</td>
</tr>
<tr>
<td>5,322</td>
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<td>5,508</td>
<td>12,018</td>
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<td>5,694</td>
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<tr>
<td>5,880</td>
<td>12,618</td>
</tr>
<tr>
<td>6,066</td>
<td></td>
</tr>
<tr>
<td>6,252</td>
<td>13,278</td>
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<tr>
<td>6,474</td>
<td></td>
</tr>
<tr>
<td>6,696</td>
<td>13,938</td>
</tr>
<tr>
<td>6,918</td>
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CONVERSION TABLE No. 9.11

JOB GROUP L

<table>
<thead>
<tr>
<th>Present Salary</th>
<th>Proposed Salary</th>
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</thead>
<tbody>
<tr>
<td>Scale: £5,694 x 186 - 6,252 x 222 - 7,362 x 255 - 8,127 p.a</td>
<td>Scale: £12,618 x 660 - 15,258 x 720 - 16,698 p.a</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Present Salary</th>
<th>Proposed Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>£5,694</td>
<td>£12,618</td>
</tr>
<tr>
<td>£5,880</td>
<td>£13,278</td>
</tr>
<tr>
<td>£6,066</td>
<td>£13,938</td>
</tr>
<tr>
<td>£6,252</td>
<td>£14,598</td>
</tr>
<tr>
<td>£6,696</td>
<td></td>
</tr>
<tr>
<td>£6,918</td>
<td></td>
</tr>
<tr>
<td>£7,140</td>
<td>£15,258</td>
</tr>
<tr>
<td>£7,362</td>
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</tr>
<tr>
<td>£7,617</td>
<td></td>
</tr>
<tr>
<td>£7,872</td>
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</tr>
<tr>
<td>£8,127</td>
<td>£16,698</td>
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</table>

262
CONVERSION TABLE No. 9.12

**JOB GROUP M**

Present Salary Scale: \( \text{K£ 6,018} \times 222 - 7,362 \times 255 - 8,637 \times 300 - 9,837 \text{ p.a.} \)

Proposed Salary Scale: \( \text{K£ 15,258} \times 720 - 18,138 \times 723 - 19,584 \text{ p.a} \)

<table>
<thead>
<tr>
<th>Present Salary K£ p.a</th>
<th>Proposed Salary K£ p.a</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,918</td>
<td>15,258</td>
</tr>
<tr>
<td>7,140</td>
<td>15,978</td>
</tr>
<tr>
<td>7,362</td>
<td>16,698</td>
</tr>
<tr>
<td>7,617 )</td>
<td>17,418</td>
</tr>
<tr>
<td>7,872 )</td>
<td></td>
</tr>
<tr>
<td>8,127 )</td>
<td></td>
</tr>
<tr>
<td>8,382 )</td>
<td>18,138</td>
</tr>
<tr>
<td>8,637 )</td>
<td></td>
</tr>
<tr>
<td>9,237 )</td>
<td>18,861</td>
</tr>
<tr>
<td>9,537</td>
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</tr>
<tr>
<td>9,837</td>
<td>19,584</td>
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263
**CONVERSION TABLE No. 9.13**

**JOB GROUP  N**

Present Salary Scale:  
K£ 7,872 x 265 - 8,637 x 300 - 10,137 x 333 - 10,803 p.a

Proposed Salary Scale:  
K£ 18,138 x 723 - 21,030 x 726 - 22,482 p.a

<table>
<thead>
<tr>
<th>Present Salary</th>
<th>Proposed Salary</th>
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</thead>
<tbody>
<tr>
<td>K£ p.a</td>
<td>K£ p.a</td>
</tr>
<tr>
<td>7,872</td>
<td>18,138</td>
</tr>
<tr>
<td>8,127</td>
<td>18,861</td>
</tr>
<tr>
<td>8,382</td>
<td>19,584</td>
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<td>8,637</td>
<td></td>
</tr>
<tr>
<td>8,937</td>
<td></td>
</tr>
<tr>
<td>9,237</td>
<td></td>
</tr>
<tr>
<td>9,537</td>
<td></td>
</tr>
<tr>
<td>9,837</td>
<td></td>
</tr>
<tr>
<td>10,137</td>
<td></td>
</tr>
<tr>
<td>10,470</td>
<td>21,030</td>
</tr>
<tr>
<td>10,803</td>
<td>21,756</td>
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<tr>
<td></td>
<td>22,482</td>
</tr>
<tr>
<td>Present Salary Scale:</td>
<td>K£ 8,937 x 300 - 10,137 x 333 - 11,469 p.a</td>
</tr>
<tr>
<td>-----------------------</td>
<td>------------------------------------------</td>
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<tr>
<td>Proposed Salary Scale:</td>
<td>K£ 21,030 x 726 - 23,934 x 732 - 25,398 p.a</td>
</tr>
<tr>
<td>Present Salary</td>
<td>Proposed Salary</td>
</tr>
<tr>
<td>K£ p.a</td>
<td>K£ p.a</td>
</tr>
<tr>
<td>8,937</td>
<td>21,030</td>
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<tr>
<td>9,237</td>
<td>21,756</td>
</tr>
<tr>
<td>9,537</td>
<td>22,482</td>
</tr>
<tr>
<td>10,137</td>
<td>23,208</td>
</tr>
<tr>
<td>10,470</td>
<td>23,934</td>
</tr>
<tr>
<td>10,803</td>
<td></td>
</tr>
<tr>
<td>11,136</td>
<td>24,666</td>
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<td>25,398</td>
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CONVERSION TABLE No. 9.15

JOB GROUP Q

<table>
<thead>
<tr>
<th>Present Salary Scale:</th>
<th>K£ 10,137 x 333 - 11,802 x 369 - 12,597 p.a</th>
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</thead>
<tbody>
<tr>
<td>Proposed Salary Scale:</td>
<td>K£ 23,208 x 726 - 23,934 x 732 - 26,862 x 735 - 27,597 p.a</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Present Salary K£ p.a</th>
<th>Proposed Salary K£ p.a</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,137</td>
<td>23,208</td>
</tr>
<tr>
<td>10,470</td>
<td>23,934</td>
</tr>
<tr>
<td>10,803</td>
<td>24,666</td>
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<td>11,136</td>
<td>25,398</td>
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<td>12,171</td>
<td>26,862</td>
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<td>27,597</td>
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</table>
### Conversion Table No. 9.16

**Job Group R**

**Present Salary Scale:**

K£11,469 x 333 - 11,802 x 369 - 13,278 x 414 - 14,106 p.a.

**Proposed Salary Scale:**

K£ 25,398 x 732 - 26,862 x 735 - 29,802 p.a.

<table>
<thead>
<tr>
<th>Present Salary K£ p.a</th>
<th>Proposed Salary K£ p.a</th>
</tr>
</thead>
<tbody>
<tr>
<td>11,469</td>
<td>25,398</td>
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<tr>
<td>11,802</td>
<td>26,130</td>
</tr>
<tr>
<td>12,171</td>
<td>26,862</td>
</tr>
<tr>
<td>12,540</td>
<td>27,597</td>
</tr>
<tr>
<td>12,909</td>
<td>28,332</td>
</tr>
<tr>
<td>13,278</td>
<td></td>
</tr>
<tr>
<td>13,692</td>
<td>29,067</td>
</tr>
<tr>
<td>14,106</td>
<td>29,802</td>
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</table>
CONVERSION TABLE No. 9.17

JOB GROUP S

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<td><strong>Proposed Salary</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Present Salary (K£ p.a)</th>
<th>Proposed Salary (K£ p.a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>12,540</td>
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</tr>
<tr>
<td>12,909</td>
<td>29,067</td>
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<tr>
<td>13,278</td>
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</tr>
<tr>
<td>14,106</td>
<td>31,300</td>
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<td>14,520</td>
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</tr>
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<td>14,934</td>
<td>32,016</td>
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<tr>
<td>15,348</td>
<td>32,754</td>
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<tr>
<td>15,813</td>
<td>32,754</td>
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</tbody>
</table>
Table 10: SUMMARY OF RECOMMENDED SALARY SCALES FOR THE TEACHING SERVICE

**P3 TEACHER**
K£ 4,041 x 90 - 4,221 x 135 - 4,626 x 192 - 4,818 p.a

**UNTRAINED TEACHER WITH KACE, KCE DIVISION I,II,III, KCSE A (PLAIN) TO D+ (PLUS)**
K£ 4,491 x 135 - 4,626 x 192 - 5,202 x 255 - 5,712 p.a

**P2 TEACHER**
K£ 4,491 x 135 - 4,626 x 192 - 5,202 x 255 - 5,712 p.a

**P1 TEACHER**
K£ 5,202 x 255 - 6,222 x 270 - 6,762 p.a

**UNTRAINED TECHNICAL TEACHER**
K£ 6,222 x 270 - 7,302 x 339 - 7,980 p.a

**UNTRAINED DIPLOMA TECHNICAL TEACHER**
K£ 7,302 x 339 - 8,658 x 390 - 9,438 p.a

1. **SI TEACHER**
2. **TRAINED CERTIFICATE TECHNICAL TEACHER III**
K£ 7,302 x 339 - 8,658 x 390 - 9,438 p.a

**UNTRAINED GRADUATE TEACHER**
K£ 8,658 x 390 - 10,218 x 600 - 11,418 p.a

1. **TRAINED DIPLOMA TEACHER**
2. **TRAINED DIPLOMA TECHNICAL TEACHER III**
3. **TRAINED CERTIFICATE TECHNICAL TEACHER II**
K£ 8,658 x 390 - 10,218 x 600 - 11,418 p.a

1. **ASSISTANT LECTURER**
2. **APPROVED TEACHER II**
3. **TRAINED GRADUATE TEACHER II**
4. **TRAINED DIPLOMA TECHNICAL TEACHER II**
5. **TRAINED CERTIFICATE TECHNICAL TEACHER I**
K£ 10,218 x 600 - 12,618 x 660 - 13,938 p.a

269
1. LECTURER
2. APPROVED TEACHER I
3. TRAINED GRADUATE TEACHER I
4. TRAINED DIPLOMA TECHNICAL TEACHER I
K£ 12,618 x 660 - 15,258 x 720 - 16,698 p.a

1. PRINCIPAL III
2. SENIOR LECTURER
3. SENIOR GRADUATE TEACHER
4. SENIOR APPROVED TEACHER
K£ 15,258 x 720 - 18,138 x 723 - 19,584 p.a

1. PRINCIPAL II
2. PRINCIPAL LECTURER
3. PRINCIPAL GRADUATE TEACHER II
4. PRINCIPAL APPROVED TEACHER II
K£ 18,138 x 723 - 21,030 x 726 - 22,482 p.a

1. PRINCIPAL I
2. SENIOR PRINCIPAL LECTURER
3. PRINCIPAL GRADUATE TEACHER I
4. PRINCIPAL APPROVED TEACHER I
K£ 21,030 x 726 - 23,934 x 732 - 25,398 p.a

SENIOR PRINCIPAL
K£ 23,208 x 726 - 23,934 x 732 - 26,862 x 735 - 27,597 p.a

CHIEF PRINCIPAL
K£ 25,398 x 732 - 26,862 x 735 - 29,802 p.a

1. COMMISSION CHAIRMAN
2. COMMISSION SECRETARY
K£ 28,332 x 735 - 30,540 x 738 - 32,754 p.a
Table 11: RECOMMENDED CONVERSION TABLES FOR THE TEACHING SERVICE SALARIES

CONVERSION TABLE No. 11.1

P3 TEACHER

Present Salary Scale: \( \text{Kf} \ 1,416 \times 45 - 1,506 \times 54 - 1,884 \times 63 - 2,073 \times 72 - 2,361 \ \text{p.a} \)

Proposed Salary Scale: \( \text{Kf} \ 4,041 \times 90 - 4,221 \times 135 - 4,626 \times 192 - 4,818 \ \text{p.a} \)

<table>
<thead>
<tr>
<th>Present Salary</th>
<th>Proposed Salary</th>
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<td>Kf p.a</td>
<td>Kf p.a</td>
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<tr>
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<tr>
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<td>1,668</td>
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<tr>
<td>1,722</td>
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<tr>
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<td>4,356</td>
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<tr>
<td>2,361</td>
<td>4,818</td>
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</table>
## CONVERSION TABLE No. 11.2

**UNTRAINED TEACHER WITH KACE, KCE DIVISION I,II,III, KCSE A (PLAIN) TO D+ (PLUS)**

Present Salary Scale: \[ \text{K}\£ \text{ 1,668 x 54 - 1,884 x 63 - 2,073 x 72 - 2,505 p.a} \]

Proposed Salary Scale: \[ \text{K}\£ \text{ 4,491 x 135 - 4,626 x 192 - 5,202 x 255 - 5,712 p.a} \]

<table>
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<tr>
<th>Proposed Salary K£ p.a</th>
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## CONVERSION TABLE No. 11.3

**P2 TEACHER**

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Present Salary Scale:  
K£ 1,722 x 54 - 1,884 x 63 - 2,073 x 72 - 2,577 x 111 - 2,799 p.a

Proposed Salary Scale:  
K£ 4,491 x 135 - 4,626 x 192 - 5,202 x 255 - 5,712 p.a
### CONVERSION TABLE No. 11.4

#### P1 TEACHER

**Present Salary Scale:**

K£ 1,947 x 63 - 2,073 x 72 - 2,577 x 111 - 3,021 p.a

**Proposed Salary Scale:**

K£ 5,202 x 255 - 6,222 x 270 - 6,762 p.a

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CONVERSION TABLE No. 11.5

UNTRAINED TECHNICAL TEACHER

Present Salary Scale:  
K£ 2,505 x 72 - 2,577 x 111 - 3,021 x 414 - 3,435 x 129 - 3,822 x 135 - 4,497 x 165 - 4,827 p.a

Proposed Salary Scale:  
K£ 6,222 x 270 - 7,302 x 339 - 7,980 p.a

<table>
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<td>2,910</td>
<td>6,762</td>
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<tr>
<td>3,021</td>
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<td>3,435</td>
<td>7,032</td>
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<td>3,564</td>
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## CONVERSION TABLE No. 11.6

### UNTRAINED DIPLOMA TECHNICAL TEACHER

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</thead>
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<td>K£ 3,435 x 129 - 3,822 x 135 - 4,4497 x 165 - 5157 p.a</td>
<td>K£ 7,302 x 339 - 8,658 x 390 - 9,438 p.a</td>
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</tbody>
</table>

<table>
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<tr>
<th>Present Salary K£ p.a</th>
<th>Proposed Salary K£ p.a</th>
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</thead>
<tbody>
<tr>
<td>3,435</td>
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<tr>
<td>3,564</td>
<td>7,641</td>
</tr>
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<td>3,822</td>
<td></td>
</tr>
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<td>3,957</td>
<td></td>
</tr>
<tr>
<td>4,092</td>
<td></td>
</tr>
<tr>
<td>4,227</td>
<td>8,319</td>
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<tr>
<td>4,362</td>
<td></td>
</tr>
<tr>
<td>4,497</td>
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<td>4,662</td>
<td>8,658</td>
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<td>4,827</td>
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<td>5,157</td>
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CONVERSION TABLE No. 11.7

1. SI TEACHER
2. TRAINED CERTIFICATE TECHNICAL TEACHER III

<table>
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<td>K£ 2,799 x 111 - 3,021 x 414 - 3,435 x 129 - 3,822 x 135 - 4,497 x 165 - 5,322 p.a</td>
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</tr>
<tr>
<td>K£ 7,302 x 339 - 8,658 x 390 - 9,438 p.a</td>
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</tbody>
</table>

<table>
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<tr>
<th>Present Salary K£ p.a</th>
<th>Proposed Salary K£ p.a</th>
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</thead>
<tbody>
<tr>
<td>2,799</td>
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<td>3,021</td>
<td></td>
</tr>
<tr>
<td>3,435</td>
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<tr>
<td>3,564</td>
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</tr>
<tr>
<td>3,693</td>
<td>7,980</td>
</tr>
<tr>
<td>3,822</td>
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<tr>
<td></td>
<td></td>
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<tr>
<td>3,957</td>
<td></td>
</tr>
<tr>
<td>4,092</td>
<td>8,319</td>
</tr>
<tr>
<td>4,227</td>
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</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>4,362</td>
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<tr>
<td>4,497</td>
<td>8,658</td>
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<tr>
<td>4,662</td>
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<td>4,827</td>
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<tr>
<td>4,992</td>
<td>9,048</td>
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<tr>
<td>5,157</td>
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</tr>
<tr>
<td>5,322</td>
<td>9,438</td>
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</table>

277
## Conversion Table No. 11.8

### Untrained Graduate Teacher

**Present Salary Scale:** K£ 4,092 x 135 - 4,497 x 165 - 5,322 x 186 - 6,066 p.a

**Proposed Salary Scale:** K£ 8,658 x 390 - 10,218 x 600 - 11,418 p.a

<table>
<thead>
<tr>
<th>Present Salary K£ p.a</th>
<th>Proposed Salary K£ p.a</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,092</td>
<td>8,658</td>
</tr>
<tr>
<td>4,227</td>
<td>9,048</td>
</tr>
<tr>
<td>4,362</td>
<td>9,438</td>
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<td>4,497</td>
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<td>4,827</td>
<td>9,828</td>
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<tr>
<td>4,992</td>
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<tr>
<td>3,435</td>
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<tr>
<td>5,322</td>
<td>10,218</td>
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<td>5,880</td>
<td>10,818</td>
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<tr>
<td>6,066</td>
<td>11,418</td>
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</table>
### CONVERSION TABLE No. 11.9

1. TRAINED DIPLOMA TEACHER  
2. TRAINED DIPLOMA TECHNICAL TEACHER III  
3. TRAINED CERTIFICATE TECHNICAL TEACHER II

| Present Salary Scale: | K£ 4,092 x 135 - 4,497 x 165 - 5,322 x 186 - 6,066 p.a |
| Proposed Salary Scale: | K£ 8,658 x 390 - 10,218 x 600 - 11,418 p.a |

<table>
<thead>
<tr>
<th>Present Salary</th>
<th>Proposed Salary</th>
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<tbody>
<tr>
<td>K£ p.a</td>
<td>K£ p.a</td>
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<tr>
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<td>8,658</td>
</tr>
<tr>
<td>4,227</td>
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<td>4,362</td>
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<td>4,497</td>
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<tr>
<td>4,992</td>
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<tr>
<td>3,435</td>
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<td>5,322</td>
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<td>5,508</td>
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<td>5,880</td>
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<tr>
<td>6,066</td>
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279
CONVERSION TABLE No. 11.10

1. ASSISTANT LECTURER
2. APPROVED TEACHER II
3. TRAIIYED GRADUATE TEACHER II
4. TRAIIYED DIPLOMA TECHNICAL TEACHER II
5. TRAIIYED CERTIFICATE TECHNICAL TEACHER I

Present Salary Scale:  
\[ K\$ 4,827 \times 165 - 5,322 \times 186 - 6,252 \times 222 - 7,140 \text{ p.a.} \]

Proposed Salary Scale:  
\[ K\$ 10,218 \times 600 - 12,618 \times 660 - 13,938 \text{ p.a.} \]

<table>
<thead>
<tr>
<th>Present Salary</th>
<th>Proposed Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>K$ p.a</td>
<td>K$ p.a</td>
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<tr>
<td>4,827</td>
<td>10,218</td>
</tr>
<tr>
<td>4,992</td>
<td>10,818</td>
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<tr>
<td>5,157</td>
<td>11,418</td>
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CONVERSION TABLE No. 11.11

1. LECTURER
2. APPROVED TEACHER I
3. TRAINED GRADUATE TEACHER I
4. TRAINED DIPLOMA TECHNICAL TEACHER I

Present Salary Scale: \( K£ \ 5,694 \times 186 - 6,252 \times 222 - 7,362 \times 255 - 8,127 \) p.a

Proposed Salary Scale: \( K£ \ 12,618 \times 660 - 15,258 \times 720 - 16,698 \) p.a

<table>
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<th>Present Salary K£ p.a</th>
<th>Proposed Salary K£ p.a</th>
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</thead>
<tbody>
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<td>7,140</td>
<td>15,258</td>
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<td>7,362</td>
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<td>16,698</td>
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CONVERSION TABLE No. 11.12

1. PRINCIPAL III
2. SENIOR LECTURER
3. SENIOR GRADUATE TEACHER
4. SENIOR APPROVED TEACHER

Present Salary Scale: K£ 6,918 x 222 - 7,362 x 255 - 8,637 x 300 - 9,837 p. a.

Proposed Salary Scale: K£ 15,258 x 720 - 18,138 x 723 - 19,584 p.a

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<th>Proposed Salary K£ p.a</th>
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<td>7,362</td>
<td>16,698</td>
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<td>7,617</td>
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<tr>
<td>7,872</td>
<td>17,418</td>
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282
CONVERSION TABLE No. 11.13

1. PRINCIPAL II
2. PRINCIPAL LECTURER
3. PRINCIPAL GRADUATE TEACHER II
4. PRINCIPAL APPROVED TEACHER II

Present Salary Scale:  
K£ 7,872 x 255 - 8,637 x 300 - 10,137 x 333 - 10,803 p.a

Proposed Salary Scale:  
K£ 18,138 x 723 - 21,030 x 726 - 22,482 p.a

<table>
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<tr>
<th>Present Salary K£ p.a</th>
<th>Proposed Salary K£ p.a</th>
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</thead>
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<tr>
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<td>22,482</td>
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CONVERSION TABLE No. 11.14

1. PRINCIPAL I  
2. SENIOR PRINCIPAL LECTURER  
3. PRINCIPAL GRADUATE TEACHER I  
4. PRINCIPAL APPROVED TEACHER I

Present Salary Scale: K£ 8,937 x 300 - 10,137 x 333 - 11,469 p.a
Proposed Salary Scale : K£ 21,030 x 726 - 23,934 x 732 - 25,398 p.a

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CONVERSION TABLE No. 11.15

SENIOR PRINCIPAL

Present Salary Scale: \( Kf \ 10,137 \times 333 - 11,802 \times 369 - 12,540 \) p.a

Proposed Salary Scale: \( Kf \ 23,208 \times 726 - 23,934 \times 732 - 26,862 \times 735 - 27,597 \) p.a

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CONVERSION TABLE No. 11.16

**CHIEF PRINCIPAL**

Present Salary Scale: \( K\text{F}11,469 \times 333 - 11,802 \times 369 - 13,278 \times 414 - 14,106 \text{ p.a} \)

Proposed Salary Scale: \( K\text{F} 25,398 \times 732 - 26,862 \times 735 - 29,802 \text{ p.a} \)

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### CONVERSION TABLE No. 11.17

1. COMMISSION CHAIRMAN  
2. COMMISSION SECRETARY

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| Present Salary  
K£ p.a | Proposed Salary  
K£ p.a |
<table>
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</thead>
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CHAPTER 18 - HOUSING AND OFFICE ACCOMMODATION

Introduction

600. This Chapter addresses the issue of housing and office accommodation for civil servants. Decent housing and office accommodation constitute two major environmental components that influence the performance of the worker affording him the peace of mind and fortitude to concentrate on the challenges posed by his work schedule. The Government endeavours to provide, where available, housing or house allowance in lieu to its officers. It also endeavours to provide office accommodation to its officers.

601. Our visits to provincial headquarters and discussions with officials from ministries headquarters revealed that the houses were inadequate and, where they existed, were in a state of disrepair due to lack of maintenance. With regard to office accommodation, we saw buildings with crumbling ceilings, leaking roofs, broken and unlockable doors and windows, among other defects. The office buildings had remained undecorated over the years. The situation was not any better with respect to residential buildings. Discussion with officials of the Ministry of Public Works and Housing, which is responsible for provision and maintenance of office accommodation and housing in Government, showed that lack of adequate financial resources was the root cause of the sad state in which these Government assets were.

602. We received submissions decrying the existing state of affairs and were reminded that this poor state of housing and office accommodation was detrimental to productivity in the Civil Service. We, therefore, feel that the Government policy on housing and office accommodation needs special mention in this Report.

Housing Policy

603. Housing constitutes one of the major components of the terms and conditions of service. The long-term policy on housing for civil servants is enunciated in Sessional Paper No. 5 of 1966/67 on Housing Policy for Kenya which, inter alia, states The Government will continue to provide institutional housing for staff working in essential institutions such as
schools, hospitals, remote areas and to personnel liable to frequent transfers. It is hoped, nevertheless, that the majority of civil servants will rent or buy their own houses, either independently or under rental and home-ownership schemes, introduced in towns."

604. The Committee noted that the Government adopted a number of strategies and programmes aimed at alleviating the acute shortage of housing in urban areas and improving its quality country-wide. These measures include settlement upgrading, rental accommodation, tenant purchase schemes and individual housing development. To this end, the Government set up bodies like the Housing Finance Company of Kenya Ltd. and National Housing Corporation. We were informed that participation by the Government in the aforesaid housing policy was meant to create a conducive environment to encourage direct investment by the private sector in housing development projects so as to eventually increase the national stock of housing. As part of this policy, therefore, the Government would provide infrastructure like roads, electricity, telephone, water and sewerage facilities.

605. Inherent in this housing policy is the implication that the Government was gradually and eventually to move away from the responsibility of housing civil servants except for the categories identified. We concur with the findings of the Commission of Inquiry, 1970-71, chaired by Mr. D. N. Ndegwa (Ndegwa Commission) that this is a wise policy. These findings were predicated on the assumption that the stock of housing in the country would gradually grow sufficiently as to relieve the Government from having to house civil servants. However, subsequent developments as witnessed and stated in the report of Civil Service Review Committee, 1979-80, chaired by Mr. S. N. Waruhiu (Waruhiu Committee) manifested a different dimension as demand for housing grew faster than its supply: The rapid growth in the Civil Service from 63,000 in 1963 to 272,000 in 1991 attenuated the impact of Government's efforts to realise the ideals of the policy. Subsequently, the Waruhiu Committee recommended that "a reasonably sized owner-occupier housing be sponsored by Government for its employees" and that a "fund be set up and be administered by an agency specialised in mortgage finance on behalf of Government with the sole aim of ensuring that Government staff mortgage schemes are carried out on a continuous basis". We observe that this sound recommendation has to date not been implemented by the
Government.

606. The Committee is aware that while the Government through its agencies is charged with infrastructure provision towards housing development, the lack of adequate finances has greatly inhibited the ability of the agencies to make sufficient provision of the same. Submissions received listed infrastructure as contributing significantly to the overall cost of housing hence increasing the cost of purchasing a unit of housing. We were given an example of Komarock Estate in Nairobi where the cost of constructing a one-bedroomed housing unit has a 20 per cent infrastructure cost in-built in the final purchase price which currently stands at KShs.1,100,000. Other significant contributory factors cited to the Committee included the high cost of land in urban areas and the inflexible building code regulations which in any case were not followed by some developers in their quest to provide cheaper housing. Having considered the technical aspects involved in the foregoing arguments, we recommend that the Ministry of Public Works and Housing; Lands and Settlement; Local Government; and, Office of the Attorney-General urgently review the current building and infrastructure development laws and regulations with a view to reducing the cost of housing construction but without compromising standards.

Government Housing

607. According to records held by the Ministry of Public Works and Housing, the Government owns about 42,000 pool and institutional housing units of different categories spread all over the Republic. The records also show that the Government leases about 4,000 units of various categories for which it pays an annual bill of about KShs.480 million. Records in the Directorate of Personnel Management show that by October 1996, a total of 152,069 civil servants were being paid automatic house allowance amounting to KShs.2.1 billion per year while 15,163 of them were receiving owner-occupier house allowance amounting to KShs.548 million per year, totalling KShs.3.1 billion per year spent by Government towards provision of housing.

608. Prudent financial management calls for adopting the generally accepted accounting principles by monetising the value of the available Government units and assigning a market determined rental value to them.
Presently, the 42,000 Government residential units are "rented" out to its officers at nominal rents which are highly subsidised in comparison to the existing market rents. We were told that the houses carry a rentable value of between KShs.1,500 per month in the North-Eastern Province and KShs.70,000 per month in Nairobi. We were further told that the maintenance cost of the houses owned or leased by Government ranged between 1.5 and 3 per cent of the market value of each house. On the basis of the information provided to it, the Committee computed the yearly cost of housing to Government, including owner-occupied houses, as follows:

(i) Expenditure on automatic house allowance, owner occupier house allowance and cost of leased houses - KShs.3.088 billion
(ii) Current nominal rent on Government owned residential units at an average rent of KShs.6,000 per unit per month - KShs.3.024 billion
(iii) Maintenance of the 46,000 Government owned and leased houses at 1.5 per cent of the estimated total replacement value of KShs.21.2 billion - KShs.0.318 billion
(iv) Total annual cost of housing to Government - KShs.6.430 billion

609. On the basis of the information provided to the Committee by the Ministry of Public Works and Housing and on our own findings, and given the current expenditure by Government on housing for civil servants, we are of the view that there is need for a liberalised system of management to be established for the Government owned and leased houses. A survey on national manpower carried out during the period 1986 to 1988 by the then Ministry of Manpower Development and Employment showed that about 31 per cent of civil servants were housed by the Government while 69 per cent of them were not housed by it. We have no reason to believe that there has been any significant change in these statistics since they were compiled.

610. We were also told that the allocation of Government houses to civil servants did not always follow the laid down procedures. Cases of junior officers being allocated quarters for which they did not qualify were said
to be rampant. In some extreme cases, we were told, these officers sublet part of the quarters to third parties and even misuse the compounds by rearing of livestock. The use of inappropriate cooking fuel and general neglect of the houses led to their falling into a state of disrepair.

611. We were informed that currently estate management of the junior staff quarters is poorly co-ordinated and has led to over-crowding, poor maintenance and haphazard occupation and vacation of these quarters. Lack of estate liaison officers, among other factors, has also exacerbated the general insecurity in these estates.

612. The Committee received representations to the effect that those who occupy Government owned or rented quarters enjoy much higher incomes than their colleagues who are paid house allowances. For example, the Government was willing to pay rent of up to KShs.30,000 per month for a house occupied by an officer in Job Group L while another officer in the same grade who is not housed by Government is paid a house allowance of KShs.3,018 per month. This practice has resulted in disparities in the remuneration of civil servants. This is also applicable to officers living in Government quarters which have very high rents on the open market. These disparities have aggravated the scramble for allocation of Government owned or leased houses by civil servants. Those who own their houses would prefer to rent them out to earn high incomes. They in turn look for the existing limited Government quarters where they pay nominal rents.

613. It was submitted to us that the development of Government housing, estate management, maintenance and allocation of the houses is not presently well co-ordinated. We were informed that currently the development of Government housing is under the purview of the Ministry of Public Works and Housing whereas other aspects such as infrastructural development are handled by the Ministry of Lands and Settlement while house allocations are supervised by Provincial Administration. Civil servants were of the view that this splitting of responsibility has spawned duplication of inefficiencies and inconsistencies in the implementation of Government policy on housing for the Civil Service. We have examined these representations and formed the opinion that management of housing matters in Government would be better served if handled by a single agency, preferably outside the mainstream Civil Service operations, with
specific terms of reference on its function. This would instil in such an agency private sector values and practices and ensure proper management of these important Government assets. In this respect, we recommend that:

(a) The Ministry of Public Works and Housing contracts out the management of housing to an estate management agency to manage Government housing and leasing of houses for the civil servants.

(b) The agency be authorised to rent out Government housing units to civil servants at market price.

(c) Where there are no civil servants ready to rent Government houses, the agency be allowed to rent them out on the open market.

(d) The funds generated from rents on Government houses be used not only to defray expenses for managing and maintaining the houses but also to create a Government housing development fund. Such a fund should be beefed up from other sources such as Government subventions and soft loans from financial institutions in order to boost the stock of Government houses for civil servants.

614. Submissions received by the Committee alluded to the fact that automatic house allowances payable on privately rented houses by civil servants and teachers do not match the market rates. We were given examples of very senior Government officers who could not afford to rent reasonable housing at the existing market rates and who opted to stay in neighbourhoods which were neither secure nor commensurate with their status.

615. The Committee was told that the higher remuneration obtaining in the private sector partly accounts for the high market rents. We received a market survey of rents prevailing in Nairobi for the month of February 1997 from the relevant Government department. The survey showed that given the current categorisation of housing which ranges from category F for the lowest cadre of civil servants to category A for the highest, equivalent housing units in the market were going for much high rents compared to the current automatic house allowances.
616. Ministry of Public Works and Housing classification requires a category F unit to cover an area between 16 and 27 square meters. The average rent for a similar unit in Nairobi was between KShs.6,000 and KShs.8,000 per month. In this regard, we learnt that rent is determined by such factors as distance from the city centre, security and available services. We were informed that rent takes a significant part of a wage earners income. We find it relevant to recall the arguments posed by both the Ndegwa Commission and Waruhiu Committee by which it was found that Government employees who are privately renting houses are the most disadvantaged under the three methods used for compensating housing in the Civil Service. It was proposed to this Committee that the allowance for privately rented house should be made adequate to enable civil servants hire the type of accommodation which is equivalent to Government quarters applicable to their grades. In view of the points raised above, the Committee recommends Government adopts automatic house allowance to replace the three methods currently obtaining in the Civil Service, that is, subsidised rent for Government owned or leased houses, automatic house allowance for privately rented houses and owner-occupier house allowance.

617. Further, it was suggested to the Committee that house allowance should be market-determined. We received representations regarding the cost of living and leasing of housing in respect of Nairobi and Mombasa. The views received called for differential treatment for those officers stationed in Nairobi and Mombasa.

618. As recorded in paragraph 608 above, we were informed that rents obtaining in different areas of the Republic for Government equivalent quarters range from KShs.1,500 to as high as KShs.70,000 per unit per month. We observe that similar categories of housing attract different prices depending on location. Table 12 shows the rents charged on the open market for equivalent Government quarters.
<table>
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<th>Category of Quarter</th>
<th>Monthly Rental Deductions</th>
<th>Open Market Rents for Equivalent Housing per Province</th>
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<tr>
<td>G</td>
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Source: Ministry of Public Works and Housing.
619. We have considered the merits and the demerits of differential house allowance, bearing in mind the need for parity and taking into account all other factors affecting individual beneficiaries. In view of the observed differentials in market rents between different areas of the country and in categories and quality of housing, we recommend that automatic house allowance be paid in accordance with the following four categories:

(i) Nairobi
(ii) Mombasa
(iii) Other Municipalities
(iv) Other Areas

620. In lieu of the current automatic house allowance for privately rented accommodation, owner occupier allowance and the subsidised house rent for Government owned or leased houses, the Committee recommends the automatic house allowance rates in Table 13.

621. We were informed that the Ministry of Public Works and Housing has undertaken a survey regarding the installation of individual water and electricity meters to housing units which were previously served communally. The preliminary conclusion of this survey was that it would be cost-effective for the Government to invest in the installation of individual metering system rather than maintaining the current communal and free service system. In view of our recommendation that civil servants access market determined automatic house allowance, we further recommend that civil servants within institutions where they are enjoying free water and electricity immediately be required to meet the cost of these facilities.
Table 13: Recommended Automatic House Allowance Against Current Rates of Compensation for Housing

(KShs. Per Month)

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<thead>
<tr>
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Table 13 (Cont.): Recommended Automatic House Allowance Against Current Rates of Compensation for Housing

(KShs. Per Month)

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<td>Mombasa</td>
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<td>5,220</td>
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<td>68,780</td>
<td>40,000</td>
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622. We take note of the fact that currently house allowance is not pensionable but taxable. We received submissions that house allowance being a specific expenditure towards housing of a Government officer should not be taxable. Submissions were also received to the effect that, in the event of the allowance remaining taxable then it should be made pensionable. We have considered the merits of the submissions and having regard to our recommendation at paragraph 627 that a contributory pensions scheme be established, we do not see the merit of house allowance being pensionable. With regard to the provisions in the Code of Regulations that house allowance is paid to assist an officer meet the cost of accommodation and is, therefore, not part of his remuneration, we believe that taxation on the allowance is punitive to civil servants as the Government is barely able to compensate them for housing at market rates. Taxation of house allowance, as noted by the Waruhiu Committee, therefore, amounts to double taxation. We submit that removal of tax on house allowance will go along way in realising the Government’s objective to afford decent housing to civil servant. We therefore recommend that house allowance be non-taxable.

House Ownership Scheme

623. We received representations regarding the necessity of Government officers owning houses. We reiterate the findings of previous committees on the soundness and wisdom in the Government policy to encourage civil servants to acquire their own houses. However, we have considered the prevailing conditions regarding financial constraints; the system used to compute the compensation; the inefficiencies attendant upon the system; and, the fact that the capital cost ceiling established by the Government is not market determined. These factors convinced us that a time had come to depart from the current housing compensation system in order to introduce acceptable efficiency and equity in its management.

624. Submissions to us urged for the provision of necessary subsidy by the Government in the funding of house ownership schemes for civil servants. The arguments posed by the presenters included the high cost of capital in the open market, the high and unpredictable interest rates, the low capital ceiling for owner-occupier house allowance within the Civil Service and the high cost of building inputs. We are in agreement with these submissions.
Further, we received information that there were some private firms and indeed, public sector entities which had managed to organise subsidised schemes for their staff to access owner-occupied housing. We were, however, informed that these firms, unlike the Government, run contributory pension funds on which they have to capitalise in the development of staff housing in collaboration with building societies and financial institutions. As a result, the private sector has been able to access for their staff soft loans for purchase of houses. In the process, some of the attendant costs in house development had been reduced through economies of scale and lower interest rates on capital. Examples were given of housing development schemes for civil servants that have been successfully developed in Singapore, Malaysia and Ghana. We were told that these schemes were developed using staff pensions contributions managed by independent entities. Staff who joined such schemes commenced contributions on joining the Civil Service and were provided with tenant purchase units. As they grew up in the service, they continued to pay off the cost of the allocated unit, and usually paid off the purchase price during their working life. Such a scheme has advantages, among which is the fact that a member of staff who joins the scheme will be attracted to remain in the service until he/she fully pays off the mortgage and owns the tenant purchase unit.

We submit that, given our recommendations for salary increase, time has come for the Kenyan Civil Service to have a contributory staff pension fund to facilitate our recommendation to have the civil servants own houses can be implemented. We further submit that pressure on the Treasury to provide for pension and also to subsidise acquisition of houses by civil servants will be alleviated through improved salaries and the establishment of a contributory staff pensions fund.

In view of the foregoing, we recommend that in order to facilitate ownership of houses by civil servants, the Ministry of Finance establishes an autonomous contributory pensions scheme through which civil servants will be afforded tenant purchase houses.

Leased Houses

We have observed at paragraph 601 that currently Government has about 4,000 housing units leased from private developers for occupation
by Ministers, Assistant Ministers and civil servants. The rents paid for these units range from KShs.2,000 to Kshs.210,000 per month depending on location and type of house. The total expenditure on rents for these houses amount to KShs.35 million per month or KShs.420 million per year, including the cost of maintenance. We received representations that Government was experiencing problems in retaining some of these leased housing units due to its poor record of meeting the rents as and when they are due. As a result, landlords have been reluctant to renew leases at their expiry. We were further informed that landlords were unhappy because the valuation for rent given by the Chief Valuer in the Ministry of Lands and Settlement was below the rents obtaining on the open market. The upshot has been that Government has had to find alternative housing accommodation at the expiry of leases. The landlords were also unhappy due to lack of maintenance of the houses when leased to the Government.

629. Having considered the factors attendant to the necessity of leasing houses by the Government, the Committee recommends that leasing of houses in the Civil Service be restricted to holders of constitutional offices and staff working in essential services as well as for personnel in remote stations and that this be done only when suitable Government quarters are not available.

**Housing for Essential Services**

630. Representations received by the Committee were clear and firm on the need for Government to provide housing for personnel involved in the provision of essential services. The services categorised as constituting essential services are health, schools, security and where personnel are liable to frequent transfers. Personnel working in remote areas are also given priority in the provision of Government quarters. We got submissions that the responsibility for the provision of housing for teachers had long been relegated to boards of governors of schools and colleges. We were informed that the boards of governors were responsible for the development and renting of houses for teachers within their schools and colleges. In this connection, we received submissions that the rents paid by teachers for the various units of housing vary from one school to another.
631. We have also considered the implication of the application of the market determined rates to houses managed by boards of governors. We recognise that the recommended estate management agency can only have jurisdiction over Government owned houses. Houses owned by boards of governors cannot, in this case, be categorised as Government owned as they are developed from harambee funds. However, we do recognise that such houses are not sufficient for all teachers and that in fact in quite a significant number of cases teachers end up renting houses from the open market. It would, therefore, be unfair for automatic house allowance to apply equally to all teachers and civil servants. This would result in teachers living in institutional houses benefitting more from lower rents determined by boards of schools and colleges while their colleagues and personnel in the Civil Service would be subject to market determined rents. We have considered the factors involved and conclude that it is in the interest of the boards of governors to peg their rents at prevailing market rents. We also believe that where such market determined rents are applied fairly, teachers would not opt out of boards of governors run houses to stay in equivalent units outside schools or colleges.

632. Having considered the submissions on the need to provide adequate housing to staff working in essential services and in remote stations, the Committee recommends that:

(a) The present policy on housing of essential services personnel be upheld.
(b) Once the recommended estate management agency is in place, it accords priority to staff working in essential services and remote stations in the allocation of Government houses.
(c) Boards of governors be required to charge market determined rents on the housing units which they run for schools and colleges as a measure of achieving parity with the teachers who are not housed and as income generating activity for their respective schools and colleges.
(d) Funds generated from rents paid for Government owned housing be applied to management and maintenance of the existing stock of houses and any balances realised be invested in the development of extra stock of Government housing, particularly for essential services and in remote
stations. Similarly, boards of governors set up their own funds to which the rents collected would be deposited and used for maintenance of their institutional houses and development of additional housing units.

(e) Due to scarcity of Government land for the development of new houses, Government-owned land in residential areas be held and secured in a land bank for the development of additional high density housing units, such as maisonettes and flats, to house personnel involved in the provision of essential services and working in remote stations.

Housing for Certain Constitutional Offices

633. During our inquiry we received representations on the issue of housing for holders of offices under the Constitution. These include: the Vice-President; Ministers; Attorney-General; Speaker of the National Assembly; Permanent Secretary, Secretary to the Cabinet and Head of Public Service; Chief Justice; Judges of the Court of Appeal and High Court; Assistant Ministers; Chairman, Deputy Chairman and Members of the Public Service Commission; Permanent Secretaries; Clerk of the National Assembly; Controller and Auditor-General; and, the Commissioner of Police. We were told that the Government housing pool did not always have adequate suitable houses and that new appointees to these offices had to wait for prolonged periods while suitable and secure houses were being arranged for them. The delay often resulted in inconvenience and frustration to those concerned. The Committee was requested to address this subject with a view to providing a solution to the problem. We have examined these representations and find that the matter deserves appropriate consideration. In this respect, we are of the view that the image of the Government is mirrored through the holders of these offices and that lack of suitable and secure housing accommodation for them is likely to impact adversely on their standing in the eyes of the public and on their morale. We are of further view that the holders of the offices are on call round the clock and should, by the nature of their work, be easily accessible to the authorities at all times. In view of the foregoing, we recommend that the Ministry of Public Works and Housing reserves appropriate houses for holders of constitutional offices and that where houses are not available from the Government pool of houses, the Ministry leases them from the open market, provided the office holders
pay for them from their house allowances.

**Boarding of Government Houses and Disposal of Government Land**

634. We received submissions on the system that has been used to dispose of Government plots on which there are boarded Government structures. We were informed that it is Government policy to board for disposal any equipment, machinery, plant and structures owned by the Government if found to be no longer serviceable or uneconomical to maintain. We learnt that this is an on-going process by which the Government seeks to dispose of such uneconomical assets while replacing them systematically. While the boarding of these assets has always been accompanied by disposal, the boarding of structures (houses and other buildings) has previously not been accompanied by automatic disposal. Whenever and wherever such condemned structures were boarded, the plots on which they stood were usually reserved in the name of the respective ministry/department or institution.

635. We received representations that implementation by the Government of the policy of divesting from those services which could optimally and efficiently be provided by the market meant that Government had to put its land to more efficient use. At the same time, the high cost of maintaining of old and dilapidated Government structures was seen as a drain on resources. We were informed that although previously the policy on disposal of Government land was through open competition, this had changed gradually to selective allocation. This system of boarding and disposal of Government structures and the land on which they stood as well as of empty plots assumed new dimensions ushering in a rush for acquisition of public land. The disposal did not spare even some sound permanent buildings on strategic plots some of which housed civil servants engaged in the provision of essential services.

636. We have considered the circumstances under which the foregoing situation arose and the advantages which would have accrued had implementation of the divestiture initiatives been properly and positively undertaken. Considering the need for the Government to retain and secure land for development of housing for personnel in essential services and in remote stations, we recommend that:
The practice of unplanned disposal of Government land ceases forthwith.

Title deeds be issued for all Government land previously retained under the reservation system in the names of the ministries/departments or institutions currently using them and that no Government land ought to be retained without a title.

The Ministry of Lands and Settlement establishes a land bank for the purpose of retaining and securing free Government land in the Republic and that the bank be a repository from which the Government would from time to time alienate land for the development of housing for personnel in essential services and in remote stations as well as office buildings.

Whenever Government structures are boarded, the plots on which they stand be retained and secured forthwith in the Government Land Bank to await re-development by the Government.

Office Accommodation

637. The Committee was informed of shortage of office accommodation which was affecting Government ministries/departments in Nairobi as well as in the field. This acute shortage is partly attributed to the District Focus Strategy for Rural Development which calls for more staff at the district level. Furthermore, the establishment of additional administrative units calls for construction of extra office accommodation. We have established, on the basis of information obtained from various Government ministries/departments, that the shortfall in office space requirements for all approved posts country-wide presently stands at about 100,000 square meters. It is, therefore, necessary to tackle the problem without further delay. The submissions received also cited various stalled Government office blocks in different parts of the country. The problem of lack of maintenance was also underscored. These problems are addressed in the ensuing paragraphs.
Stalled Government Projects

638. We received strong representations decrying the slow rate of implementation of development projects. All over the country, there were many development projects/programmes which had stalled for one reason or another even after the Government had undertaken the Budget Rationalisation Programme since 1985. The stalled projects/programmes included housing and office blocks intended for occupation by some of the civil servants who had been posted to the districts under the District Focus Strategy for Rural Development. It was emphasized that these stalled projects were a major drain on the economy. Some of the projects stalled at a near completion stage. As a consequence, we were informed, some of the abandoned houses and office blocks in the stalled projects were vandalised, hence the initial investment was going down the drain. We were informed that factors which affected the completion of these projects included the withholding of donor funds; direct Government importation of food due to famine in 1992/93; high fuel prices following the Gulf War; and, steady decline of the growth in GDP between 1988 and 1992.

639. We noted that the Government made efforts to restart the stalled projects through the appointment in May 1993 of a Government Projects Review Committee. That committee made a number of recommendations which had a bearing on speeding up of implementation of the projects at stake. Furthermore, the committee recommended steps to be taken in order to improve general project planning, management and control. Despite the fact that the recommendations of the committee were approved by the Government for implementation, our findings are that only a few ministries fully implemented them. We commend the ministries/departments which made attempts and indeed managed to implement the recommendations. We have considered the submissions and are not convinced that the reasons given by the rest of the ministries for their inability to implement the committee’s recommendations are satisfactory. Submissions received attribute this state of affairs to the frequent transfers of accounting officers, which occasionally affected continuity of policy implementation, and poor response by the Treasury to ministerial expenditure priorities due to liquidity problems leading to low budgetary ceilings.
640. Having examined these representations, we recommend that Accounting Officers take urgent measures to implement the recommendations contained in the report of the Government Projects Review Committee, 1993. We also recommend that the Treasury allocates adequate funds for the completion of the core and high priority stalled housing and office accommodation projects. Furthermore, we wish to underscore the need for total commitment by all stakeholders to the implementation of the Budget Rationalisation Programme.

Government Leased Offices

641. We received submissions by a cross-section of civil servants on leasing of office accommodation from the private sector. The civil servants were of the view that while it might appear economical in the short-run to rent offices from private developers, in the long-run the Government lost in terms of budgetary expenditures. It was strongly stated that the money spent on leasing of office accommodation could adequately facilitate the construction of similar accommodation for the Government. Indeed, there were submissions to the effect that since land was scarce, some of the existing office blocks which were constructed with sound foundations in 1980s could easily cater for a few additional floors. The Committee, having considered the presentations made to it, recommends that:

(a) Deliberate efforts be made to discourage leasing of office space by Government.
(b) Ministries which have been allocated Government plots should be encouraged to plan for the construction of office blocks commensurate with their needs and that new office blocks be designed in a way that allows for future vertical development.
(c) Existing office blocks which have sound structural foundations be vertically extended to provide additional office accommodation.

Open Office Plan

642. It was submitted to us that the present arrangement under which the Civil Service practises closed office plan was archaic, wasteful and did not promote transparency. In addition, it inhibited supervision. Indeed,
we were told that the system of open office plan was tried in the Civil Service and implemented at the Coast Provincial Headquarters. However, the system was gradually discarded due to lack of commitment on the part of senior supervisory staff. We observed that it is considered the Civil Service fashion to have individualised offices, even at relatively junior levels. The root cause of this practice seems to be a feeling of the status and power associated with it, regardless of the necessity and/or exigency of duty. The Committee examined these representations and noted the proposal that the Government should encourage working in open office spaces in the way the banking institutions do for the purpose of maximum utilisation of office space, enhanced productivity, reduced malpractices and cost-effectiveness. We have it on record that use of open office plan system has proved beneficial in the private sector. Having regard to the foregoing, we recommend that the Government makes deliberate efforts to encourage the use of open office plans in the present offices and that any new Government offices to be constructed be designed to have open office plans.

**Guest Houses**

643. Representations received showed that some areas within the Republic are remote, under-developed and do not, therefore, have appropriate private boarding facilities for visiting senior Government officers. In such cases, officers visiting such areas are inconvenienced or have to hurry back to their duty stations because they cannot find suitable accommodation. We were also told of the need to have Government guest houses to provide cheaper but competitive and decent accommodation at the disposal of the Government in the major urban centres.

644. The Committee is aware that similar facilities exist in many other countries. We considered the fact that the Government has financial constraints, hence its inability to even complete the stalled projects for the last five years. However, noting the advantages of having in place suitable Government guest houses at strategic places in the country, we recommend that:

(a) Government puts in place the necessary measures to establish guest houses at strategic locations in the country for use by civil servants travelling on duty.
(b) The Ministry of Lands and Settlement reserves land for the development of Government guest houses.

645. We also received representations regarding the need to have recreational facilities for civil servants, especially in areas where there no private clubs. It was suggested that civil servants should be facilitated to access recreational clubs at reasonable cost as is the case with the private sector. While we support the concept associated with this proposal, we have also considered financial constraints facing the Government. Taking all these points into consideration, we recommend that the Government facilitates the establishment of recreational facilities through the provision of land and physical facilities for use by civil servants.
CHAPTER 19 - OTHER TERMS AND CONDITIONS OF SERVICE

Introduction

646. Our terms of reference required us to examine the structure of salaries and other terms and conditions of service for the Civil Service. Having discussed salaries and housing in the preceding two Chapters, in this Chapter we focus on other terms and conditions of service. We note that most of these terms of service were last reviewed in 1985 and consequently have been rendered invalid by the drastic economic changes that have taken place over the twelve-year period since then. A review of the terms is therefore justified in order to relate them more realistically to the prevailing circumstances.

647. From the evidence we gathered through discussions with national leaders, private sector managers, civil servants and the general public across the country and from our own observations, we are convinced that a review of these terms is justified if we are to have a motivated Civil Service capable of being an effective facilitator of rapid economic development and able to steer the nation to the 21st century with confidence.

Health Care

648. We noted that the Government is committed to the goal of ensuring that all Kenyans have access to affordable and quality health services. Under section 12 of the Employment Act, Cap 226, every employer is required to ensure the provision of proper medical attention to the employees during illness. On its part, the Civil Service, through the Code of Regulations in section M (1), commits itself to the provision of free medical and surgical attention to all Government officers, their spouses and children under the age of 22 years.

649. Whereas the Government is committed to providing free medical attention to its employees, we noted that this commitment was predicated on the Government having an efficient health care system. As things stand at the moment, non-governmental health care providers offer better services than those found in Government health institutions. This is due...
to the Government's inability to meet the ever increasing cost of quality health services. It is also partly due to sheer mismanagement of resources allocated to the public health sector. The civil servant is, therefore, placed in a predicament because, on the one hand, he/she cannot afford the quality health care offered in non-governmental health institutions and by private medical practitioners and, on the other hand, services at Government delivery points are seriously wanting in quality. This dilemma is also faced by many poor Kenyans. The problem of accessing quality health care is, therefore, a wider issue which goes beyond the Civil Service.

650. The Committee was informed that in order to meet the growing demand for curative and preventive health services, the Government intends to give incentives to non-governmental agencies to encourage them to provide more curative and preventive services. The Government will also liberalise the insurance market and continue to mandate health insurance coverage for all Kenyans but give people and employees the right to choose between the National Hospital Insurance Fund (NHIF) and other approved health insurance schemes for their coverage. It is anticipated that competition will strengthen NHIF, foster development of many other insurance schemes, provide better service to Kenyans and infuse additional financial resources into the health sector.

651. We were informed that NHIF, which was established in 1966 under an Act of Parliament, has continued to be a department of the Ministry of Health. The Fund, to which contributors compulsorily pay in accordance with the level of their salaries if they are employed, has been riddled with legal and operational problems as well as inadequate and ineffective management systems. Consequently, it has not been able to provide adequate cover for the medical and health care expenses of its members, including civil servants. The Committee was further informed that NHIF is being restructured as part of the overall ongoing public health care reforms. The Government through the Eighth National Development Plan, 1997-2001 states that the health insurance sector will be reformed through the development of innovative financing mechanisms that guarantee accessibility of basic packages of health services to all. The Government promises that legislation will be enacted to transform the National Hospital Insurance Fund into a more effective health insurance fund with mandatory coverage for all formal sector workers.
652. The *Health Policy Framework Implementation Plan, February 1996* states that the NHIF would define alternative benefit packages for its contributors and implement the same by December 1996, and that the coverage would include out-patient services. The Committee notes that the planned reforms are behind schedule in implementation. We **recommend** that in order to solve the prevailing problems in the health sector, the Government expedites implementation of its own policies.

653. In order to facilitate the timely restructuring of NHIF, we further **recommend** that NHIF concentrates on its core business of health insurance and avoid going into other businesses that tie down contributors' funds in irrelevant areas of investment thus reducing its liquidity and hence ability to increase benefits to contributors. We also **recommend** that if restructuring goes beyond December 1997, then the Government identifies another health insurance provider and package to cover the civil servants comprehensively.

654. Currently civil servants are entitled to an in-patient refund of KShs. 200 and KShs. 150 per diem for officers in Job Group L and above and officers in all other Job Groups, respectively. Government pays these refunds less the benefits payable by the National Hospital Insurance Fund. In addition to the in-patient daily refund entitlement, civil servants may apply for ex-gratia assistance for medical expenses in excess of KShs. 2,000. For out-patient medical costs, civil servants are entitled to automatic payment through the payroll of a medical allowance ranging from KShs. 375 per month for Job Group D and below to KShs. 2,490 per month for Job Group R and above. The Committee was informed that the amount reimbursable for in-patient treatment was last revised in 1994. This has led to a substantial increase in the number of applications for ex-gratia assistance and currently Government spends about KShs.30 million per annum towards these claims. The representations urged that the Government should take out a comprehensive health insurance cover for its employees to cater for both in-patient and out-patient treatment.

655. It is strongly **recommended** that the Government examines the possibility of buying group health insurance cover for all its employees using current allocations for ex-gratia payments and out-patient medical allowances currently paid to civil servants. The insurance cover to be
purchased should be comprehensive enough not only to include in-patient and out-patient medical cases for civil servants and their families but also to reflect the going cost of health care.

656. We noted that Section M of the *Code of Regulations* on Medical Privileges is framed in such a way that it implies that the Civil Service has only male officers. For example, Section M.1(1) states, among other things, that "An officer... will be provided with free medical and surgical attention in a Government hospital for himself, his wife and unmarried children...." We are of the view that this aspect of the Section is discriminatory and should, therefore, be appropriately amended. Accordingly, we recommend that the Directorate of Personnel Management takes the necessary action to review Section M of the *Code of Regulations* in order to remove the perceived discrimination against female civil servants.

657. With regard to in-patient and out-patient allowances paid to civil servants, we recommend that, as the Government works towards a comprehensive health insurance scheme for its workers, the allowances be revised as follows:
### In-patient Medical Allowance

<table>
<thead>
<tr>
<th>Job Group</th>
<th>Current Rates (KShs.)</th>
<th>Recommended Rates (KShs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A - K</td>
<td>150 per diem</td>
<td>800 per diem</td>
</tr>
<tr>
<td>L and Above</td>
<td>200 per diem</td>
<td>1,000 per diem</td>
</tr>
</tbody>
</table>

### Out-patient Medical Allowance

<table>
<thead>
<tr>
<th>Job Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>A - D</td>
</tr>
<tr>
<td>E - F</td>
</tr>
<tr>
<td>G</td>
</tr>
<tr>
<td>H - J</td>
</tr>
<tr>
<td>K</td>
</tr>
<tr>
<td>L - M</td>
</tr>
<tr>
<td>N - P</td>
</tr>
<tr>
<td>Q</td>
</tr>
<tr>
<td>R and above</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current Allowance KShs. per Month</th>
<th>Recommended Rate KShs. per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>375</td>
<td>2,000</td>
</tr>
<tr>
<td>495</td>
<td>2,500</td>
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<tr>
<td>750</td>
<td>3,000</td>
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<tr>
<td>990</td>
<td>3,500</td>
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<tr>
<td>1,245</td>
<td>4,000</td>
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<tr>
<td>1,500</td>
<td>4,500</td>
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<tr>
<td>1,740</td>
<td>5,000</td>
</tr>
<tr>
<td>1,995</td>
<td>5,500</td>
</tr>
<tr>
<td>2,490</td>
<td>6,000</td>
</tr>
</tbody>
</table>

### OTHER ALLOWANCES

#### Leave Allowance

658. This is a reimbursable allowance paid to cover the cost of travelling when an officer takes at least half of his annual leave entitlement. Although in section N of the Code of Regulations leave is described as a privilege, this is at variance with the provisions of Section 7 (1) of the Employment Act, Cap 226. The committee recommends that leave be regarded as a right and every employee be allowed to proceed on
their annual leave according to an approved leave roster. Accordingly, civil servants should be encouraged to take their annual leave when due in order to rest.

659. The Committee also received representations strongly urging for the reinstatement of leave allowance. The current requirement that officers produce letters from their Chiefs to prove that they spent their leave at their ancestral homes is restrictive. Equally restrictive is the requirement that officers bring transportation receipts in order to get refunds. In view of the Government’s declared policy of encouraging domestic tourism, we consider these conditionalities to be outdated and inequitable. The requirement also makes the system open to abuse through fraudulent claims whereby forged receipts and chief’s letters are uttered by civil servants. We, therefore, recommend that:

(a) Officers be allowed to spend their annual leave in any place of their choice.
(b) Leave allowance be reinstated and be paid at a rate of one third of an officer’s one month’s basic salary or KShs. 6,000 whichever is greater. This allowance should be paid along with the officer’s salary through the payroll one month before proceeding on leave.

**Accommodation Allowance**

660. This is a non-accountable allowance paid to officers who travel on duty and stay overnight away from their permanent work stations and make their own arrangements for boarding and lodging. The Committee was informed that the current rates were set in 1985 and are, therefore, overdue for revision. The Committee, after reviewing the representations concurs that there is justification for an upward review of the current rates of this allowance to levels that will enable the officers obtain reasonable accommodation as they serve outside their duty stations. We, therefore, recommend that the present daily rates be increased as follows:
### Job Groups

<table>
<thead>
<tr>
<th>Job Groups</th>
<th>Current Rates</th>
<th>Recommended Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q and above</td>
<td>400 KShs.</td>
<td>5,000 KShs.</td>
</tr>
<tr>
<td>N and P</td>
<td>300 KShs.</td>
<td>4,000 KShs.</td>
</tr>
<tr>
<td>K to M</td>
<td>200 KShs.</td>
<td>3,000 KShs.</td>
</tr>
<tr>
<td>H and J</td>
<td>175 KShs.</td>
<td>2,000 KShs.</td>
</tr>
<tr>
<td>E to G</td>
<td>150 KShs.</td>
<td>1,500 KShs.</td>
</tr>
<tr>
<td>D and below</td>
<td>100 KShs.</td>
<td>1,000 KShs.</td>
</tr>
</tbody>
</table>

### Hotel Allowance

661. Hotel allowance is payable in lieu of accommodation allowance when an officer travels on duty within Kenya and is obliged to stay one night or more at a hotel or club. The Committee was informed that most civil servants opt for hotel allowance instead of accommodation allowance. We were, however, informed that this is one of those allowances that are shrouded in fraud and manipulation. While considering these representations, the Committee is of the view that the system of daily subsistence allowance which is used by United Nations organisations would be ideal if the modalities are properly worked out. A possible control mechanism would be to require an officer to prepare an itinerary which is approved by the head of department and subsequently to submit a report on the official trip. The allowance, which would be non-accountable, would vary from one town to another depending on the hotel expenses in each town.

662. The Committee realises that it will take time to put in place operational modalities of such a system for successful implementation. We, therefore, recommend that the formulation of a daily subsistence allowance system similar to that used by the United Nations agencies be referred to the recommended permanent Public Service Pay Review Board for appropriate action. In the meantime, it is our view that the status quo remains.

### Transport Allowance

663. The payment of this non-accountable allowance is currently limited to Permanent Secretaries, heads of independent departments, Provincial
Commissioners, Members of the Public Service Commission, Teachers Service Commission and Medical and Dental Officers. The allowance is non-taxable and is meant to assist the eligible officers to meet transportation costs when they are on official duty beyond office hours and during weekends. It is paid on a monthly basis together with the salary. The Committee was informed that fuel prices have continued to rise over the last few years and that the cost of transportation has, therefore, escalated to unmanageable levels. The representations, therefore, urged that transport allowance be extended and paid to all officers to assist in house to office commutation expenses.

664. The Committee has considered the above representations to extend transport allowance to all officers and while we agree that the officers are incurring a lot of expenses to reach their place of work, we would like to point out that the cost of commuting to the office was taken into account when arriving at the level of salaries recommended in this Report. We recommend, however, that transport allowance paid to Medical and Dental Officers to cover the extra transport expenses they incur while they are on call should continue and be paid at an enhanced rate of KShs.3,000 per month, up from the current Kshs.1,000 per month.

**Entertainment Allowance**

665. Entertainment allowance is a non-taxable and non-accountable allowance paid to some senior officers whose duties require them to provide hospitality and entertainment. The Committee received representations that some senior officers who head departments/divisions/units were excluded from the current list yet their duties involved provision of hospitality and entertainment. We are in agreement that the Government’s image would be enhanced if senior civil servants were facilitated to entertain their official visitors.

666. However, the Committee considers that there ought to be in place some objective criteria for determining the officers whose duties require them to provide hospitality and entertainment. In this case the Committee was not provided with such criteria to justify determination of the officers eligible for payment of this allowance. Accordingly, the Committee recommends that the current list of eligible officers be retained. Meanwhile, the Directorate of Personnel Management should develop
suitable criteria for determining eligibility for the allowance.

Subsistence Allowance When Travelling on Duty Outside Kenya

667. This is a non-accountable allowance payable to officers who travel on duty outside Kenya. It is meant to help officers meet costs of hotel accommodation, meals, local travel and incidentals. The Committee has noted from representations that the current rates are not sufficient and cause great embarrassment and difficulty to officers undertaking official duties outside the country. The Committee finds justification in these views and therefore recommends that the Directorate of Personnel Management urgently explores the possibility of introducing a flexible system of adjusting subsistence allowance according to the prevailing market rates.

Motor Vehicle Allowance

668. This allowance is payable to officers who are permitted by their Permanent Secretaries/Heads of Department to use their own motor vehicles when travelling on duty. From representations made to us, the Committee noted that this allowance was rarely used due to the cumbersome procedures involved in the authorisation of claims, and the low rates claimable. The Committee was urged that a change in policy towards officers driving themselves on official duties would have two positive effects. First, the Government would not be responsible for the repairs of all the vehicles used during official duties and second, the number and the cost on drivers would be reduced thus saving the Government enormous cost. Considering the fact that the Civil Service ought to be small but more effective, the Committee recommends that officers be encouraged to use their own vehicles on official duty by giving them appropriate incentives. The Committee further recommends that the current rates of motor vehicle allowance be pegged to the prevailing Automobile Association of Kenya rates.

669. Considering that some officers might abuse the use of this allowance, we recommend that officers using their own vehicles on official duty be required to submit work plans for approval by their superiors. A claim for this allowance should not be approved until the immediate superior has received a field report and certified that the trip
was official and was authorised. As a permanent long-term measure, the Committee recommends that the Government adopts the system where an officer is allocated and allowed to drive a Government vehicle while on official duty and Government assists in the running and maintenance of the vehicle. The officer should be allowed to purchase the vehicle at book value after an agreed period. This system has been used to good effect in other countries and we are convinced that it can work in Kenya if properly planned and implemented.

Motor Cycle Allowance

670. This allowance, like the motor vehicle allowance, is payable to officers whose duties entail frequent travelling. The officers are authorised by the Permanent Secretaries/Heads of Department to use their own motor cycles when on official duty. Compensation is claimable and paid at a rate per kilometre travelled. This allowance rate was last reviewed in 1985. Considering the rise in the cost of fuel and repairs, it was submitted that officers have become reluctant to use their own motor cycles for official duties because they end up subsidising the Government. The Committee, therefore, recommends adjustment in the current rates as follows:

<table>
<thead>
<tr>
<th>Mode of Transport</th>
<th>Present Rate</th>
<th>Recommended Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Per Km.</td>
<td>Per Km.</td>
</tr>
<tr>
<td>i) Motor Cycles</td>
<td>KShs. 1.40</td>
<td>KShs. 5.60</td>
</tr>
<tr>
<td>ii) Motor Scooter</td>
<td>KShs. 0.80</td>
<td>KShs. 3.20</td>
</tr>
</tbody>
</table>

The allowance should, however, be claimed against authorised work plans.

Bicycle Allowance

671. The allowance is payable to officers whose duties entail frequent travelling and who are permitted by their Permanent Secretaries/Heads of
Department to use their own bicycles. The Committee was informed that this allowance was last reviewed by the Ramtu Committee in 1985. Taking into account the high maintenance cost on bicycles and after examining the representations, we **recommend** review of the present bicycle allowance rates as follows:

<table>
<thead>
<tr>
<th>Area</th>
<th>Present Rate Per Month</th>
<th>Recommended Rate Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>KShs. 60</td>
<td>KShs. 300</td>
</tr>
<tr>
<td>Town</td>
<td>KShs. 50</td>
<td>KShs. 200</td>
</tr>
</tbody>
</table>

**Security Allowance**

672. Section J.(1) of the *Code of Regulations* provides for payment of security allowance to officers in the clerical cadre who are required to handle classified material in a secret registry. The allowance is currently payable at the rate of 17.5 per cent, 15 per cent and 10 per cent of the basic salaries of Clerical Officers, Higher Clerical Officers and Senior Clerical Officers, respectively. Payment of this allowance was the subject of comment by the Waruhiu Committee which recommended that the allowance be phased out and that a cadre of Secret Registry Officers be created to man these registries. We have noted with concern that seventeen years later this recommendation has not been implemented. We would like to reiterate the observations made by the Waruhiu Committee regarding the peculiar and exacting circumstances under which the officers manning secret registries work and the special attributes they must have in order to effectively and efficiently perform their work. We would also like to observe that secret registries in the Civil Service are at the very centre of security of Government documents and correspondence and should, therefore, be suitably staffed. Arising from the foregoing, we **recommend** that:

(a) Authorised Officers ensure that secret registries in their respective ministries/departments are headed at levels not lower than Executive Officer II.

(b) Where officers at the level of Executive Officer II or above are not available to read the secret
registries and this has to be done at clerical officer level, the clerical officers be paid security allowance of 25 per cent of their basic salary in place of the current arrangement for performing extraneous duties.

(c) The Directorate of Personnel Management ensures that the cadre of Secret Registry Officers is created without any further delay.

Acting Allowance

673. The allowance is paid when an officer is appointed to act in a higher post by appropriate authority empowered to approve such appointments at the rate of the full difference between his salary and the minimum salary of the higher post. Representations were made for changing the mode of working out this allowance to facilitate acting officers whose salary points are above the minima of the higher job groups to draw the allowance. The Committee concurs with the sentiments and, therefore, recommends that the formula for working out Acting Allowance be varied and the allowance be paid at the rate of 15 per cent of an officer's monthly basic salary for the period when a post is not substantively vacant or a minimum period of six months during which the filling of a vacant post is processed.

Special Duty Allowance

674. Where an officer does not possess the necessary qualifications and cannot be appointed to act in a higher post but is nevertheless called upon to undertake the duties of that post, a special duty allowance is granted to him/her by the Permanent Secretary acting on the advice of the Ministerial Advisory Committee. It is assessed at the rate of two thirds of the difference between an officer’s substantive basic salary and the minimum salary of the higher post, subject to the allowance not exceeding 25 per cent of his substantive basic salary. We received strong representations that the current arrangement of payment of this allowance is prone to manipulation and needs to be changed. After careful study, it is our view that the present formula needs to be simplified. We, therefore, recommend that Special Duty Allowance be paid at the rate of 10 per cent of an officer’s basic salary for the period when a post is not substantively vacant or a minimum period of six months during which the
filling of a vacant post is processed.

**Overtime Allowance**

675. This allowance is paid to an officer in Job Group G or below who is required to work overtime as a matter of urgent necessity and only when equivalent time off in lieu cannot be granted. The allowance is assessed differently depending on one’s Job Group. For those in Job Groups A, B and C it is assessed at the rate of one two-hundredth of the monthly basic salary for each hour of overtime. For those officers in Job Groups D, E, F and G, it is assessed at the rate of one and a third times the hourly rate of pay for each hour of overtime. The Committee considers this method cumbersome and less favourable than what is stipulated under Section 6 of the Regulation of Wages (General) Order issued as subsidiary legislation under Section 11(3) of the Regulation of Wages and Conditions of Employment Act, Cap. 229. We, therefore, recommend that the rate be reviewed and simplified as follows:

(a) One and half times the hourly rate of pay for each hour of overtime worked during weekdays.

(b) Two times the hourly rate of pay for each hour of overtime worked during weekends and public holidays.

(c) The Directorate of Personnel Management amends the relevant section of the Code of Regulations to comply with the law.

**Non-Practising Allowance**

676. This allowance is paid to Medical and Dental Officers who have opted not to engage in private practice. It is intended to compensate them for loss of income from private practice. The Committee was informed that the current rates of KShs.1,200 for Job Group K, KShs.1,500 for Job Groups L and M and KShs.1,800 for Job Groups N and above were inadequate compensation considering the opportunity cost involved. We were further informed that it would be unrealistic to ask the Government to fully compensate these officers as the resultant cost would be astronomical. However, we were urged that there was still need for the
Government to show appreciation of the opportunity cost involved and increase the current rates to a reasonable level. The Committee considered these submissions and concurs with the sentiments expressed therein. We, therefore, recommend that the current rates be adjusted and be paid at 30 per cent of an officer’s basic salary.

Field Allowance

677. The allowance is paid to officers whose duties entail continuous field work and who live in movable accommodation. The officers include Surveyors, Road Foremen, Prospectors, Geologists, officers in charge of land development units, among others. It was represented that the prevailing rates are no longer viable and, therefore, are encouraging default in duties. The Committee has noted that the field allowance was last reviewed by the Ramtu Committee in 1985 and we agree with representations that the present rates have become very low relative to their purchasing power. We, therefore, recommend adjustment of the present rates as follows:

<table>
<thead>
<tr>
<th>Job Group</th>
<th>Current Rate Per Night</th>
<th>Recommended Rate Per Night</th>
</tr>
</thead>
<tbody>
<tr>
<td>L and M</td>
<td>KShs. 75</td>
<td>KShs. 250</td>
</tr>
<tr>
<td>J and K</td>
<td>KShs. 65</td>
<td>KShs. 200</td>
</tr>
<tr>
<td>F and G</td>
<td>KShs. 40</td>
<td>KShs. 150</td>
</tr>
<tr>
<td>E and below</td>
<td>KShs. 30</td>
<td>KShs. 100</td>
</tr>
</tbody>
</table>

Hardship Allowance

678. Under Section J.12.(1) of the Code of Regulations, this allowance is payable to officers stationed in ecological environments which are considered as exacerbating to work in. An officer stationed in any of the undermentioned areas is currently granted a hardship allowance at the rate of 30 per cent of his/her basic salary subject to a maximum of KShs.600 if single or KShs. 1,200 if married:

(a) North-Eastern Province
(b) Isiolo District
(c) Lamu District
(d) Marsabit District
It was represented that in view of the various developments that have taken place both in terms of the infrastructure, economic and ecological changes, there is need to redefine hardship areas. We were also urged to consider changing the name of the allowance as it has a negative connotation. We note that the review of the hardship areas and the title had been recommended by previous salary review committees.

679. It was further submitted that the rate payable was too small and, therefore, did not motivate officers to work in hardship areas and the Committee was urged to consider removing the element of a ceiling to the amount. The representations also stated that where married couples are both stationed in a hardship area, the allowance should be paid to each officer. The Committee noted that this allowance has not been reviewed since 1985. We also appreciate that revising the hardship areas in view of the changes in ecological, infrastructural and economic conditions is a complex exercise. We, therefore, recommend that:

(a) The present arrangement be maintained at 30 per cent of an officer’s basic salary.
(b) The maximum payable allowance should be increased from KShs.1,200 to KShs.3,600 per month for married officers and from KShs.600 to KShs.1,800 per month for single officers.
(c) Where a married couple is stationed in a hardship area and both spouses are civil servants, each spouse be paid the allowance on individual basis.
(d) A study to redefine hardship areas and consider suitability of the title be undertaken by the Directorate of Personnel Management.
Transfer Allowance

680. This allowance is paid at the rate of one month’s basic salary to an officer who has been transferred from one station to another without requesting for the transfer. It was represented to the Committee that this allowance is inadequate and that it should be extended to all officers who have been transferred from one duty station to another. The Committee notes that the current transfer allowance is not sufficient taking into account the current low salaries as compared to the high cost of relocation. However, in view of the salaries we have recommended, we consider that one month’s salary would be sufficient and, therefore, the current rate of one month’s basic salary should be maintained. The allowance should be paid promptly, preferably through the payroll one month before the officer reports to the new station.

Uniform Allowance

681. This allowance is payable to officers who, because of the nature of their duties, are required to wear uniform. It was impressed on us that the current rate of KShs.1,800 per annum for nursing officers was inadequate due to the high cost of clothing and footwear. The Committee appreciates that for officers required to render services in uniform, it becomes their daily attire and the symbol of their service. Consequently, the Committee recommends that uniform allowance be pegged at 50 per cent of one month’s basic salary to be paid once at the beginning of every financial year.

Instructors Allowance

682. This allowance is payable to officers who are withdrawn from their normal specialised duties and are deployed as instructors/lecturers in Government training institutions/colleges. Representations were made for increase of this allowance. The Committee noted that the number of these officers was reducing as the Directorate of Personnel Management develops schemes of service for the various Government institutions/colleges. The Committee does not, therefore, find justification for the same under the circumstances and recommends that the present allowance payable at 12 per cent continues. However, we believe that in view of increased salaries we have recommended, the amount payable will
be enhanced.

Language Allowance

683. There was strong representation that Government officers, such as Tourist Officers, Commercial Attaches, among others, who are not part of the core staff of the Ministry of Foreign Affairs and International Cooperation and whose schedule of work brings them into contact with foreigners require multi-lingual language skills. The Committee also received proposals that the allowance be reviewed upwards from the present rate of KShs.200 per month. We concur that the present rate is hardly adequate to motivate officers to learn second languages. We observe that in the Foreign Service, a second language is advantageous not only to the officer but to the service. We, therefore, recommend that the Language Allowance be increased from KShs. 200 to KShs. 500 per month. The Committee further recommends that the allowance be paid subject to certification of language proficiency and production of proof that the language is regularly used in the course of the officer’s official duties.

Extraneous Duty Allowance

684. We have observed that this allowance is only payable to drivers, secretarial staff and subordinate staff deployed to offices of Ministers, Permanent Secretaries and Provincial Commissioners. Representations received stated that officers in these cadres working in the offices of the District Commissioners and Heads of Department at the headquarters and provinces are similarly engaged in extraneous duties. The Committee concurs with these observations in so far as they relate to District Commissioners. Accordingly, we recommend that extraneous duty allowance be extended to include drivers, secretarial and subordinate staff attached to District Commissioners at the current rates listed below.

| Executive Secretaries and Senior Executive Secretaries | KShs.1,400 per month |
| Personal Secretaries | KShs.1,000 per month |
| Shorthand Typists | KShs. 800 per month |
| Drivers | KShs. 500 per month |
| Subordinate Staff | KShs. 300 per month |
Responsibility Allowance

685. This allowance is paid to officers in cadres with responsibilities which entail going beyond normal duties. The Committee noted that currently these cadres include Permanent Secretaries, Public Service Commissioners, Provincial Commissioners, officers heading health institutions, primary school head teachers and their deputies. We were further informed that the Heads of Department at the headquarters of Ministries, provinces and districts also bear heavy responsibilities beyond the call of their profession and that they should be included in the list of those qualifying for this allowance. After considering the representations, the Committee recommends that responsibility allowance be extended to cover District Commissioners, Heads of Department at the headquarters of ministries, provinces and districts as follows:

Table 14. Recommended Responsibility Allowance for Heads of departments and District Commissioners

<table>
<thead>
<tr>
<th>Cadre</th>
<th>Job Group P and above KShs. p.m.</th>
<th>Job Group N and below KShs. p.m.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head of Department:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Ministry Headquarters</td>
<td>1,200</td>
<td>1,000</td>
</tr>
<tr>
<td>(b) Province</td>
<td>1,000</td>
<td>800</td>
</tr>
<tr>
<td>(c) District</td>
<td>800</td>
<td>500</td>
</tr>
<tr>
<td>District Commissioner</td>
<td>1,200</td>
<td>1,000</td>
</tr>
</tbody>
</table>

686. We also noted that responsibility allowance for teachers in primary schools was set in 1986. The Committee finds that the current rates are extremely low ranging from KShs.75 to KShs.750 per month for a headteacher depending on the type of school in terms of the number of streams and teacher establishment. The same goes for deputy headteachers whose current allowances range between KShs.20 and KShs.200 per month. The Committee finds that there is need to review these rates upwards and recommends the following rates:
### Table 15: Recommended Responsibility Allowance for Head Teachers and Deputies

<table>
<thead>
<tr>
<th>Type of School</th>
<th>Headteacher</th>
<th>Deputy Headteacher</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current KShs. p.m.</td>
<td>Recommended KShs. p.m.</td>
</tr>
<tr>
<td><strong>A. DAY PRIMARY SCHOOLS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Single Stream (New) with one class</td>
<td>75</td>
<td>225</td>
</tr>
<tr>
<td>2. Single Stream with 160 pupils</td>
<td>75</td>
<td>225</td>
</tr>
<tr>
<td>3. Double Stream</td>
<td>150</td>
<td>450</td>
</tr>
<tr>
<td>4. Triple Stream</td>
<td>225</td>
<td>675</td>
</tr>
<tr>
<td>5. Four Streams</td>
<td>300</td>
<td>900</td>
</tr>
<tr>
<td>6. Five Streams</td>
<td>375</td>
<td>1,125</td>
</tr>
<tr>
<td>7. Six Streams</td>
<td>450</td>
<td>1,350</td>
</tr>
<tr>
<td>8. Seven Streams</td>
<td>525</td>
<td>1,525</td>
</tr>
<tr>
<td>9. Eight Streams</td>
<td>600</td>
<td>1,800</td>
</tr>
<tr>
<td>10. Nine Streams</td>
<td>675</td>
<td>2,025</td>
</tr>
<tr>
<td>11. Ten Streams</td>
<td>750</td>
<td>2,250</td>
</tr>
<tr>
<td><strong>B. APPROVED BOARDING PRIMARY SCHOOLS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Upto the first 60 boarders</td>
<td>80</td>
<td>240</td>
</tr>
<tr>
<td>2. Each additional unit of 60 boarders</td>
<td>50</td>
<td>150</td>
</tr>
</tbody>
</table>
Risk Allowance

687. This allowance is payable to a few cadres of staff whose duties expose them to health risks. Very strong representations have been made that this allowance should cover health workers stationed in hospitals who are exposed to infections, security personnel, administrative personnel handling security matters and officers in technical ministries who are exposed to chemicals or high risks related services. The Committee has considered the representations and is in agreement that there are quite a number of staff whose jobs expose them to high risks. We, therefore, recommend that:

(a) Risk allowances be called Occupational Hazard Allowance;
(b) The Directorate of Personnel Management develops objective criteria for determining eligibility to payment of Occupational Hazard Allowance.
(c) The allowance be extended to cover all those officers whose jobs expose them to occupational/health hazards once the eligibility criteria are established;
(d) Authorised Officers be required to justify to the Directorate of Personnel Management the cadres that deserve consideration and approval.
(e) The allowance be paid at the rate of 20 per cent of an officer’s monthly basic salary.

ADVANCES AND LOANS

Advance for Purchase and Overhaul of Motor Vehicles

688. This is a loan advanced to an officer through the National Bank of Kenya to purchase or overhaul a motor vehicle. The Committee received representations that it had become almost impossible for civil servants to purchase, maintain and overhaul motor vehicles under the present loan arrangements. In considering these representations, the Committee was influenced by the present economic situation in the country together with the need to have reliable mode of transportation for civil servants and their ability to repay loan advances made to them. The Committee, therefore, recommends that:

(a) The deposit for purchase of a new vehicle be reduced from 40 per cent to 30 per cent of the purchase price.
(b) The amount of loan advance should be increased from one and a half to four times an officer’s annual basic salary or the maximum loanable advance for the job group whichever
is the higher.

(c) The maximum loan repayment period should be 72 months.

(d) An upward adjustment be made to the maximum loan advance for purchase of motor vehicles as follows:

- Job Groups L and above: KShs. 800,000
- Job Groups J and K: KShs. 600,000
- Job Groups H and below: KShs. 400,000.

(e) The amount for major overhaul of a motor vehicle be increased to a minimum of KShs.15,000 and a maximum of KShs.50,000 based on the approved estimates of the recommended repairs.

Advance for Purchase of Motor-Cycles

689. This loan is advanced to an officer who is engaged in duties which necessitate the use of a motor cycle and is granted through the National Bank of Kenya. Submissions received urged us to review the present maximum loan advance of KShs.15,000 which has proved far below the price of a new motor cycle. It was also suggested that repayment period be extended from 36 to 48 months. After considering the issue and having regard to the prevailing market prices, the Committee recommends that the maximum loan advance for purchase of motor-cycles be increased to KShs.150,000 and the maximum repayment period be extended from 36 to 48 months.

Advance for the Purchase of Bicycles

690. This is an advance given to an officer who is engaged in duties which necessitate the use of a bicycle or resides in areas which lack adequate public transport facilities. We received many submissions that prices of bicycles and spare parts have increased since 1985 when the rates were last revised. It was also represented that the use of bicycles should be encouraged in the major urban areas by Government arranging better loan terms for civil servants. The Committee has considered the submissions and recommends that the advance for the purchase of bicycles be increased to KShs.5,000 and that the period of repayment remains at 24 months.

Advance for Purchase of Refrigerators

691. This is an advance given to an officer who is posted to areas designated as "hardship" to facilitate the purchase of refrigerator. Representations were received that the current rate of KShs. 7,500 was too low and it was suggested that the amount be increased and the
repayment period be extended. The Committee is in agreement with the proposals and recommends that the maximum advance for the purchase of refrigerators be increased to KShs. 36,000, the repayment period be extended to 36 months and the advance be availed and extended to all civil servants since the item has now become a necessity.

Development Advance

692. The Committee receive representations that there was need to avail officers loans to facilitate the purchase of durable assets such as houses and land. The Committee notes that there are savings and credit co-operative societies as well as financial institutions that have been providing this type of loans. We, therefore, consider that this arrangement continues in the spirit of reducing Government involvement in profit making ventures and that these organisations be assisted by Government as employer in recovery of the money advanced.

Welfare

693. The Committee was informed that the Kenya Civil Servants Welfare Association was formed in 1985 following the dissolution of the Kenya Civil Servants Union in 1980. The Association has a constitution which, among other things, clearly states the objectives of the Association to include provision of such benefits as relief in sickness, accident, distress and unemployment. The Association is also supposed to assist members to obtain loans, dwelling houses and other assets.

694. The Association has a National Executive Committee consisting of Chairman, Vice-Chairman, Secretary, Assistant Secretary, Treasurer and Assistant Treasurer. The National Executive Committee is answerable to the Central Council which is the governing body of the Association. The National Executive Committee has a Secretariat based in Nairobi. At the lower level the Association has branches in every district each with its own Executive Committee. The constitution also provides for establishment of chapters in ministries/departments.

695. At the moment members contribute an amount of KShs.10 per month towards the welfare fund through the check-off system. This amount is in turn sent to the respective branches by the national secretariat which retains 10 per cent for its operational expenses. Members apply for assistance at the branch level.

696. Recruitment efforts during the first two years yielded a peak membership of over 120,000 in 1987. However, the Committee was informed that at the moment membership has drastically dropped to about 20,000 due to a number of factors including lack of recruitment campaign;
retirement of members through the retrenchment programme in the Civil Service; lack of transparency in accounting for contributions sent to branches; disillusionment of members arising from their inability to realise the expected benefits; and, lack of cohesion of members partly attributable to introduction of multiparty politics in the country. The low membership at the moment also means that the ability of the Association to give benefits to its members has been greatly reduced thereby eroding their confidence.

697. While we appreciate the usefulness of the Association, we nevertheless take cognisance of the fact that membership is voluntary. Having regard to the noble objectives enshrined in the association’s constitution, we are of the clear view that it is in the interests of Civil Servants to reactivate the Association and we encourage them to do so.
CHAPTER 20 - SUPERANNUATION

Introduction

698. In the course of our inquiry, we received strong representations from civil servants on matters relating to superannuation which they regard as a very important part of their terms of employment. We shall hereinafter discuss it under the following topics: retirement, contributory pension, pension and pension benefits, management of the Pensions Department, senior citizens and social security.

699. Payment of pensions to civil servants and teachers in Kenya is governed by the Pensions Act, Cap. 189. Another Act which relates to pension is the Widows and Children's Pension Act, Cap. 195. As provided for under the Pensions Act, the power to grant pensions is vested in the President although, administratively these powers have been delegated to the Director of Pensions in the Ministry of Finance. In exercising these powers, the Director makes reference to the Constitution of Kenya and any relevant Acts of Parliament enacted to deal with pension matters. The pensions scheme in the Civil Service, is basically non-contributory, but has an element of token contribution to secure benefits of widows and children of officers who may die while in the Service or those who die after retirement provided that such officers were contributors to Widows and Children's Pension Scheme.

Historical Perspective

700. At independence there were very few African pensioners as most of the pensioners were Asians followed by Europeans. However, the situation has changed over the years as a large number of the Africans who joined the Service at the time of independence or just before are now retired or are about to retire. The number of pensioners grew steadily from some 80,000 retirees in 1991 to approximately 200,000 in 1996. The payments to the pensioners has also grown substantially since 1991/92 from KShs.931,966,600 to KShs.2,760,696,000 in 1995/96 as shown in Table 16.
Table 16: Government’s Pensions Bill, 1991 - 1996

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Number of Pensioners</th>
<th>Amount of Pension Paid Out</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Financial Year</td>
</tr>
<tr>
<td>1991</td>
<td>80,000</td>
<td>1991/92</td>
</tr>
<tr>
<td>1992</td>
<td>100,000</td>
<td>1992/93</td>
</tr>
<tr>
<td>1993</td>
<td>120,000</td>
<td>1993/94</td>
</tr>
<tr>
<td>1994</td>
<td>150,000</td>
<td>1994/95</td>
</tr>
<tr>
<td>1995</td>
<td>180,000</td>
<td>1995/96</td>
</tr>
<tr>
<td>1996</td>
<td>200,000</td>
<td>1996/96</td>
</tr>
</tbody>
</table>

Source: Pensions Department, Ministry of Finance

Retirement on Attaining the Age of 55

701. We received representations to the effect that, with the improved medical facilities in the country, the life expectancy of Kenyans had improved a great deal and consequently there is a justification to raise the compulsory retirement age from 55 years to 60 years. Whereas the Waruhiu Committee considered and rejected similar views, we received overwhelming submissions to show that at the age of 55, a civil servant who has been properly trained would have gained a vast wealth of experience which will not have been fully exploited by the employer when he retires at that age. We have examined these representations in detail and found merit in them and, therefore, recommend that the current compulsory retirement age be raised from 55 years to 60 years.

Retirement of Officers on Job Group H and Above on Attainment of 40 Years of Age

702. We note that this scheme which was introduced in the Service vide Personnel Circular No. 5 of 11th November, 1992 was extended for a
further period of 5 years. It is due to expire on 30th June, 1997. This scheme has not been incorporated in the Pensions Act and continues to operate administratively. We received strong representations that the Government had experienced a high turn-over of staff in specialised disciplines as a result of retirement under this scheme. Over 1000 civil servants had so far left the Service since the scheme was introduced. Considering the fact that most of those who took advantage of this scheme were professionals, such as doctors, engineers, and accountants, it was evident that the Civil Service was experiencing a brain drain to the private sector. In order to curb this trend and save the exchequer from meeting avoidable expenses on payment of pensions as a result of early retirement, we recommend that the scheme be discontinued upon its expiry on 30th June, 1997.

Retirement of Subordinate Staff on Permanent But Not Pensionable Terms of Service

703. This is a situation the Kenya Civil Service inherited from the colonial regime but which, unfortunately has not been fully addressed. At independence, the salaries of subordinate staff were very low but have improved over the years in nominal terms. We received representations that these officers only received meagre benefits under the National Social Security Fund as a once-and-for-all payment at the age of 55. In the view of this Committee, non-payment of pension to this category of Government employees introduces an element of discrimination. Accordingly, and considering the social security implications of this practice, we strongly recommend that the Government declares all established posts in the Civil Service pensionable to enable these officers to receive pension when they retire from the Service in circumstances entitling them to pension.

Contributory Pension Scheme

704. Pension in the Civil Service, being basically non-contributory, is a charge to the Consolidated Fund. We note, however, that in quite a number of developing economies, the establishment of private pension schemes is on the increase. We were told that countries in South America, led by Chile, had set up private pension schemes to replace over-burdened state-run pension schemes. It is noteworthy that such
schemes are preferable because state-run schemes are non-contributory and, therefore, a drain on the Exchequer whereas private pension schemes attract investments which benefit employees at the time of retirement. We received considerable evidence to the effect that time is ripe for the Government to introduce a contributory pension scheme for its employees. We concur with these views and accordingly recommend that the Ministry of Finance commissions an actuary to develop a contributory pensions scheme for implementation.

**Contribution of Pension**

705. We received representations that pension rates in the Civil Service were too low and that as a result civil servants dreaded the prospect of retirement. The submissions called for revision of the formula used in computing pensions in order to enhance the retirement benefits for civil servants. We have examined the implications of the current formula on the amount of pension paid to civil servants and found that the calls for revision are justified. For instance we found that a retiree whose salary was KShs.20,000 per month at the time of leaving the Service would be entitled to a monthly pension of only Kshs.8,000 using the current formula and assuming commutation of 1/4 of the pensionable emoluments. The amount is hardly adequate to enable the retiree maintain himself, his family and other dependants. Arising from the foregoing, we recommend that the Ministry of Finance takes the necessary measures to have the formula used for computing pensions revised from 1/480 to 1/360 in order to enhance retirement benefits for civil servants.

**Reduced Pension with Gratuity**

706. We also received representations that the Act should be amended to allow pensioners to commute a half, three quarters or the full pension at the time of retirement. It was persuasively argued that the pension payable to a retiring civil servant in Kenya is basically "deferred pay" in view of the fact that the current pension scheme is non-contributory. As defined by the Ndegwa Commission, the concept of "deferred pay" assumes that a non-contributory pension "is little more than a sum of money withheld during the period of employment and returned with interest after the employee had ceased to be able to work - deferred pay, hence money which, had it not been for the prospect of a future pension,
would have found its way into an employee’s hands, week by week, month by month was withheld - "deferred" to be paid after retirement." We are convinced that if civil servants are given the choice to take a greater portion of their pensionable emoluments in lumpsum, they would be in a position to make more meaningful investment which would give them enhanced income for their sustenance. Accordingly, the Committee recommends that the Ministry of Finance takes appropriate measures to have the Pensions Act amended in order to allow retiring civil servants to commute up to three-quarters of their pensionable emoluments.

The Widows’ and Children’s Pensions Act, Cap. 195

707. It has been represented to the Committee that the Act applies to male public officers and could only apply to a married female officer if she has proof that her husband is incapacitated and, therefore, dependent on her. We received representations that this latter aspect of the Act is gender-discriminative as it does not apply to married female officers. Since the Government allows female officers to enjoy pensionable terms of service whether married or single, we recommend that the Ministry of Finance ensures that the Act is amended to cover all serving pensionable officers.

708. The Committee received further evidence that the Widows’ and Children’s Pension Scheme funds are not invested. As the contributions to the Scheme are deducted at source and remitted to the Exchequer, it is the responsibility of the Director of Pensions in the Ministry of Finance to ensure that contributors are registered and that they receive an annual statement reflecting the contributors’ savings and any accrued interest. It is, however, observed that these statements are hardly ever issued. We, therefore, recommend that in addition to making annual returns to contributors, the Director of Pensions in consultation with the Minister for Finance, and in conjunction with a board of trustees, invests contributors’ money in viable enterprises, such as Government securities or immovable assets.

Dependant’s Pension

709. We received representations to the effect that dependants of deceased persons should be allowed to receive their pension for ten years
after a pensioner’s death instead of the current five years. We received further representations that currently, where both wife and husband are civil servants only the wife could receive a dependants pension. It was also proposed that the Act be amended to provide for either spouse who survives the other to receive dependants pension. We established that there are cases where an officer dies while in service leaving young school-going children. In the circumstances, we recommend that the Ministry of Finance ensures that the Act is amended so as to allow the dependants to draw pension for ten years after a pensioner’s death instead of the current five years.

Injury Pension

710. We received representations that the provisions in the Pensions Act relating to injury pension should be amended to enable accident victims to get the prescribed benefit while still in the Service for the purpose of defraying medical expenses incurred as a result of the accident. Whereas we appreciate the concern raised by these representations, we note that even if these benefits were to be given for the purpose of meeting medical expenses associated with accident injuries, they would not, in many cases, be adequate to cover fully the resultant medical expenses. Additionally, we note that the purpose of injury pension is to sustain the injured civil servant and his dependants for a period of five years while the family looks for alternative ways of earning their living following permanent injury of the bread winner. We are of the view that medical expenses associated with injury should be fully catered for under a group health cover as recommended under paragraph 655 of Chapter 19 on Other Terms and Conditions of Service.

The Pensions Increase Act, Cap. 190

711. We received strong representations that the pension rates should be adjusted such that those who retired many years back and those currently retiring in a similar grade receive almost the same amount. We also received representations that many pensioners die within a short period after their retirement perhaps as a result of drastic drop in the earnings they were used to while in the Service. Accordingly, we recommend that whenever there is a general salary revision for serving civil servants, the level of increase awarded to those in the Civil Service be applied equally
to pensioners.

**Promotion Preceding Retirement**

712. Regulation 20(1)(c) of the First Schedule to the Pensions Act provides for the manner in which the pension of an officer promoted within three years immediately preceding the date of his retirement is to be computed. Under the regulation, pensions benefits are calculated by averaging the pensionable emoluments earned during the last three years of service and not on the basis of the last salary earned before retirement. We received representations that the provisions of this paragraph were unfair to civil servants as it tended to negate the benefits of the promotion and also reduced their retirement benefits. The civil servants, therefore, called for the law to be amended to recognise the last salary earned as the only basis for computing their retirement benefits. We have examined these representations and find them to have merit, particularly in view of the fact that promotion is earned on the basis of performance. In view of the foregoing, we recommend that the last pensionable emoluments earned after promotion during the last three years of service immediately preceding retirement should be used in computing pension.

**Management of the Pensions Department**

713. It was represented to the Committee that Pensions Department is inefficient, and insensitive. Cases were cited of civil servants who had not received their retirement benefits years after they had retired. We were told by many political leaders that they spent a lot of time dealing with requests from retired civil servants for assistance in the processing of their retirement dues. It was observed that the frustration, humiliation and loss of self esteem arising from this inefficiency affected not only retired civil servants but also those who were about to retire. We were informed that the causes of this inefficiency included late submission of pension papers by ministries to the Pensions Department; submission of incomplete documents; inadequate skilled and experienced pensions personnel both in the ministries/departments and in the Pensions Department itself; and, lack of computerisation which made access to and retrieval of relevant information difficult. We considered these submissions as well as our own observations on the processing of retirement benefits for civil servants and formed a strong opinion that the
Government needs to do something about the Pensions Department. In our view, what was happening in the Department did not project a good image of the Government in communities in which these retirees live. We consider that the Department urgently requires a complete overhaul and accordingly recommend that the Directorate of Personnel Management urgently commissions a study, under the auspices of the Civil Service Reform Programme, to review the organisation structure and operations of the Pensions Department, to identify bottlenecks in the management of the department and to make appropriate recommendations on how its operations could be improved.

714. We are aware that the recommended study may take time to finalise. In the meantime, work in the Department must continue. In this connection, we were informed that the Department had plans to deploy officers in ministries/Departments and in the field for the purposes of speeding up the processing of pension claims and providing advice to pensioners. We are of the view that in the short-run, this is a step in the right direction. In this regard, we recommend that the plan by the Pensions Department to deploy pensions officers in ministries/Departments and in the field be implemented without delay.

715. The Committee learnt that the Pensions Department uses the services of actuaries from time to time to advise it on matters relating to pensions. We learnt further that this is a specialised area in which there are hardly any qualified Kenyans. It may be useful for the study recommended in paragraph 713 to determine the need for Kenyans to be trained in this area.

Senior Citizens

716. In our inquiry, we were informed that for most pensioners the only source of income was the monthly pension they received which might not sustain them, their families and other dependants. We were also told that pensioners suffered from lack of support and encouragement to enjoy their life with a sense of pride which they had when they worked for the Civil Service. There were representations that these senior citizens needed recognition and assistance where necessary to lead peaceful lives as they continued to contribute to nation building in various capacities. We further received representations that having regard to their accumulated
knowledge and experience in public affairs, many pensioners played useful advisory roles in the community and should be encouraged to do so. We are also convinced that these senior citizens mirror the image of the Government in their respective communities. Accordingly, we recommend that the Government continues to extend recognition to senior citizens by inviting them to State functions and according them commensurate status as they enjoyed while they were in the Service.

717. Currently, retirees seem to be detached from Government service as soon as they receive their lumpsum gratuity. Retirees, particularly those who opt to retire early, should be viewed as people who are only changing jobs in order to continue participating in nation-building elsewhere. We received representations that retirees be given assistance to identify viable projects in which they could invest their retirement benefits and thus augment their incomes. We are convinced that in recognition of the services rendered to the nation by pensioners during their active service in the Government and in view of the fact that the monthly pension they receive is not enough to meet their daily needs, we recommend that the Government considers establishing modalities for according privileges to senior citizens, such as identification cards to enable them get automatic concessions when receiving services from the Government. We also recommend that prospective retirees be prepared psychologically to view retirement as a new way of life which ought to be faced with confidence and the will to succeed.

Social Security

718. We have noted that the Government has come up with a Policy on social security in the Eighth National Development Plan, 1997-2001. It is stated in the Plan that social security is viewed as a body of public measures that society may take to protect its members against economic and social distress which may otherwise cause substantial loss of income as a result of old age, invalidity, sickness, unemployment, death of bread winner, maternity among other distresses. We also noted that the Plan has highlighted that social security should constitute a safety net for the intended beneficiaries.

719. We received representations that whereas the National Social Security Fund has investments in excess of KShs.50 billion, its members
had no shares in these investments. We strongly recommend that since the National Social Security Fund makes its investments using contributors’ funds, the contributors be allowed to have shares in these investments and receive dividends at the end of each year of business.

720. The Committee received representations from contributors to the Fund that the current maximum contribution of KShs.80 per month should be enhanced to KShs.200 per month. We also received representations that the Fund should be converted into a pension scheme. In this regard, we note that the Government has already taken the initial steps towards converting the Fund into a pension scheme by incorporating the policy in the current Plan and drafting the necessary Bill which is before Parliament for debate.

721. We believe that once the proposed restructuring of the National Social Security Fund is completed, many of the concerns that have been expressed to us regarding the Fund’s current activities will be resolved.
PART IV
CHAPTER 21 - THE ADMINISTRATIVE SERVICE

Introduction

722. The Administrative Service is the principal medium through which the executive arm of the Government governs and implements policy. The service interprets, co-ordinates, articulates, supervises and implements policy at various levels of the Government organisation. The Administrative Service is composed of two branches: the provincial administration which is charged with field administration and the headquarters administrative services which is distributed among ministries and departments. In the field, the hierarchy ranges from the Provincial Commissioner in charge of a province down to the Assistant Chief who is in charge of a sub-location. The headquarters administration ranges from the position of Permanent Secretary to that of Assistant Secretary.

723. The Administrative Service in the field co-ordinates Government development activities, supervises all facets of public activity and maintains law and order. The function of the provincial administration encompasses any activity of public interest. Provided that any other laid down machinery is not sufficient, or is found deficient in its function, it is assumed that the Provincial Administration should superintend the said concern to public satisfaction. In the articulation of this function, the Provincial Administration has been recognised as representing the Office of the President. It chairs committees on security, development, education, agriculture, land and a host of others which make wide and highly significant decisions that generally impact on the political, social and economic facets of the nation.

724. The headquarters administration, on the other hand, is charged with the responsibility of articulating the administrative function in the various ministerial disciplines and duties on behalf of the chief executive of that ministry or department, who is usually the Permanent Secretary. Consequently, as the Civil Service prepares to face the challenges posed by liberalisation and the quest to achieve industrialisation by the year 2020, we envisage the central role that the Administrative Service is bound to play as the main co-ordinative mechanism in policy formulation, articulation and implementation.
Background

725. The origin of the Administrative Service in Kenya is traced to the settlement of the British in East Africa in the early part of 20th century. The great economic potential of the region which lead to the settlement of the British nationals in East Africa; the subsequent building of the Kenya-Uganda Railway; and, the need to subdue and control local resistance culminated in establishment of an administrative service designed to meet the imperial needs and to service the settler community. The major objective of the service was to impose British authority and to establish necessary trade for economic exploitation and "development" of the region. The methods by which the imperial authority sought to achieve these objectives were through maintenance of law and order, collection of taxes from the local people and assisting settlers to recruit cheap labour for their farms. Through the espousal of the colonial policy and the superintendence of conflicting interests of the settler group, the local people and, later, the Indian immigrants, the colonial administrative service quickly assumed a central and powerful role in the country. In order to respond to the emergence of nationalist movements, the Civil Service was expanded to provide closer administration especially within the volatile communities who were agitating for civil rights and self determination. Since independence the Administrative Service has increasingly assumed a powerful and central role in the articulation of development matters and overseeing other sectors of the economy. It is against this background that we found it necessary to devote a Chapter in this Report on the Administrative Service.

Scheme of Service for Administrative Officers

726. As intimated above, the Administrative Service is manned and organised on a two-tier system, namely, the provincial administration for field administrators and the central administration in ministry headquarters. The recruitment of these officers is governed by the Scheme of Service for Administrative Officers. This Scheme is administered by the Permanent Secretary in charge of Provincial Administration in the Office of the President. In accordance with the Scheme, the minimum entry point into the Scheme as District Officer Cadet/Assistant Secretary Cadet is Job Group H. The entry point was upgraded to Job Group J. This in effect abolished the post of District
Office Cadet/Assistant Secretary Cadet and changed the entry point to District Officer III/Assistant Secretary III, Job Group J. The Scheme provides for promotional opportunities up to Senior District Commissioner, Job Group P for those in the field and up to Deputy Secretary, Job Group P for those serving in ministry headquarters. It also provides for cross transfers between the field and ministry headquarters administration. The policy providing for cross transfers was designed to widen officers’ experiences in Government operations in the field and the headquarters. However, we were informed that officers who are transferred to ministry headquarters after attaining senior positions in the provincial administration have difficulties in adjusting to the new environment. Further, we were informed that the Scheme does not cover Chiefs and Assistant Chiefs. In this regard, the Permanent Secretary, Provincial Administration had recently forwarded to the Directorate of Personnel Management a draft proposal for a scheme of service for Chiefs and Assistant Chiefs for approval. We believe that when this scheme is approved, this cadre of officers will be appropriately graded. We, therefore, recommend that the Directorate of Personnel Management expedites analysis and approval of the scheme of service for Chiefs and Assistant Chiefs for implementation within six months.

727. Representations made to the Committee revealed that while the Scheme of Service for Administrative Officers is non-discriminatory to female officers, several historical factors have contributed to a low ratio of female to male officers in the Civil Service. We commend the Government for recent appointments of female officers to senior positions in the administrative cadre. Consequently, we recommend that the Government continues to appoint qualified female officers to senior administrative positions both in the field and at the ministry headquarters.

Chiefs Authority Act

728. The Chiefs Authority Act, Cap. 128 came into effect on 24th March, 1937. The Act was enacted to make provision in regard to the powers and duties of Chiefs and to provide for incidental matters. As stated in paragraph 725, the colonial government set up mechanisms designed to maintain law and order. The Act makes provision for administrative officers in the hierarchy to require the Chief to make and execute certain orders. It also makes provision for the Minister in charge
of Internal Security to authorise the Chief to make orders relevant to emergency situations.

729. We were informed that the Act has been used to promote developmental activities in such areas as agriculture, education and health. However, we received submissions that the Act has variously been misused by some administrators who have invoked it to intimidate law abiding citizens. We were also informed that there are some areas in this country where the Act is no longer relevant due to the development of self-regulating mechanisms within the community. We did, however, learn that other areas still need intervention of chiefs in the promotion of developmental activities. We also learnt that the Office of the Attorney General was undertaking review of the Act with a view to modernising it. We recommend that the Office of the Attorney General hastens the process of reviewing and updating the Chief’s Authority Act.

Relationship With the Public

730. We received submissions to the effect that the articulation of the Chiefs Authority Act by the Chiefs and their Assistants; the Public Order Act by the District Commissioners; the licensing of various services and the conduct of Harambee collections under the Public Collections Act are some of the services that have been found unsatisfactory by the wananchi. We were informed that it was possible for the public and the business community to engage in these activities without recourse to Provincial Administration since some of them were adequately regulated and supervised by technical arms of the Government. Further, the direct involvement of the Provincial Administration in harambee collections had resulted in some devious activities, thus discrediting what is otherwise a very noble undertaking. We were told that in the eyes of the public, the Provincial Administration has increasingly assumed a master-servant attitude.

731. Our enquiry has revealed that there is urgent need to change this attitude in order to rally the support of the public for the service in the articulation of Government policy. The demands currently made on the Administrative Service require a new approach to service delivery based on the premise that the public are customers and clients of the service. We also received submissions decrying the emergence of a culture of
corruption among some members of the Service. This attitude and culture is largely attributed to the wide discretionary powers that attend to the role of the Provincial Administration. In some cases we were informed that the appointment and deployment of some administrative officers, especially at the Chief and Assistant Chief level, is not merit-based. Cases of influential personalities interfering in appointments, deployment and transfers were said to be greatly hampering the performance of administrative officers.

732. We believe that the good image of the Government at grassroots level is largely promoted by the relationship of the Provincial Administration with the public. In order, therefore, to improve and sustain the good image of the Government with the public, we recommend that officers of the Provincial Administration, who ought to be well trained and enlightened on national goals and aspirations, be appointed on merit.

733. The administrative personnel in the field complained that the requirement that they personally chair the various committees in their areas of jurisdiction was leading to a backlog in the delivery of requisite services. It was also creating room for the promotion of corrupt practices by junior officers at all levels of service delivery. We were informed that there were unnecessary was delays in awarding tenders, hearing of land cases and approving projects and that even when these services were rendered, they were riddled with irregularities which the busy administrator does not have time to scrutinise. We concur with the submissions that for effective delivery of services to the public, there should be timely decision-making through effective delegation of responsibilities by District Commissioners. Arising from the submissions received, we conclude that the overloading of duties on the Provincial Administration is not conducive to the efficient and effective delivery of services. In this regard, we have recommended in Chapter 9 on the Grading System in the Civil Service the creation of substantive deputies to Provincial Commissioners and District Commissioners to whom some of the current responsibilities should be delegated. Accordingly, we recommend that the functions of the Provincial Administration should be rationalised to ensure effective and efficient delivery of services to the public.
Relationship with Politicians

734. We received submissions that in some areas there existed poor relationship between politicians and the Administrative Service. We learnt that the Provincial Administration had not been adequately prepared to tackle matters in the multi-party democracy era. As noted in Chapter 4 on Future Challenges, field administrators need to be adequately trained to be able to sufficiently superintend the various conflicting political interests. Consequently, we recommend that there be a continuous programme of training officers in the Administrative Service to enable them manage new challenges.

Relationship with Local Authorities

735. Provincial Administration is the central agent for co-ordinating development in the districts and, therefore, its influence in planning and implementation of policies cuts across all sectors of Government organisation. On the other hand, local authorities play an agency role for the Government. The roles of these organs are complementary. They have to mobilise and harness human, financial and other resources for the common good of the people. Matters relating to local authorities are addressed in Chapter 23 on the Local Government Service.

Training

736. We were told of the inadequate training and skills improvement programme available for administrative officers. Cases were cited of officers ranging from Assistant Chiefs to District Officers who have been deployed to man administrative units without any induction course. We were reminded that in the past such personnel were well prepared and trained at the Kenya Institute of Administration and Government Training Institutes, such as Maseno. It was lamented that this was no longer the case, hence the drop in the standard of performance in the Civil Service. We have examined these representations and observed the situation obtaining in the service and share the concerns expressed. In this regard, we have made specific recommendations under Chapter 12 on Training which we believe adequately cover the needs of the Administrative Service.
Working Tools

737. We received representations regarding lack of working tools, housing, offices, transport and finances for operations and maintenance for Provincial Administration. We also observed cases where senior administrative officers were accommodated in the midst of commercial centres, behind shops and bars. We also heard that uniformed administrative officers, including District Officers and Chiefs travel to and from duty stations in crowded matatus. All these reflect negatively on the image of the Government and individual officers. We sympathise with the plight of these officers face. In this regard we have made specific recommendations in Chapter 10 on Management Practices and Chapter 11 on Provision and Maintenance of Plant, Machinery and Equipment.

Relationship with other Departments

738. The relationship between the Provincial Administration and other sectoral departments in the field is a matter of concern to the Committee. While most departments have a cordial relationship with the Provincial Administration, we did receive representations of cases where the implementation of development projects has been greatly hampered through the existence of poor relationship between the technical departments and some high-handed provincial administration officers. The concentration of financial control in the District Treasury has not been working positively in the execution of programmes at the local level. We were informed that the powers conferred on the District Commissioner to chair the District Executive Committee, the District Tender Board, the District Education Board, the District Development Committee, the Land Control Boards, among others, have left the sectoral departments virtually without any discretionary powers on their programmes. The said organs have also become bureaucratic bottlenecks in the execution of programmes as sectoral officers cannot make any progress without their "blessings".

739. We received representations that despite ministries delegating Authority to Incur Expenditure [A.I.E] to their field offices, the expenditure of these funds was often hampered by operations at the District Treasuries. It was submitted that heads of department in the districts are subject to the authority of Provincial Administration in their bid to spend voted funds. The inability of heads of department to access
finance whenever they need it has effectively hampered their efforts to deliver services to the people. We also received submissions that some district treasuries, supplies offices, tender boards and development offices have been turned into centres of corruption with the officers running them demanding inducements before rendering services to the people. We were also informed that business cartels had been formed at these units to benefit a few traders. In the process, Government funds were being misappropriated. We take note of the history behind the establishment of these units, which were meant to assist the Government in prudent management of its finances, but regret that they have not served the purpose for which they were intended. We received proposals from ministries that they would like to control their funds through the re-establishment of ministerial treasuries at the district level.

740. Further, we have recommended a performance-related management elsewhere in this Report, in which an accounting officer will be wholly responsible for sectoral performance. Therefore, it would be unfair to expect him to take responsibility for failures caused by the District Treasury on the pretext of financial control. While the District Development Committees are charged with the responsibility of prioritising expenditure in the District, we take note of the submissions that these committees hardly ever meet to plan for the expenditure of available resources in the District Cash Fund.

741. We have examined the submissions received and having regard to the need for continued transparency and sectoral accountability, we recommend that the prioritisation of expenditure of the District Cash Fund be done by the District Executive Committee with the full participation of sectoral representatives. Further, we recommend that the minutes of the District Executive Committee be sent to all Accounting Officers and to the Paymaster General, alongside monthly expenditure returns. We also recommend that meetings of District Development Committees be held regularly.

Conclusion

742. The recommendations made in this Chapter require accounting officers to be fully responsible and accountable for their sectoral functions and finances through their district ministerial representatives. In addition,
the recommendations call for rationalisation of the functions of Provincial Administration with a view to underscoring their role as co-ordinators and facilitators of development programmes and projects at the grassroots level. This is over and above their pivotal role in matters of general administration and security. We believe that these recommendations will ultimately result in the timely, effective and efficient delivery of services to wananchi.
CHAPTER 22 - EDUCATION AND THE TEACHING SERVICE

Introduction

743. We recognise the important role that education has played and continues to play in the overall national development. Elsewhere in this Report, we have made recommendations on the quality of the Civil Service that is required to facilitate and enhance socio-economic development of our country as we move towards the 21st century. We consider that a quality Civil Service must go hand in hand with a quality Kenyan society on account of civil servants being part and parcel of that society. It is our strong view that education has a crucial role to play in ensuring that the right attitudes and values which go towards making a quality society are inculcated in our youth as a foundation for future human development.

744. The Eighth National Development Plan, 1997-2001 states at paragraph 6.2.1 that "It is important to equip human capital with the knowledge, skills, attitudes and values that will enable the labour force to use the nation's natural and man-made resources productively." We are aware that the Government has over the years made significant efforts towards the provision and promotion of quality and relevant education which would be a means of producing the required labour force for enhanced economic growth. However, we are convinced that to achieve rapid industrial transformation for sustainable development by the year 2020, the current challenges and problems facing education have to be viewed as a national concern. In this respect, there will be need for enhanced partnership in the promotion of education in order to tackle these challenges and problems effectively. Representations were made that teachers will have a crucial role to play in the quality of education offered in our schools and tertiary institutions as they are the "grassroot" implementors of the curriculum.

Goals Guiding Education

745. We have found it necessary to re-state the following national goals of education as submitted to us with a view to portraying the important harmonising role education is expected to continue playing for the greater good of our nation:
(i) fostering national unity within a multi-cultural diversity;
(ii) promoting national development and wealth generation;
(iii) equipping the youth of this country with knowledge, skills, attitudes and expertise necessary for the exploitation of individual potential and talent for sustainable quality of life;
(iv) promoting social justice, responsibility and obligations to self and others within the society;
(v) fostering, developing and communicating the rich and varied cultures of Kenya; and,
(vi) fostering positive attitudes and consciousness towards other nations.

746. It is our view that these stated goals of education are as pertinent today as they were during the early post-independence period because they are an inspiration not only to the personnel in the education sector but also to the whole Kenyan society. Our dynamic society will continue to place new demands on the direction, growth and development of education, hence the need for continued reviews in education curriculum to suit the emerging needs and aspirations of the Kenyan people. We highlight in the following paragraphs some of the challenges and problems facing development and promotion of education which require a concerted effort to seek solutions with a view to ensuring increased and sustained high standards. We believe these are the education standards that will enable achievement of the national goals of education.

PARTICIPATION, COMPLETION AND TRANSITION RATES

Pre-Primary and Primary Schools
747. The current Development Plan states at paragraph 6.3.1 that "One of the Government's guiding philosophies for education is the concern that every Kenyan has the inalienable right, no matter his or her socio-economic status, to basic education." Further, we are aware that the Government has given emphasis to provision of basic education in the realisation that a literate population contributes more effectively to overall national development.

748. Submissions were made to the effect that the Government has instituted a broader concept of Early Childhood Care and Development Education to embrace children aged under 6 years who comprise about 20
per cent of the total population. This broader concept gives attention not only to education care, but also includes social, cultural, spiritual, health and nutritional needs of children. We were informed that these needs of children are addressed in partnership between the Government and local authorities, religious organisations and individual stakeholders. According to the current Development Plan, the Government aims to raise participation rate at pre-primary level from 35 to 50 per cent. We support the fact that it is at this level that the right attitudes and values can be inculcated in order to have the quality society already alluded to in this Report. The Committee, therefore, recommends that the existing partnership between the Government and stakeholders be strengthened to facilitate the provision of quality pre-primary education which will attract more children and encourage the public to contribute more towards its development. To realise more enhanced participation, even beyond 50 per cent we further recommend that the Government increases the establishment of pre-primary school units in public primary schools. This would have a double effect of facilitating smooth transition from pre-primary to primary school level.

749. On primary education, we were informed that there has been a decline in Gross Enrolment Ratio from 95 per cent in 1989 to 79 per cent in 1995 while the completion rate in 1995 was 46 per cent against 44 per cent in 1987. Further, a notable concern is the disparity in participation rates between high potential areas with about 100 per cent and low potential areas with about 25 per cent. We learnt that these occurrences are mainly a direct result of ineffective teaching and management methods in schools and inability of households to cost-share in education.

750. Representations were made that the Government was aware of the drawbacks in primary education and efforts had been made to improve class attendance and retention which include provision of text books and boarding facilities, particularly in low potential areas and in-servicing of primary school teachers. However, we have evidence that these efforts are yet to have the desired impact. Given the importance of basic education, the Committee recommends that the Ministry of Education designs sustainable strategies to boost participation and completion rates to 100 per cent in the whole country, hence achieving universal primary education. In view of the inability of many households to effectively cost-share in education, we further recommend that the Ministry of Education
rationalises the curriculum offered at primary school level with a view to reducing the number of subjects offered in order to cut down on the curriculum load and sustain in children interest in education.

751. We learnt that a major consequence of the low participation rates in primary schools is the increased expansion of enrolment in non-formal schools around the country. These schools, which we understand are mainly established by communities and some non-governmental organisations for adult education classes, have experienced an inflow of young students thirsty for education but unable to meet the fees charged in the formal schools. Without contradicting the Government's stand that primary education should be encouraged in formal schools only, we recommend that enhanced efforts be made to assist the children in non-formal schools with trained teachers together with the proper curriculum and regular supervision services. This will have an effect of marketing formal education. The Committee appreciates the recent establishment of a Non-Formal Education Unit in the Ministry of Education headquarters, which will facilitate efficient co-ordination of non-formal education.

Secondary Schools

752. We observe that the youth need to have access to quality and relevant secondary education as this is the level from which most of professional middle and high level manpower have their origin. The current Development Plan focuses attention on access to and equity in secondary education, laying special emphasis to support for the individual and talented students. We were informed that this support includes award of bursary funds for needy and bright students. Submissions made revealed that Gross Enrolment Ratio at this level dropped from 30 per cent in 1990 to 26 per cent in 1995. The drop-out rate in 1995 was 15 per cent for male students and 7 per cent for female students. This Committee received evidence that one major cause for the decline in participation rate is the high cost of secondary education. Although the Ministry of Education provides guidelines on the levies to be charged, we were informed that they have not been adhered to by some public schools which have continued to charge as high as KShs.40,000 per year per student. We recommend that all levies charged in secondary schools be rationalised as a matter of urgency to ensure that the education offered is affordable to most households.
Although the transition rate from primary to secondary schools improved from 37 per cent in 1993 to 46 per cent in 1996, we were informed that it still remains pegged to the number of places available in secondary schools. *Sessional Paper No. 6 of 1988 on Education and Manpower Training for the Next Decade and Beyond* laid emphasis on day secondary schools as a means of increasing access to secondary education through reduced costs. Concern was expressed that implementation of this policy has been hindered by lack of clear policy guidelines. We recommend that the Ministry of Education formulates policy guidelines on ways and means of upgrading day secondary schools to institutions that offer high quality education.

**University Education**

We were informed that the current access rate of University education is approximately 7 per cent. This was said to be mainly due to the limited space in the public universities. It was further submitted that the Government has taken far reaching measures to ensure that no university student in local universities drops out because of lack of funds. These measures include award of bursaries and loan advances to the needy students in both private and public universities. We recommend that the Ministry of Education ensures that existing partnership between the Government and private universities are strengthened to facilitate the creation of more opportunities for university education. The envisaged introduction of degree programmes in some tertiary institutions like polytechnics in the current Development Plan would be a move in the right direction. This Committee, however, notes with concern that the local universities have not collaborated as closely as desired with the local training and manufacturing bodies in order to plan effectively for manpower development. We recommend that local universities take the lead in planning for the country's manpower development in close co-operation with other training institutions and the industrial sector.

**Other Concerns**

**Text Books**

We received strong representations decrying the present situation where the primary school curriculum was burdensome not only to the
children and teachers, but also to the parents who are required by the school administration to buy many books for each subject in addition to having to meet the expenses of physical facilities for the schools. Submissions therefore urged that Government should take steps to make the curriculum lighter without compromising the quality of education. We, however, learnt that the policy is very clear that each subject should have only one main text book, and other books should be stocked in libraries as reference books. In view of the multiplicity of textbooks required by schools for each subject, we recommend that the Ministry of Education ensures implementation of the policy on textbooks and clearly guides school communities on the one essential textbook for each subject and on important reference books to be maintained in school libraries. This will obviate the practice of schools giving too many titles to the parents which makes education much more expensive and not necessarily more qualitative.

Issues Affecting Teacher Competence

756. We recognise the important role that teachers will continue to play in facilitating the retention of students in schools and also in ensuring that they fully develop their talents. Submissions were made that the morale of teachers was generally low and that their status has been eroded greatly. This has hindered them from achieving their desired high levels of productivity. We were informed that factors highlighted in the following paragraphs contributed in one way or the other to the low morale and lower productivity in the teaching profession.

Inappropriate Selection Methods for Teacher Training

757. We learnt that at present selection of teacher trainees for primary, secondary and university teacher education courses is based on academic achievement only, thereby disregarding other personal characteristics and attitudes. Further, many applicants apply for teacher training not because they have a calling to be teachers but because they need employment. Such teachers quickly get frustrated or use teaching as a stepping stone to other careers. We were also informed that at primary teacher education level, the minimum requirement for admission for a P.I. course is a mean grade D+ at Kenya Certificate of Secondary Education (KCSE). Concern was expressed that due to high competition, some of the selected students
had scored as high as B+ at KCSE. It was stressed that the trainees with high grades end up as frustrated teachers, feeling that their high education qualifications were disregarded. We recommend that the Ministry of Education reviews teacher recruitment procedures at all levels to ensure that those selected for this noble career do not only have the required academic qualifications but also the personal attributes that go towards making a competent teacher. We further recommend that the Ministry of Education considers introducing primary diploma teacher education courses to enhance the quality of teaching at primary level and attract students with high qualifications.

Imbalances in Supply of Teachers

758. We were informed that the country is experiencing acute shortage of trained teachers, particularly in English, Mathematics and Science subjects in secondary schools. Consequently, performance in these subjects has been generally low. It was further submitted that some technical courses in secondary schools were facing artificial surplus of teachers arising from the small number of schools offering the subjects. We were also informed of existence of surplus teachers in humanity subjects like History. These occurrences lead to overloading where teachers are scarce and under-loading where they are surplus. Both are frustrating and demoralising leading to low productivity. To ensure that supply and demand of secondary teachers is systematically planned and projected, we recommend that the Ministry of Education ensures close co-ordination between public universities and itself and the Teachers Service Commission. On the issue of surplus technical teachers in secondary schools, we recommend that the Ministry of Education sensitises school committees on the need to provide the required facilities for technical subjects in view of the need for technical skills as a foundation for technological advancement.

759. We were informed of a persistent shortage of professionally trained teachers at the pre-primary level. Submissions were made on the efforts by the Government to alleviate the shortfalls, including increased inservice courses for the untrained teachers in partnership with stakeholders. However, as a follow up to our earlier recommendation that pre-primary units be established in all public primary schools, we recommend that the Teachers Service Commission employs all teachers in these units. This
will ensure that children in this formative period of development have enough professionally qualified and trained teachers.

760. Submissions were received that there is need for retraining all teachers to improve their professional competence in teaching. It is the view of the Committee that all discussions on teacher supply and demand should incorporate supply of in-serviced teachers in any one year. This will mean keeping records of in-service courses each teacher has attended. We therefore recommend that the Ministry of Education:

(a) Conducts in-service courses to improve the teachers' competence and confidence in teaching.

(b) Conducts in-service courses in managerial skills for all headteachers.

Teaching Load in Primary Schools

761. We received submissions to the effect that at primary school level teachers handle average classes of 50 students and teach a load of 8 periods per day. Further, the teachers teach all the subjects offered regardless of their competence. We have observed that quality primary education which is the foundation for further education and training is compromised by this nature of staffing. We recommend that the Ministry of Education reviews staffing norms in all schools with a view to enabling teachers handle subjects they are best qualified to teach. This will inculcate in them positive attitudes towards the subjects they teach hence better performance. On the large number of students per class, we further recommend that the Ministry of Education reviews the teacher-student ratio at primary and secondary school levels to give the teacher the ideal number of students and make education student-centred.

Teacher Trainer

762. Representations made revealed that the teacher trainer had not been accorded the attention deserved. It was submitted that opportunities for staff development were limited and that many of the trainers had stagnated in lower grades for several years because of a narrow establishment beyond Senior Lecturer level. We, observe, that a frustrated trainer is bound to produce frustrated teachers. We therefore recommend that the Ministry of Education ensures that all teacher trainers are exposed to staff
development programmes to enhance their competence. We also received a proposal that trainers enter the Service at Job Group L. In view of the recently raised entry grade of graduate trained teachers to Job Group K, we further **recommend** that the Ministry Education reviews the minimum entry point for teacher trainers with a view to attracting and retaining experienced and competent teachers. On the title "Principal" of a teachers college, we received a proposal that the title "Principal" of a teachers college be changed to "Director". It was basically argued that since teacher training colleges were post secondary school institutions, they should be accorded higher status than the institutions from which their trainees are drawn. We were not convinced that there was need for this change unless such a change is harmonised with Ministry of Education titles and also with the Civil Service in general and is preceded by a job analysis and evaluation as recommended in Chapter 9 on the Grading System in the Civil Service.

**Special Education**

763. Submissions made expressed concern that Special Education has not received the desired attention in the teacher education curriculum. We were informed that Special Education enables teachers help students with special learning needs to become as productive and independent as possible. We also learnt that Special Education, which caters for the gifted and talented students as well as those with disabilities, such as being emotionally disturbed or having multiple handicaps has been given special mention in the current Development Plan. It is our view that identification and development of gifts and talents of students has to take place at all levels of education and in training institutions. The Committee **recommends** that the Ministry of Education introduces Special Education as an important component of teacher education curriculum to give all teachers the basic skills required to help students with special learning needs to be more productive. We further **recommend** that the Ministry of Education ensures without further delay the implementation of the accepted policy on the development of specially gifted and talented children/persons stated in the *Sessional Paper No. 6 of 1988*. 

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Teachers Welfare

764. We received submissions expressing concern that the welfare of teachers was not being addressed keenly. Examples were given to the effect that most teachers worked away from towns and trading centres and, therefore, faced difficulties which included lack of clean water, good housing, medical and shopping facilities. It was felt that teachers were not adequately compensated for all these problems; which resulted in declining morale. We are convinced that teachers must be positively motivated if they are to develop positive attitudes and values amongst the youth placed under their care. The Committee recommends that the Ministry of Education addresses seriously the conditions under which teachers work with a view to laying effective strategies to involve school communities in the improvement of the welfare of teachers.

Gender Balance in Teaching Service

765. We received submissions that in 1995 there were 13,582 female secondary school teachers against 27,902 male teachers. At primary school level, there were 109,303 male teachers against 72,672 female teachers in the same year. We were informed that the number of female students taking science/technical courses at tertiary level had remained small. These statistics are not encouraging on the side of female teachers. In the current Development Plan at paragraph 6.3.3 it is stated that "Gender imbalances at secondary and tertiary levels are also an area of critical concern." The Committee was informed that the Government had taken intervention measures which included focusing girls secondary schools in the provision of science equipment to increase their competence in science subjects. We understand that the selection for teacher training is also gender sensitive. While appreciating the Government's efforts, in promoting the participation of girls in science/technical courses, the Committee recommends that the Ministry of Education intensifies intervention measures to encourage the participation of female students in science/technical courses at secondary and tertiary levels.

Administration, Supervision and Management of Education

766. We received representations that education administrators and supervisors in the Civil Service, have changed their roles to the extent that
they are no longer general officers. They are now in-charge of education programmes with targets to achieve. Further, these officers are called upon to provide professional advice to highly specialised institutions and organisations. In this regard, it was proposed that the title "Education Officer" be changed to "Programme Officer" and that the same continues up to Director of Education whose proposed title is "Director General for Education Services." It was also proposed that the administrative services in the Ministry adopts the title "Director" instead of Deputy Secretary and that the title "Head of" Personnel, Accounts and Supplies divisions replaces the title "Principal". Submissions also proposed that the Permanent Secretary be suitably upgraded while the Director of Education moves to Job Group S and the rest of the cadre be aligned accordingly. The grading and terms and conditions of service for Permanent Secretaries are dealt with in Chapter 25 on Permanent Secretaries. With respect to the post of Director of Education, the Committee has already recommended at paragraph 327 of Chapter 9 on Grading System in the Civil Service that it be upgraded to Job Group S. With regard to the rest of the proposals, we have already made our views known in elsewhere in this Chapter as well as in paragraph 342 of Chapter 9.

767. We were also informed that there were certain heads of schools and colleges who were graded as Chief Principal, Job Group R, which was not only at the same level with the grade of Director of Education, but was also higher than that of the Provincial Director of Education, graded at Job Group P and who supervised all schools and colleges in the province. We were told that this grading system hindered mobility, for example, from being a headteacher to an education administrator at the Provincial Director of Education level. More importantly, the essence of supervision was lost. We have already made recommendations on this matter in Chapter 9 on Grading System in the Civil Service.

768. The Committee appreciates the Government’s recognition of having education properly managed in the country as demonstrated by the recent establishment of National Advisory Education Board and Provincial Education Boards. We were informed that the Education Act is in the process of being reviewed and will, among other things, provide for formal recognition of Parents-Teachers Associations. This is most appropriate as the Associations have a key role to play in the funding of various services and activities in schools. Submissions revealed that
schools have dilapidated buildings and face acute shortage of equipment, especially science laboratory equipment. The Committee recommends that following the enhanced management of education at provincial level, the Ministry of Education rationalises all levies charged in public primary and secondary schools in each province as a matter of urgency with a view to reducing the cost of education and making it affordable to most households. We further recommend that the Education Boards sensitise school communities on the need to provide adequate physical facilities and equipment required to realise quality education.

Teachers Service Commission

769. The Teachers Service Commission is established under the Teachers Service Commission Act, Cap. 216. The functions of this Commission include:

- registration of teachers for public and private schools;
- deployment of teachers in public schools in order to maintain a teachers service that is adequate to the needs of these schools;
- remuneration, promotion, transfer and discipline of teachers in public schools; and,
- keeping under review the standards of education, training and fitness to teach appropriate to persons entering the teaching service.

770. Concern was expressed about the grading of the Teachers Service Commission as a parastatal in category F, which was considered too low relative to the heavy responsibilities placed on it. These include management of the current 241,497 employees and overseeing expenditures of an annual budget of approximately KShs.24 billion. It was further submitted that the Commission should be viewed not just on the basis of the large volume of work handled, but also in terms of the service rendered and its usefulness. We were informed that with the current level of salaries for the Secretariat, the Commission encounters difficulties in attracting and retaining teachers and other civil servants for employment by the Commission. It was, accordingly, proposed that the Commission be appropriately graded. This Committee concurs with this proposal and recommends that the Ministry of Education reviews the
status of the Teachers Service Commission with a view to facilitating its regrading and enhancement of its Secretariat's remuneration package to attract competent and qualified professionals.

771. In Chapter 25, we have recommended special salaries and allowances for Permanent Secretaries. This has implications for the remuneration structure for the Chairman, Deputy Chairman, Secretary and Members of the Teachers Service Commission. In this regard, we recommend that the Chairman, Deputy Chairman, Secretary and Members of the Teachers Service Commission be paid new salaries as shown in Conversion Tables TSC 1, TSC 2 and TSC 3.
CONVERSION TABLE  TSC 1

CHAIRMAN, TEACHERS SERVICE COMMISSION

Present Salary Scale (Job Group S)

Recommended Salary Scale (TSC 1)

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<thead>
<tr>
<th>Present Salary</th>
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<td>17,673</td>
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<td>18,138</td>
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**CONVERSION TABLE TSC 2**

1. **SECRETARY, TEACHERS SERVICE COMMISSION**

2. **DEPUTY CHAIRMAN, TEACHERS SERVICE COMMISSION**

Present Salary Scale

Secretary (Job Group S)


Deputy Chairman (Job Group R plus 4 increments)

K£ 12,909 x 369 - 13,278 x 414 - 14,106 p.a.

Recommended Salary Scale (TSC 2)

K£ 38,790 x 2,361 - 50,595 x 3,036 - 53,631

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<tr>
<th>Present Salary</th>
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### CONVERSION TABLE  TSC 3

**MEMBERS, TEACHERS SERVICE COMMISSION**

Present Salary Scale (Job Group R)

Kf. 11,469 x 333 - 11,802 x 369 - 13,278 x 414 - 14,106 p.a.

Recommended Salary Scale TSC 3

Kf. 31,278 x 748 - 32,754 x 411 - 33,165 x 1,875 - 38,790 p.a.

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We further recommend that the Chairman, Deputy Chairman and Secretary, Teachers Service Commission be entitled to the same allowances and fringe benefits recommended for Permanent Secretaries.

**Registration of Teachers**

772. We were informed that in accordance with section 7 of the Teachers Service Commission Act, any person who intended to become a teacher in a public or private school was required to register with the
Commission but that this requirement was not being enforced because of lack of an established machinery for that purpose. The Committee recommends that the Teachers Service Commission establishes an appropriate machinery to ensure that any person teaching in any public or private school is registered with the Commission.

Delegation of Powers and Functions

773. We received representations that the Teachers Service Commission Act authorises by the Teachers Service Commission to delegate its powers, and that these powers have been delegated to the agents who include Provincial Directors of Education, District Education Officers and Boards of Governors. It was, however, submitted to us that these officers were not issued with any letters of appointment as agents and that this results in ambiguity as to their functions. The Committee recommends that the appointment of Teachers Service Commission agents be formalised by issuing them with letters outlining the delegated functions.

774. We were also informed that teachers flock to the Commission’s offices in Nairobi to pursue personal matters affecting them. This practice not only eats into the teachers’ limited income but also wastes valuable teaching time besides overworking the Commission’s Secretariat. Accordingly, we recommend that the Teachers Service Commission decentralizes its services to the field.

Grading and Remuneration of Teachers

775. We were informed that so far as remuneration is concerned, teachers have been treated as civil servants. This is evidenced by the fact that past Civil Service salary reviews have included the Teaching Service, the latest one being the Civil Service Salaries Review Committee of 1990-91. We were further informed that the teachers grading and salary structure together with their terminal benefits and allowances follow the Civil Service system. In order to enhance the status of trained graduate teachers, the government raised their entry grade from Job Group J to K with effect from July 1996. We hold the view that the Government has overall responsibility of ensuring the well being of teachers. It is from this premise that we decided to include teachers in the current review of Civil Service salaries.
Conclusion

776. It is our view that the direction that education takes in the next two decades will play a critical role in determining the rate at which the country develops. Education has, therefore, to lay the foundation for acquisition of skills which will enable realisation of the nation’s development goals. Above all, education is expected to inculcate in the youth and the Kenyan society in general a modern culture as well as positive attitudes and values.
CHAPTER 23 - THE LOCAL GOVERNMENT SERVICE

Introduction

777. Local authorities are agents of the Central Government to facilitate participation of the people at the local level in the policy making machinery of their Government. The participation is through regular elections during which the people elect their representatives to local councils. In addition to the elected councillors, the Government nominates additional councillors to bolster the quality of the productivity of respective councils. As the Ndegwa Commission aptly noted, local authorities serve as a voice of the local communities to the Government and also of the Government to the communities. We agree with the observation made by the Commission that equally important is the recognition by Government that some of its functions can be better performed at the local authority level on agency basis. We have noted the policy statement in the Sixth National Development Plan, 1989-1993, that local authorities are an essential extension of the Central Government administrative set-up in providing the necessary infrastructure and delivery of services and in the Seventh National Development Plan, 1994-1996, which reiterates the importance of local councils in participatory democracy.

778. We have further noted that the Eighth National Development Plan, 1997-2001 recognises the critical role which local authorities play in promoting and facilitating conducive environment for rapid development and which states, inter alia, that local authorities will be expected to develop realistic policies with respect to taxation, licensing and pricing of urban services. The vision of the Plan is that local authorities will contribute to the success of industrialisation, especially by facilitating effective development and maintenance of urban infrastructure; sound urban planning and land management; and, efficient and effective provision and management of urban services.

779. There are currently 155 local authorities in Kenya, of which one is a city, 36 are classified as municipal councils, 35 as town councils, 26 as urban councils and 58 as county councils.
Legal Framework

780. The local government system in Kenya operates under the Local Government Act, Cap. 265 of the Laws of Kenya, which was enacted in 1978. Our inquiry revealed that prior to the enactment of the law, the system operated under Local Government Regulations. The first comprehensive regulations in post-colonial era were published under Legal Notice No.256 of 1963. These regulations underwent several changes through substantive amendments and also through subsidiary legislation before finally being translated into the Local Government Act. We have noted that the Act has not remained static as several significant revisions have been made in an attempt to streamline the operations of local authorities.

781. We did, however, receive representations that unlike other Acts of Parliament which undergo scrutiny before being enacted or amended as necessary, the Local Government Act appears not to have been adequately evaluated before translation of the regulations into an Act of Parliament. It is considered that this is one of the major causes of the problems confronting the Ministry of Local Government in the application of the Act. The representations also decried piecemeal amendments to the Act, which did not address contentious issues. Arising from the foregoing, we recommend that the Office of the Attorney-General and Ministry of Local Government urgently review the Local Government Act, Cap. 265, with a view to introducing comprehensive amendments to allow the law to cope with the desired development and the needs of the Local Government Service.

782. With regard to the Constitution of Kenya, we have noted that although it does not provide for the creation, composition and functioning of local authorities, it makes several specific references to them. First, section 123 (1) defines what constitutes a local authority. Second, section 424 vests the responsibility of the supervision of local government elections in the Electoral Commission. Third, section 107 makes provision for the appointment of persons to hold office or act in the service of local authorities. Fourth, sections 114 to 117 make elaborate provisions in respect of the powers of county councils over trust land.
Structure and Organisation

783. At the apex of the Local Government Service is the Minister for Local Government who administers the Act and is answerable to the National Assembly for the conduct of the local authorities. In this regard, the Act confers on the Minister the responsibility of ensuring that local authorities adhere to the rules and regulations provided for under the Act. He is also responsible for nominating councillors to sit in local councils. Further, the Minister is empowered under the law to dissolve councils and appoint commissions to run them. He also approves council decisions on expenditures and revenues and appoints inspectors to conduct extraordinary inspections and audit of the accounts or records of any local authority. Thereafter, he may institute sanctions against those who contravene financial regulations. He may also order reduction in contribution of grants payable to any local council by the Central Government if he is convinced that such a council is wasteful or extravagant.

784. The Committee notes that the Minister is, by the powers vested in him by the Local Government Act, responsible in all aspects of the management of local councils. The law grants him executive role and responsibility in exercise of which he determines the success or failure of policies of local councils throughout the country. In this respect, the Committee received representations that the law has concentrated too much power in the Minister over the operations of local councils and that the Act ought to be amended in order to separate policy and political issues from management and administrative functions of the Ministry. After careful scrutiny of the issues involved, we agree that the call for the revision of the law to streamline the management of local authorities has merit and hence should be acted upon.

785. We received representations that the procedure involved in processing requests from local authorities was cumbersome and that as a result decisions took very long to be taken on numerous important issues. The representations also revealed that delay in decision-making adversely affected delivery of services by the local authorities to the public.

786. We are aware that in May 1995, the Government appointed a Commission of Inquiry on Local Authorities in Kenya under the
chairmanship of Dr. William Odongo Omamo and the Commission submitted its report in December of the same year for consideration by the Government. We believe that the Commission had adequate time and resources to deal with the subject comprehensively. We are, therefore, hesitant to make in-depth recommendations on the matter in this Report. However, we wish to reiterate that the solution to the problems facing the local authorities in delivering services as expected of them principally lies in overhauling the Local Government Act.

Revenue and Expenditure in Local Authorities

787. The major sources of revenue for local authorities include taxes, loans and grants. In respect to taxes, the main sources of revenues varies but largely encompass land rates; service charge; licences and fees; charges on water; rentals on houses; produce cess; and, royalties. Local authorities also raise revenue for large development projects from the Local Government Loans Authority, National Housing Corporation, Housing Finance Company of Kenya and the Central Government.

788. We received representations that local authorities have a limited financial base to cope with the ever expanding demand for services. Arguments were advanced that the local authorities financial base should be expanded to include sharing of the proceeds from the fuel levy with the Central Government. The reason for this line of thought appears to emanate from the perception that urban centres have numerous motor vehicles which use roads maintained by the local authorities and that the funds collected from the levy should be shared proportionately between the Central Government and local authorities for maintenance of these roads.

789. The Committee received further representations that resource constraints, especially finances have considerably affected the operations of local authorities. It was suggested that the Central Government should consider sharing with local authorities revenues received from diverse sources such as game park gate collections, mineral and forest royalties and licences. Despite the clamouring for expanded revenue base by local authorities, there have been incessant complaints regarding inadequate services, dilapidated basic infrastructure, laxity in revenue collection as a result of diversion of available revenue by councils to other areas. This
misapplication of funds has largely resulted in the inability of local authorities to provide adequate services to their communities. This has further hampered investment and employment creation within local areas both in the urban centres and rural localities.

790. Data from the Economic Survey, 1996 reveals that municipalities registered 25 per cent decline in expenditure whereas urban, towns and county councils recorded a significant growth of 85 per cent in expenditure. This was attributed to lower capital formation in the municipalities and an increased number of new county councils resulting from the creation of new administrative units. However, total expenditure on the main services was projected to fall from KShs.10.7 billion in 1994/95 to KShs. 8 billion in 1995/96. Analysis of expenditure shows that labour costs increased from 22.7 per cent in 1991/92 to 37.1 per cent in 1995/96. But gross fixed capital formation declined from 60 per cent in 1991/92 to 37.1 per cent in 1995/96.

791. Overall analysis of revenues and expenditures for town, urban and county councils shows that labour costs and provision of services remained the main items of expenditure constituting 94 per cent of the total annual recurrent expenditure. However, indirect taxes, income from property and sale of services constituted 86 per cent of the annual revenue collected in 1995/96 fiscal year. The data further shows deficit financing of KShs.1.2 billion in 1991/92, KShs.560 million in 1992/93, KShs.460 million in 1993/94, KShs.3.8 billion 1994/95 and KShs.1.2 billion in 1995/96, respectively. The analysis further reveals that local authorities were not in a position to provide essential services, including maintenance of infrastructure, due to inadequacy of enabling funds. We believe that the Omamo Commission has addressed the question of resource base, its management and application of revenues realised.

Quality of Councillors

792. We note that local authorities are expected to provide quality services to local communities. The policy to determine the types of service to be provided lies with the councillors while the chief officers are expected to implement the decisions of their councils. Representations made to the Committee revealed that most councillors do not have clear knowledge of what their roles are, and even if they did, their level of
literacy precludes them from following the deliberations of their councils meaningfully. As a result, council meetings have almost invariably been transformed into acrimonious assemblies rather than a platform where peoples' needs are articulated, soberly discussed and solutions to their problems found. Furthermore, the representations revealed that because of ignorance of what their role is or should be and on the basis of unrealistic promises made to the electorate, councillors tended to interfere in the management of council affairs. Chief officers, therefore, worked under extreme difficulties and pressures in the performance of their duties.

793. After consideration of the representations made to the Committee on the low level of education of the councillors, we feel strongly that the education qualifications for elections as councillor be raised. We are of the view that because of the crucial role which local authorities play in the provision of services to their local communities, we recommend that the minimum qualification for persons seeking election to local councils be raised to Form Four level of education to enable the elected and nominated councillors follow and participate intelligently in council deliberations.

Terms and Conditions of Service

794. The terms and conditions of service of unionisable staff employed by local authorities are determined through collective bargaining agreements as provided for under the Trade Disputes Act, Cap. 234. The negotiations take place under the auspices of the National Joint Negotiating Council with representation from the Kenya Local Government Workers Union, the Association of Local Government Employers of Kenya and in consultation with the Ministry of Local Government.

795. We were informed that all local authorities employees are unionisable. Personnel matters of employees in salary scales 1 to 9 are handled by the Public Service Commission whereas those of employees in salary scales 10 to 20 are handled by the local authorities themselves under delegated powers from the Public Service Commission. We were told that in order to motivate and promote career development, a job evaluation exercise was done in collaboration with the Ministry of Local Government, Directorate of Personnel Management, Public Service
Commission and Federation of Kenya Employers which culminated in formulation of schemes of service for various cadres. The schemes of service will in due course be submitted to the Industrial Court of Kenya for registration before implementation. The Committee notes that the tripartite labour relations existing between and among the parties has enhanced and sustained industrial harmony in the Local Government Service.

Housing Development

796. On the issue of housing, the Employment Act Cap. 226 states that every employer shall at all times and at his expense provide reasonable housing accommodation to all his employees or shall pay to the employees reasonable housing allowance in lieu of housing. In case of local authorities, the provision of housing is provided for in the current Collective Bargaining Agreement under clause 10 which grants a housing allowance of between KShs. 5,300 and KShs. 900 for employees in salary scales 1 to 3 and 20, respectively. In addition, Local Authorities provide rental and institutional houses for their employees including the general public at subsidised rents prevailing in any local authority. In this connection local authorities augment Central Government efforts in providing shelter for public servants, the private sector and the general public. Regrettably, most of these local authorities are unable to play this important role due to lack of funds and management capacity.

797. The Committee notes that the majority of civil servants are deployed in urban areas where the demand for houses has outstripped supply of housing stock pushing rents upwards and making them unaffordable. In addition, the disposal of Government houses and plots has compounded the housing shortage in the market, thereby contributing to increases in rents. We, therefore, recommend that local authorities rent out their houses, other buildings and facilities at market rates in line with the recommendations made in Chapter 18 on Housing and Office Accommodation of this report.

Infrastructure

798. Provision of physical infrastructure, energy, transport and communications, water and proper land utilisation are crucial components
for industrialisation by the year 2020. The development and maintenance of these facilities on a sustainable basis will largely determine the success of economic development stimulated by increased investment. We were told that the poor conditions of roads, uncollected garbage, irregular acquisition of public land and poor maintenance of public utilities are inimical to the promotion of investments and industrialisation. In this regard, the Committee recommends that local authorities co-ordinate their infrastructural programmes with those of the Government to enable them to access technical support.

Physical Planning

799. Proper physical planning means comprehensive urban and rural development strategy indicating present and future plans for infrastructure such as roads, railway lines, water supply, energy, industry, housing and commercial buildings, markets and other social amenities. We have noted that development of most urban councils has not been well organised and this has led to haphazard and unplanned settlements, over-concentration of business in central districts and the industrial areas, resulting in unplanned infrastructural facilities. The Committee, therefore, recommends that there be close co-ordination between the Physical Planning Department in the Ministry of Lands and Settlement and local authorities to facilitate short and long-term orderly development of urban areas and rural centres as provided in the Physical Planning Act, 1996. The planning and location of such developments should be environment friendly.

Personal Emolument Versus Operation and Maintenance

800. The Committee received representations to the effect that the majority of the local authorities in the country have been spending on average 80 per cent of their total annual recurrent budget on personal emoluments. By implication, this leaves only 20 per cent of the budgeted revenue for operations and maintenance. This lopsided situation is attributed to overstaffing especially in the lower and semi-skilled cadres. We recommend that the imbalance between allocations for personal emoluments and those for operations and maintenance be addressed without delay.
Future Role of Local Authorities

801. Local authorities will continue to be part and parcel of Kenya’s system of Government and management of local communities. However, the local authorities will not discharge their functions effectively if the councils do not, as a matter of urgency, take stock of the type and quality of personnel they have. Furthermore, it will be necessary to train and deploy the staff appropriately, reward and motivate them with a view to having them retained in the service. In this regard they have to find a way of strengthening their capacity to generate and manage financial and human resources. The Committee is of the view that details on most of these matters have been addressed in the Omamo report and, therefore, would urge the Government to urgently consider that report for implementation as appropriate.
CHAPTER 24 - OFFICE OF THE PERMANENT SECRETARY, SECRETARY TO THE CABINET AND HEAD OF THE PUBLIC SERVICE

802. Elsewhere in this Report, we have made a series of recommendations on how the productive capacity of the Civil Service can be enhanced through the rationalisation of Government functions and organisational structures, through the injection of modern management principles and techniques and through sustained training and capacity building. We have also underscored the need for an elaborate and well-defined system of co-ordinating Government business both at the ministerial and field administration levels. In this Chapter, we revisit the co-ordination function by focusing on the one public office in our Government whose role in the co-ordination and supervision of diverse elements of the public service delivery system is of critical importance: this is the Office of the Permanent Secretary to the Office of the President, the holder of which is also the Secretary to the Cabinet and Head of the Public Service. Specifically, we examine the duties and responsibilities attached to the office, its organisational structure and staffing as well as the remuneration package attached to it.

Duties and Responsibilities

803. Under our system of government which is based on the doctrine of separation of powers between the Executive, Legislative and Judicial arms as provided for in the Kenya Constitution, the President is both the Head of State and Head of Government. In these capacities, the President is assisted by a Cabinet of Ministers and the Civil Service. The Permanent Secretary to the Presidency serves as Secretary to the Cabinet and as Head of the Public Service including the Civil Service.

804. The office of the Permanent Secretary to the Presidency, which is established under Section 22(2) of the Kenya Constitution, is responsible for the management of the Office of the President. It also has supervisory jurisdiction over the Department of Defence. More recently, the office has acquired additional responsibilities upon the appointment of the holder to be Secretary to the Presidential Economic Commission. The holder is also responsible for the organisation of various Government and state functions in which the President is involved both within and outside the
country. The holder’s duties also include the preparation of Presidential speeches and statements, the transmission and follow-up of major decisions, directives and pronouncements emanating from the Government generally and from the President in particular.

805. In his capacity as Secretary to the Cabinet, the holder of the office of Permanent Secretary to the Presidency is responsible for the coordination of Cabinet business, ranging from ensuring proper and timely preparation of Cabinet papers by ministries, their dissemination and deliberation, to the preparation of minutes and conveyance of decisions and, finally, to the follow-up and monitoring of implementation of Government decisions. This way he forms a vital link between the President and the Cabinet on one hand and between the Cabinet and the Civil Service on the other. Although under our ministerial system which is founded on the concept of functional portfolios, the responsibility for the actual preparation of Cabinet papers rests with individual ministries, the Secretary to the Cabinet has a pivotal role to play in ensuring that policy recommendations by ministries are properly co-ordinated and harmonised to avoid divergence or potential contradictions. This he does by facilitating maximum consultation between ministries to ascertain that any Cabinet business originating from one ministry is in accord with the broader Government policies and overall national objectives. Implicitly, therefore, the Secretary to the Cabinet is expected to be thoroughly informed on all policy processes taking place in the Government at all times. The holder of the office is also responsible for organising the swearing-in of Ministers and Assistant Ministers and for their welfare in terms of housing, transport and personal staff.

806. As we have already mentioned, the Permanent Secretary to the Presidency is also the Head of the Public Service. This title has a history to it. At independence, when the Civil Service was small and constituted the mainstream Government machinery, the Permanent Secretary to the Office of the President was designated "Permanent Secretary, Office of the President and Head of the Civil Service." In later years, however, as the Government intensified its participation in directly productive activities in the economy through statutory bodies and parastatal organisations, the public service system greatly expanded in size and functions and, with these, the need for commensurate supervisory and co-ordinative mechanisms. The parastatal organisations grew in number from 24 in
1970 to over 150 in 1993. Employment in the Civil Service and in the Teaching Service grew from 109,000 in 1970 to over 500,000 in 1993 while the number of ministries increased from 22 in 1970 to 35 in 1988 before coming down to 22 in 1993.

807. In the wake of these developments, the scope of the co-ordinative role of the Permanent Secretary to the Presidency progressively widened. He was now expected to oversee not only a greatly enlarged Civil Service but also a galaxy of diverse parastatal organisations mainly funded from the Exchequer. Thus, apart from general co-ordination of the work of ministries and chairing meetings of Permanent Secretaries, he was also responsible for general oversight of the expanded public service, mainly by way of policy guidance and preventive supervision. The then Inspectorate of Statutory Boards, the department which assisted the Permanent Secretary to the Presidency to oversee the parastatal sector, also expanded and later changed its name to Inspectorate of State Corporations upon the passage of the State Corporations Act, Cap. 446 in 1986. In 1991 a new post of Permanent Secretary in charge of State Corporations, Relief and Rehabilitation was created. The holder of this post is responsible to the Head of the Public Service for general oversight of state corporations. In the face of all these changes, the post of Permanent Secretary to the Presidency was redesignated "Permanent Secretary, Secretary to the Cabinet and Head of the Public Service."

808. Prior to our appointment, the status of this important post had been the subject of comment by previous Civil Service reviews. The Ndegwa Commission 1970-71, commenting in its report on the matter, stated:

"It is beyond question that the duties and responsibilities of the post are very great and that its holder has an onerous burden to carry. Apart from the President and Ministers this is probably the most important and exacting appointment in the country."

809. The Waruhiu Committee, 1979-80 reinforced these sentiments and went further to recommend that the title of the post be changed to Chief Secretary so as to distinguish it from all other posts in the Civil Service including those of other Permanent Secretaries. Similarly, the Ramatu Committee, 1985 highlighted the status of this post thus:
"One of the offices which has considerably expanded in responsibilities is that of the Chief Secretary who is also Head of the Public Service and Secretary to the Cabinet. The office is responsible for co-ordination of the operations of Government ministries and departments and the implementation of general Government policies and directives. It is also responsible for the implementation of the District Focus Strategy for Rural Development. The implementation of general policy for parastatal organizations in addition to other public bodies also falls under this office".

810. Five years later the Mbithi Committee, 1990-1991, made observations on this subject as follows:

"The Committee received representations that a special allowance should be paid to the Permanent Secretary, Secretary to the Cabinet and Head of the Public Service in view of the increasingly heavy responsibilities of the office. We received evidence and representations that since the last review in 1985, the duties of this office have continued to increase due to the expansion in government business and the attendant demands."

811. In our own inquiry we have noted that the duties of the post are not only on perpetual expansion but will continue to be under pressure, given the very fundamental changes that have taken place in the country since 1991 and the daunting challenges ahead. Indeed, we were informed that apart from the expected expansion, the pressure on the office also stems from management weaknesses in ministries. It was explained to us that when Permanent Secretaries and other senior managers are unable or reluctant to make decisions, or when they are lax in policy implementation, they pass the buck, and with it the blame, to the Office of the President. Indeed, the virus seems to have spread to the lower echelons of the Service where junior officers conceal extraneous interests or their incompetence by invoking directives from "higher authorities".

812. We noted that this matter received serious deliberation at the management seminar for Permanent Secretaries, Provincial Commissioners and Heads of Department held at the Kenya Institute of Administration in May 1986 at which the President himself decried the practice. In view of the fact that this unsatisfactory state of affairs has not only persisted but
has also spread far and wide, we wish to reiterate the recommendations we have made elsewhere in this Report that a firm and unambiguous directive be issued to the Service spelling out the proper relationships between the Office of the President and other ministries. We also reaffirm that Civil Service managers should adopt management practices which allow decisions to be taken at the lowest competent levels and that assignment of responsibilities should be accompanied by appropriate levels of authority and accountability. In our view, these will ease the burden on the Head of the Public Service.

813. The Committee also noted that in the past, the Office of the President has had in its docket certain organisations which could otherwise be placed under other portfolios. The Committee considers that while it is clearly beneficial for certain fledgling initiatives to be nurtured under the Office of the President for a limited period, it would be prudent to ensure that these initiatives and projects are progressively weaned so as to release the energies of that office to jobs it is best suited to do. It would be particularly beneficial if the Permanent Secretary to the Presidency could be shielded from routine administrative work which would detract him from staying focused on the big picture and thus render efficient service to the President and the Government.

Organisational Structure

814. The Permanent Secretary, Secretary to the Cabinet and Head of the Public Service currently has a team of supporting staff who man the various Departments falling under his office. The complement includes administrators, economists, press officers and a host of auxiliary personnel. As far as we were able to gauge, the duties of this supporting team are largely confined to routine administrative matters and, to a lesser extent, to giving specialised expert advice on broad policy matters. Having regard to the daunting responsibilities bestowed on this office, we strongly believe that a restructuring of the office is called for in two ways.

815. Firstly, the status of the office of the Permanent Secretary to the Presidency, and the overall supervisory role it plays, demand that the office should be manned by the very best officers that the Civil Service can muster and that there should be a mix of high fliers, professionals and specialists who not only get things done but also provide sound and
credible advice on all matters that come under the purview of the Permanent Secretary to the Presidency. Secondly, the team should be graded at a level that enables the officers to interact confidently with their counterparts in the rest of the Civil Service, especially at levels where directives are to be issued. Indeed, we feel that the team should be of such seniority as to command the respect of all those they have to work with, seniors and juniors alike.

816. We stated in paragraph 809 that the Waruhiu Committee recommended that for purposes of clarity and simplicity, the designation of the post of Permanent Secretary, Secretary to the Cabinet and Head of the Civil Service be changed to Chief Secretary. The concern at that time was that the title was too long and tended to reflect the functions of the post rather than its ranking. Although the proposed change was effected upon the acceptance of the Waruhiu Committee's recommendation, the redesignation was subsequently rescinded and the post reverted to its present title. This Committee has received evidence to the effect that apart from the perceived need for simplicity and clarity, there were other reasons to justify the redesignation. We were told that firstly, the current title is a misnomer in the sense that it is at variance with the one provided in the Kenya Constitution. Section 22 (2) states that "There shall be a Permanent Secretary to the Office of the President." The Section makes no reference to the combination of the post with the headship of the public service and the secretaryship to the Cabinet. Secondly, the current title, in as much as it includes the term "Permanent Secretary" creates the erroneous impression that the holder is one among equals and this potentially undermines the holder's supervisory authority over other Permanent Secretaries. It was also pointed out to us that the current assignment of four other Permanent Secretaries to the Office of the President created confusion in the minds of people not well acquainted with job titles in the Civil Service. A number of suggestions to resolve the matter were made, the main ones being either to restore the title of Chief Secretary as recommended by the Waruhiu Committee, or to simplify and reduce the title to "Secretary to the Cabinet", always on the understanding that the holder of the post is simultaneously the Permanent Secretary to the Office of the President and Head of the Public Service.

817. In Chapter 25, we have recommended a new modus operandi for Permanent Secretaries which involves the setting of specific numerical and
qualitative indicators of operational and financial performance, reinforced with performance-related pay. We have also recommended a redefinition of the relationships between Permanent Secretaries and their Ministers; between Permanent Secretaries and the Office of the President; and, between the Permanent Secretaries and the Ministry of Finance. In order for this new management approach to be effective, it is important that the co-ordinative role and status of the Permanent Secretary, Secretary to the Cabinet and Head of the Public Service be reaffirmed without any ambiguities as to the proper chain of command. In view of this, and in consideration of the arguments presented in paragraph 816 above, we recommend that the designation of the Office of the Permanent Secretary, Secretary to the Cabinet and Head of the Public Service be changed to Chief Secretary.

818. It was also represented to us that consequential to the restoration of the title of Chief Secretary, there was need to redesignate the number two position in that office. Currently, the principal and immediate assistant to the Permanent Secretary, Secretary to the Cabinet and Head of the Public Service is the Principal Administrative Secretary who also doubles as Assistant Secretary to the Cabinet. In these two roles, the holder interacts intensely with Permanent Secretaries and also with Cabinet Ministers. Having regard to these considerations and bearing in mind that the post of Principal Administrative Secretary is currently graded at the same level as that of Permanent Secretary, we recommend that the post of Principal Administrative Secretary/Assistant Secretary to the Cabinet be redesignated to Permanent Secretary. We further recommend that as far as the Cabinet function is concerned, the post of Assistant Secretary to the Cabinet be redesignated as "Deputy Secretary to the Cabinet" and that the holder be sworn-in as such. These recommendations, together with those affecting other supporting staff of the office of the Permanent Secretary, Secretary to the Cabinet and Head of the Public Service are summarised as follows:

(a) The title "Permanent Secretary, Secretary to the Cabinet and Head of the Public Service" be changed to "Chief Secretary."

(b) The current post of Principal Administrative Secretary be redesignated "Permanent Secretary" and that a new post of "Deputy Secretary to the Cabinet" be created to be held by
the aforementioned Permanent Secretary.

(c) The current post of Deputy Secretary (Cabinet Secretariat) be upgraded and redesignated "Principal Administrative Secretary" and that its functions include being Assistant Secretary to the Cabinet.

(d) The current post of Deputy Secretary (Defence) be upgraded and redesignated "Principal Administrative Secretary".

(e) The recent upgrading of the post of Chief Economist to "Economic Secretary" be retained.

Remuneration

819. In the preceding paragraphs, we have given a profile of the office of the Permanent Secretary, Secretary to the Cabinet and Head of the Public Service and, by any standards, the responsibility shouldered by the office is of a magnitude that puts severe limitations to the personal life of the holder. In this section, therefore, we evaluate the remuneration package assigned to the post and recommend what changes appear justified.

820. We have in Chapter 25 discussed the position of Permanent Secretary in a ministry and have recommended that remuneration for the post be delinked from the mainstream Civil Service pay structure by creating a separate remuneration package and removing the post from the normal Civil Service grading structure which starts at Job Group "A" and ends at Job Group "S". We have also recommended that holders of the post of Permanent Secretary should be removed from the permanent and pensionable service to that of a three-year contract renewable subject to satisfactory performance. We have, therefore, recommended a remuneration package which considers a Permanent Secretary as a chief executive of an organisation which has clearly defined targets to be achieved over a specified period. In setting up the remuneration package for Permanent Secretaries, we have considered what chief executives earn in both the private sector as well as the parastatal sector. In this regard, we have noted that at the moment the Permanent Secretary ranks very low among chief executives in terms of remuneration. We have, therefore, recommended that their pay package be closely related to that obtaining in the private sector.
821. Since the Head of the Public Service is the co-ordinator of all Permanent Secretaries in addition to being the chief executive of an important office in the land, the Cabinet Office, his remuneration package should therefore reflect the status of that office. We have also considered that the Head of the Public Service has, among other functions, the role of being the chief advisor to the President in the performance appraisal of Permanent Secretaries. He is, therefore, a person to whom the Permanent Secretaries look to for advice and guidance on Government policy issues for which they are responsible at the operational level.

822. Arising from the foregoing, we have made the following recommendations on the remuneration package for the post of Permanent Secretary, Secretary to the Cabinet and Head of the Public Service, now recommended to be redesignated "Chief Secretary":

(a) **Salary**
The Committee recommends a salary that considers the relative positions of Chairman, Public Service Commission; Controller and Auditor General; Clerk of the National Assembly; and, Permanent Secretaries. The salary also takes into account the present salary of the Chief Justice and salaries of chief executives of state corporations. In all cases of chief executives in parastatals and private sector firms, the Head of the Public Service despite his onerous responsibilities was found to be the poorest paid. The Committee, therefore, came up with a salary structure which streamlines and minimises these anomalies. The recommended salary scale, therefore, becomes Scale "HPS": K£ 69,009 X 3,135 - 75,279 X 3,762 - 90,327 p.a.
Table 15: CONVERSION TABLE FOR SCALE HPS

Present Salary Scale Job Group U:

Recommended Salary Scale HPS:
K£ 69,009 X 3,135 - 75,279 X 3,762 - 90,327 p.a.

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<th>Recommended Salary</th>
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(b) Housing

The Committee recommends that the Government provides an appropriate institutional house for the holder of this office. Such a house should be fully furnished. However, if the holder opts to stay in his own house, then he should be entitled to a house allowance of KShs. 70,000 per month.
Medical Privileges

Once a comprehensive health insurance scheme is developed for the Civil Service as recommended elsewhere in this Report, the Government should arrange to buy a comprehensive health insurance for the holder of this office together with a spouse and his/her dependent children under the age of 22 years. Before this happens, the Committee recommends that the holder of this office receives a monthly outpatient medical allowance of KShs. 5,000. For in-patient cases, the Committee recommends that the Government pays a maximum of KShs.2,000 per day of hospitalization of holder, spouse or any of his/her dependent children under the age of 22 years.

Entertainment Allowance

We recommend an allowance of KShs.10,000 per month.

Responsibility Allowance

As already indicated, the position of the Head of the Public Service carries with it enormous duties and responsibilities. We, therefore, recommend a Responsibility Allowance of KShs.30,000 per month.

Leave Allowance

We recommend that the holder be entitled to an automatic Leave Allowance equivalent to one month’s salary once a year irrespective of whether or not the holder proceeds on leave. We again reiterate that the leave need not be spent at one’s home.

Club Membership

We recommend that Government pays for membership fee and annual subscription at one social club of the holder’s choice.
(h) **Transport**

Considering the demanding nature of the work at the office of the Head of the Public Service, we recommend that the holder of the office be entitled to one appropriate saloon car and one four-wheel drive vehicle both of which should be fully maintained and driven at the expense of Government. In addition, the holder should continue to receive a Transport Allowance of KShs.10,000 per month to cover instances when the holder is required to use his personal vehicle at his expense for official work.

(i) **Utilities**

We recommend that the holder of this office be entitled to full payment by the Government for electricity, water and conservancy and telephone at his/her residence.

(j) **Other Privileges**

We recommend that the holder of the office of the Head of the Public Service be provided with furniture fully paid for by Government, standard Government security, one gardener and one cook/housekeeper.
CHAPTER 25 - PERMANENT SECRETARIES

Introduction

823. In the preceding Chapter, we have discussed the office of the Permanent Secretary, Secretary to the Cabinet and Head of the Public Service and have underscored its importance as the nerve centre of co-ordination of Government operations both at the centre and in the field. In this Chapter, we examine the duties and responsibilities of Permanent Secretaries in the discharge of Government business and the critical contribution they are expected to make in the overall socio-economic development of our country. We then make proposals for their future grading and remuneration.

824. Currently, the Government machinery is organised around three tiers, namely, the Civil Service proper; the local government system; and, the parastatal sector which consists of diverse semi-autonomous bodies under Government control. The Civil Service is presently made up of 22 ministries under the supervision of Permanent Secretaries and 6 independent, non-ministerial departments. The full list of the ministries and departments is given in Appendix II. There are also several boards, commissions and standing committees that are fully-funded and supervised within the Civil Service structure. The ministries are themselves broken down into 148 functional departments and over 550 functional divisions. Beyond the headquarters of ministries and departments, the work of the Central Government is organised geographically within 8 provinces, 61 districts, 460 divisions, 2,090 locations and 5,721 sub-locations. A typical ministry has operational units and stations at all these levels. The local government system consists of local authorities with varying jurisdictions from city to small urban councils. These are generally supervised by the Central Government through the Ministry of Local Government. The parastatal sector similarly consists of diverse semi-autonomous organisations that are partly- or fully-funded by the Government and which are ultimately answerable to the Central Government through their respective parent ministries.
Duties and Responsibilities

825. The role and functions of Ministers and Permanent Secretaries are described in Section 22(1) of the Constitution of Kenya which states:

Sub-section (iii)
"Where the Vice-President or any other Minister has been charged with responsibility for a department of Government, he shall exercise general direction and control over that department and, subject to that direction and control, every department of Government shall be under the supervision of a Permanent Secretary."

Sub-section (iv)
"The office of a Permanent Secretary shall be an office in the public service".

In the context of this constitutional provision, the Permanent Secretary, in his executive role, is ideally the Minister’s principal advisor and confidant on all matters falling under their portfolio. This role calls for a Permanent Secretary who has a clear and thorough understanding of all aspects of the ministry’s policies and operations and is, therefore, able to give sound advice to the Minister. While Ministers have clearly to be responsible for policy, it would be unrealistic to suppose that they actually have in-depth knowledge about every operational question. To that extent, the ability of a Permanent Secretary to provide well-informed and authoritative support to the Minister to handle political sensitivities effectively is a crucial part of the Government’s credibility. Permanent Secretaries are, therefore, expected to establish and maintain close working relationships with their Ministers, especially in matters relating to Cabinet and Parliamentary business.

826. Permanent Secretaries are appointed by the President under the powers vested in him by Section 22 of the Constitution of Kenya and are assigned by him to various ministries. Under the general direction and control of Ministers, Permanent Secretaries are responsible for the day-to-day administration and management of their ministries and for the general supervision of all other organisations falling under their ministerial portfolios. Collectively and individually, they are answerable to the
Government for policy analysis, policy recommendation, planning, implementation and monitoring of all Government programmes and projects. Upon their assignment to ministries, Permanent Secretaries are formally appointed as accounting officers as well as receivers of revenue for their respective ministries. Under this responsibility, they are required to ensure that public funds voted by Parliament to their ministries are utilised efficiently and effectively on approved services or projects and are properly accounted for and that all revenues, including appropriations-in-aid, due to the Government are promptly collected and accounted for. In their role as accounting officers and receivers of revenue, they are directly answerable to the National Assembly through the Public Accounts Committee. Permanent Secretaries who have responsibility for the supervision of parastatals are similarly answerable to the National Assembly through the Public Investments Committee for the financial management of those parastatals. In this regard, Permanent Secretaries are constantly under scrutiny by the National Assembly, and the general public, over the efficient operation of their ministries.

827. Between them as accounting officers and receivers of revenue, Permanent Secretaries manage and control on behalf of the Government substantial amounts of taxpayers’ money. In the 1996/97 financial year alone, their combined financial responsibility is to the tune of KShs. 95.2 billion in gross recurrent expenditures and KShs. 46.2 billion in gross development expenditures. In 1995/96, they were responsible for KShs. 87.8 billion and KShs. 39.4 billion in gross recurrent and development expenditures respectively.

828. Working in conjunction with the Public Service Commission and the Directorate of Personnel Management, Permanent Secretaries as authorised officers are also responsible for managing, controlling and supervising all the human resources in their respective ministries. They are responsible for the recruitment, deployment, promotion, training, discipline as well as the general welfare of their staff. The total number of personnel falling under their combined management by February 1997 consisted of 234,900 civil servants, 285,962 teachers and 2,157 staff of the Teachers Service Commission Secretariat.

829. A Permanent Secretary, therefore, has a diversity of roles. First, as chief executive, he or she advises Government on the policy measures
to be put in place to promote its objectives and is responsible for the correct implementation of the agreed policies and strategies. Second, he or she is the manager of the human resources at his or her disposal for optimal realisation of the Government’s vision and mission. Third, as accounting officer and receiver of revenue, a Permanent Secretary is responsible for ensuring the correct management of the financial resources voted to his or her ministry and the material resources in it. Fourth, he or she is responsible for policy guidance and general supervision of the parastatals under his or her ministry. Fifth, he or she is responsible for the Minister’s Cabinet and Parliamentary business.

830. The responsibilities devolving on a Permanent Secretary are, therefore, onerous and, generally, the impact he or she has on Government operations is tremendous. In brief, success or failure of Government policies and strategies and the delivery of services depends on the enthusiasm, commitment and attitudes of the Permanent Secretaries individually and collectively. The performance and productivity of the Civil Service and the image of Government will, therefore, be reflected in the efficiency and effectiveness with which Permanent Secretaries organise and manage the resources at their disposal.

831. Given the scenario described above, questions are bound to arise, and have indeed arisen, as to the effectiveness with which Permanent Secretaries are coping with this daunting array of responsibilities, working as they are in a situation of limited financial resources, declining staff morale and where demands and expectations for public services are overwhelming. In the course of our inquiry, we received substantial information regarding the quality of leadership provided by civil service managers in general and Permanent Secretaries in particular. While perceptions given to us were as diverse as their presenters, the general theme that ran through most of the submissions was that civil service management is weak, resulting partly from an unhelpful working environment and partly from the personal attributes of some of the managers. That civil service management is wanting is not in doubt: our assessment of the current state of the Civil Service as presented in Chapter 3 attest to this. Even more expressive is the evidence to be found in the annual reports of the Controller and Auditor-General on the quality of financial management in ministries and parastatals.
At present, the freedom of an individual Permanent Secretary to manage effectively and responsibly is severely curtailed. There are controls not only on resources and objectives, as there should be in any effective system, but also on the way in which resources can be managed. Recruitment, dismissal, choice of staff, promotion, pay and benefits, hours of work, accommodation, grading, introduction of modern office technologies and even organisation of work are all largely outside the control of most civil service managers at any level. The main decisions on rules and regulations are taken by the Public Service Commission and the Directorate of Personnel Management with respect to human resource management and by the Ministry of Finance in respect of financial management. Also, general directives on service-wide matters are issued by the Office of the President. This over-centralised approach tends to mean that the rules and regulations are structured to fit everything in general and nothing in particular. During our interviews, it came out very clearly that Permanent Secretaries have a minimal role in rule-setting and this has given rise to a situation where they conveniently attribute their failures to the Public Service Commission, the Treasury or the Office of the President. Thus, it has become a cliche' in the Civil Service that any pending work in ministries is pending because "directives or approvals are awaited" from the co-ordinating and rule-setting bodies mentioned above.

In our consideration of this matter, we have taken account of the fact that an appraisal of the performance of Permanent Secretaries is not a straight forward task, in as much as their job descriptions are couched in generalities that are not amenable to numerical specification or quantification. Nevertheless, it has emerged quite prominently that Permanent Secretaries, not unlike other civil servants, are incapacitated by the rigidities of the rules, regulations and procedures within which they must work and which deny them the flexibility required for effective management; lack of essential working tools and inadequate funding; job insecurity which hampers objective decision-making; lack of trained, experienced and motivated staff; frequent transfers which prevent them from settling down to achieve results; low remuneration which has adversely affected their welfare, self-esteem, status in society and morale; and, most importantly for them all, lack of a shared vision and values and, therefore, the absence of team spirit and effort.
834. It was submitted to the Committee that apart from the above-mentioned causes of low management capacity in the Civil Service, the personal qualities of some of the managers was wanting. It was explained that perhaps because of low pay, the devotion and commitment to duty on the part of a few of them had declined and their integrity was questioned as had their competence. We were told of a general lack of cost-consciousness, abuse of privilege and authority on the part of a few and a thinly-veiled fear of politicians which resulted in indecisiveness and the inclination to "play safe". In such a situation, innovativeness and risk-taking were manifestly overshadowed by bureaucratic inertia. During our interviews both in Nairobi and in the provinces, we were told about ministries where staff meetings were not held, where most communications between officers were done through the pushing of memos and files and where schedules of duties were either non-existent or out-of-date. We were also told of others where heads of functional departments or heads of parastatal organisations had become so powerful that they did not submit to the authority of Permanent Secretaries. Stories were also given of ministries where Permanent Secretaries were "always in meetings" and, therefore, not accessible to their immediate subordinates; where Permanent Secretaries did not make inspection tours to the field; and, of others where junior officers only got to see the faces of their Permanent Secretaries in newspaper pictures or, rarely, on television.

Performance Contracts

835. The Committee has given considerable thought to all the above issues and what they portend for the future of the Civil Service. Bearing in mind the current unsatisfactory state of the Service, and the daunting challenges that the country is bound to face in the coming years, we strongly believe that any efforts towards improvement must begin from the very top echelons of the Service. In our attempt to define the way forward for civil service management, we have in Chapter 10 on Management Practices in the Civil Service recommended the introduction of performance management in the Service. We consider that for this strategy to work, it must begin with Permanent Secretaries who in any case are directly accountable for the effective management and supervision of the ministries to which they are assigned. We accordingly recommend the introduction of a new management approach whereby, in future, the
appointment and remuneration of Permanent Secretaries would be on the basis of performance contracts.

836. As stated elsewhere in this Report, one of the major weaknesses in the Civil Service today is lack of quantifiable measurements of performance, which in turn arises from lack of specification of the work to be done and the quantity and quality of the expected results. In this regard, we consider the introduction of performance contracts as a possible solution. For the new strategy to work effectively, there must be built into it certain specific duties, rights and obligations applicable to both the Government and the Permanent Secretary. In the next few paragraphs, we highlight the conditions precedent to the execution of the proposed performance contracts as well as the inputs that go into the contracts themselves.

Ministerial Objectives

837. The first pre-condition, indeed the preamble, to the articulation of a performance contract will be a mission statement spelling out, in the Kenyan context, the role of the Civil Service, its aims and objectives and the responsibilities of each ministry in the achievement of those aims and objectives. The statement will further spell out the specific mission of the particular ministry, its allotted functions and responsibilities and the structural framework within which it will operate. The Committee notes that the Government in Policy Framework Paper for 1994-1996 undertook to issue "a draft policy statement redefining the scope of responsibilities of the Civil Service and identifying functions which will be divested..." We also note that in the Kenya Civil Service Reform Programme and Action Plan an undertaking is given to rationalise the organisational structures of ministries with each having clearly defined and fewer functions concentrated in the areas of policy analysis; setting delivery standards; programme execution; and, regulation. We are aware that ministerial rationalisation has already been initiated and we have discussed the matter in our Chapter 6 on Rationalisation of Ministerial Functions and Structures. We propose that the outcomes of the rationalisation exercise form part of the brief to the Permanent Secretary upon appointment on performance contract.
838. With regard to the statement of ministerial aims and objectives, we believe these are clearly and amply specified in the various Government policy pronouncements and documents, notably the *Eighth National Development Plan 1997-2001* and the various Sessional Papers. However, we have reason to believe that currently ministerial objectives, and the strategies to achieve them, are not always transmitted to and inculcated in all those who are responsible for their implementation, especially those in the districts and provinces. We, therefore, recommend that Permanent Secretaries be required to produce and disseminate to the entire ministerial staff a booklet summarising the mission and objectives of their respective ministries, their work programmes and action plans indicating the order of priorities and setting specific targets of the results to be achieved.

839. We received representations that the way forward for the Civil Service is to introduce in it at top management levels private sector practices and techniques, such as target setting, job evaluation and criteria for evaluation of work performance and productivity. We were told that better management practices and techniques could be infused into the Civil Service through appointment of Permanent Secretaries from the wider labour market. We have examined these representations and find merit in them. We, therefore, recommend that under the new system, the Government scouts around the labour market with a view to identifying from it suitably qualified persons who can serve as Permanent Secretaries. We further recommend that there be a mix of Permanent Secretaries from the private sector as well as from the public service to enhance and institutionalise capacity building in the Civil Service.

**Work Plans**

840. The performance contract between the Government and the Permanent Secretary will state in broad terms the scope of responsibilities which the Permanent Secretary will be expected to carry out over a contract period of three years. The Permanent Secretary will then be required to produce, within a specified period, a programme of the work to be undertaken over the contract period and work plans for all activities where results are to be achieved. The programme and the plans will set priorities for the ministry as a whole. At the ministry headquarters, all the departments, divisions, sections and units will have their own mini-priorities deriving from the overall ministerial priorities. In this regard,
we recommend that in designing work programmes, plans and targets, Permanent Secretaries give due consideration to the geographical dispersion of the activities to be undertaken. Work programmes and plans will also indicate the targets to be met and deadlines for completion. As far as is possible, the targets should be set in terms of numerical indicators, cost-effectiveness and quality standards of operational and financial performance.

841. The Committee is keenly aware that currently our economy faces severe resource constraints, not only in terms of finances but also in terms of the numbers and quality of the civil service workforce and physical work facilities. We, therefore, recommend that in preparing the proposed work programmes and plans, which should be done within the framework of the Public Investment Programme, the Programme Review and Forward Budget and the annual Estimates of Expenditure and Revenue, care be taken by Permanent Secretaries to match the programmed activities and projects with the available financial, human and physical resources. Considering that resource limitation will continue to be experienced for some time, it means that Permanent Secretaries under performance contracts will need to be innovative, adaptive and committed to cost-effectiveness, quality, timeliness of action and the achievement of greater value for money.

Relationship With the Office of the President

842. We have discussed in Chapter 24 the role and responsibilities of the Head of the Public Service. He is responsible, among other duties, for the co-ordination and supervision of the diverse functions of Government and follow-up action on major decisions, directions and pronouncements emanating from the Government. We have noted that functionally, Permanent Secretaries are responsible for organising and supervising their respective ministries and departments while Ministers provide political guidance in the formulation and implementation of policies. We have noted further that Permanent Secretaries regularly consult the Head of the Public Service on interpretation of critical Government policies and that they look up to him for the co-ordination of issues which cut across ministerial portfolios. We received representations that while individual consultations serve a useful purpose as regards specific issues, there should be regular meetings of Permanent
Secretaries to share ideas and receive reports on general implementation of Government policies and to resolve issues at this level.

843. Accordingly, and while bearing in mind the pressures under which he must work to serve the needs of the Government, we recommend that the Head of the Public Service strives to hold consultative meetings of Permanent Secretaries at least once every month. This will enhance coordinated implementation of agreed Government policies and strategies and will reduce the need for numerous individual consultations and release the Head of the Public Service to attend to other critical needs of the Government. The need for consultations does not, however, absolve the Permanent Secretaries from carrying out the responsibilities entrusted to them and for which they are directly accountable.

**Relationship with the Treasury**

844. The Treasury exercises financial supervision over all ministries. In this regard, Permanent Secretaries are responsible for formulating and submitting to the Treasury their ministries' proposals under the Public Investment Programme, Programme Review and Forward Budget and the annual Estimates of Expenditure and Revenue. They are also required to ensure that Exchequer requisitions for their respective ministries are prepared in time to facilitate implementation of agreed policies. They are also responsible for the preparation of monthly expenditure and revenue returns and the Annual Appropriation Accounts for their ministries.

845. The Committee was told by Permanent Secretaries that the relationship between ministries and the Treasury had not always been harmonious. We received representations that often the Treasury set unrealistic budgetary ceilings and even when ministries were within the prescribed ceilings, the expenditures were sometimes reduced without reference to the accounting officers. We further heard that applications for Exchequer issues were not processed expeditiously and that when the money was finally released, it was too little and too late. The Committee was told that this practice led to some priority projects being underfunded which resulted in delay in implementation of programmes and unnecessary cost over-runs. Subsequently, we were told, Permanent Secretaries got perennially blamed by the Public Accounts Committee and the Public Investment Committee for failing to implement development projects on
We have considered these representations and concluded that Permanent Secretaries will find it hard to implement agreed programmes and projects without the full co-operation of the Treasury. In this regard, we recommend that the Treasury enters into continuous and sustained dialogue with Permanent Secretaries on budgetary matters affecting their respective ministries in the interests of timely implementation of policies and programmes. We further recommend that once approved, budgetary allocations of ministries be made a condition of the performance contract and only be varied by mutual agreement between the Treasury and the Permanent Secretary. With respect to release of funds to ministries, we recommend that, once received, Exchequer requisitions be processed and, subject only to mutually agreed ceilings, the issues be released to Permanent Secretaries within seven days of the application being received to avoid critical ministerial programmes being starved of funds.

Performance contracts and target setting in the Civil Service will not amount to much if Permanent Secretaries are not given the means to undertake their responsibilities and delivery of services. Elsewhere in this Chapter we have stated that the relationship between the Treasury and Ministries has not always been smooth and that Permanent Secretaries suffer frustration in the implementation of agreed policies and strategies due to financial constraints. It is our belief that Permanent Secretaries drawn from the private sector will face similar hurdles unless the Treasury fully co-operates with them in financial matters. Accordingly, we recommend that the Treasury transforms and expands the current Budget Steering Committee, which is chaired by the Permanent Secretary to the Treasury, to include all Permanent Secretaries. Membership in the committee will give Permanent Secretaries ample opportunity to articulate the policies, strategies and work plans of their ministries, and for the Treasury to explain first hand the basis for allocation of resources and the role the Permanent Secretary must play in optimising use of the resources. We further recommend that the Budgetary Steering Committee meets regularly at least once every quarter for the purpose stated above.
Relationship With Other Ministries

848. We are aware that ministerial functions are organised on sectoral basis. This calls for regular inter-sectoral and inter-ministerial consultations between Permanent Secretaries in order to avoid duplication of efforts. In this regard, we found, generally, that the relationship between the Permanent Secretaries was cordial and practical and that there was sufficient dialogue between them. However, it was represented to us that in some instances, certain ministries acted as if they were in competition with one another. In order to enhance inter-sectoral cooperation and avoid working at cross-purposes, we recommend that Permanent Secretaries put in place measures necessary to facilitate regular high level ministerial consultative meetings to discuss and agree on how to handle cross-cutting issues affecting their respective ministries. Representation in the meetings should be at Permanent Secretary level or, if delegation is necessary, it should be at not lower than the level of Principal Administrative Secretary or Director of Administration. We further recommend that where projects are multi-sectoral in nature, appropriate national steering committees of the Permanent Secretaries concerned be constituted to guide project managers and co-ordinators and field officers on the areas that require complementary and interdisciplinary approaches. The national steering committees should meet regularly on quarterly basis to receive progress reports on project implementation and to sort out any operational problems which may arise.

849. We commend the Permanent Secretaries who have already put in place national project steering committees and urge that those who have not, do so with minimum delay. We are convinced that our recommendations in this regard will result in better co-ordination of efforts, minimise conflicts, enhance the delivery of service and avoid wasteful use of scarce resources.

Organisation Structure

850. Permanent Secretaries currently have teams of supporting staff who are responsible for various activities in their ministries. At the senior level are Deputy Secretaries, Under Secretaries and Senior Assistant Secretaries who handle administrative matters. There are also economists
and heads of technical departments and their assistants who are responsible for the implementation of projects and delivery of services at headquarters and in the field. Currently, these officers relate in one way or another directly to the Permanent Secretary. In the absence of the Permanent Secretary, one of the Deputy Secretaries is mandated to take charge of the activities of the ministry.

851. The administrative function of a ministry includes office services, development co-ordination, financial and personnel matters. Our inquiry revealed that almost invariably, all aspects of the administrative function of ministries are handled at Deputy Secretary level. It further revealed that some ministries have up to three Deputy Secretaries while others have more, which causes unnecessary friction and misunderstanding in terms of seniority. We found that in a typical ministry, the span of control by the Permanent Secretary is too diffuse. Paradoxically, this has resulted in Permanent Secretaries being over-burdened with routine administrative matters at the expense of general control, guidance and supervision of technical departments and setting of sustainable framework within which policies and strategies are to be implemented and services delivered.

852. In order to relieve Permanent Secretaries of the burden of routine administration so that they can concentrate on policy issues and in order to streamline the administrative arrangements in ministries, we have recommended in Chapter 9 on Grading System in the Civil Service that functions of Principal Administrative Secretary be established in all ministries to co-ordinate and have general supervision over administrative matters. The Principal Administrative Secretary will be the principal assistant to the Permanent Secretary in the management of ministerial functions and will deputise for him as and when the need arises. We further recommend that the functions of principal finance officers and those of development co-ordination in ministries be held at Deputy Secretary level.

Appointment

853. As we have stated in the preceding paragraphs, Permanent Secretaries have onerous responsibilities in the implementation of agreed Government policies and in handling other important official functions which devolve on their office. We have also mentioned that the impact
Permanent Secretaries have on Government operations is tremendous. In this regard, we submit that a person appointed to the post of Permanent Secretary, apart from being astute and understanding well all aspects of his or her work, must be above average in performance; must have exceptional ability in understanding and initiating new ideas; must think quickly, logically and accurately; and the manner in which he or she handles work relationships must be well thought-out and beyond reproach. He or she must also be a good manager of time.

854. After carefully scrutinising the representations put before us on the subject, we recommend that Permanent Secretaries be appointed on fixed performance contract terms of service with clearly stated job descriptions, set targets and evaluation criteria against which the performance of their ministries will be gauged and evaluated. The service contract will initially be for a period of three years. Its renewal will be subject to satisfactory performance. In our view, this approach will remove any ambiguities as to what is expected of the appointee and will result in better service delivery in terms of quantity and quality. In order, therefore, to ensure that targets are met and the job description is adhered to, we recommend that performance evaluation of ministries be undertaken regularly on six monthly basis by the Office of the President. This will enable the Government assess the suitability of a Permanent Secretary for continued retention.

Remuneration

855. We have in the preceding paragraphs of this Chapter given a detailed description of the role and responsibilities of Permanent Secretaries. We have further proposed that in carrying out these responsibilities, they will concentrate on steering the policies of their respective ministries and be available to conduct regular top level ministerial management meetings, project steering and co-ordinating meetings to ensure timely implementation of programmes. They will attend in person inter-ministerial national steering committees on inter-sectoral projects to ensure proper co-ordination of implementation of policies and strategies. They will further be required to attend high level meetings of Permanent Secretaries chaired by the Head of the Public Service and the Budget Steering Committee meetings in the Treasury, among others. Finally, the Permanent Secretaries will be expected to pay
regular visits to the field to inspect projects and to offer advice on the
ground on problems needing resolving and to give encouragement to
project managers and co-ordinators. Permanent Secretaries will be
working to agreed plans, set targets and clear objectives. Thus,
Permanent Secretaries will shoulder increasingly heavier responsibilities
in the implementation of Government policies and programmes, including
the facilitation of industrial transformation.

856. In view of what we have stated above and considering that
Permanent Secretaries will be serving on contract terms, we recommend
that the post of Permanent Secretary be delinked from the normal Civil
Service grading structure by creating a separate remuneration package
which will relate closely to the remuneration paid to counterparts in the
private sector. This will enable Government attract suitably qualified
persons from the labour market to be Permanent Secretaries and will
harmonise their salaries with those of appointees from the public service.

857. Arising from the foregoing, we make the following
recommendations on the remuneration package for Permanent Secretaries:

(a) Salary

We recommend that the salary of Permanent Secretaries be
in a new salary scale to be known as Scale "PS" with entry
point at K£48,234 and rising to K£65,874 per year. We
have arrived at this salary by scrutinising the salaries paid
to Permanent Secretaries in some countries in the Eastern
and Central African region, the salaries paid to chief
executive officers of selected parastatal and private sector
organisations and are convinced that our proposal is
reasonable, especially if the Government has to attract top
flight chief executives to join the Civil Service as
Permanent Secretaries. The conversion table for the scale
for Permanent Secretaries will, accordingly, be as follows:
Table 16: CONVERSION TABLE FOR SCALE PS

Present Salary
Job Group S: \( K\ell 12,540 \times 369 - 13,278 \times 414 - 15,398 \times 465 - 15,381 \) p.a.
Job Group T: \( K\ell 14,934 \times 414 - 15,348 \times 465 - 18,138 \) p.a.
Recommended Salary
Scale PS: \( K\ell 48,234 \times 2,361 - 50,595 \times 3,060 - 62,739 \times 3,135 - 65,714 \) p.a.

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<th>Present Salary</th>
<th>Recommended Salary</th>
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<td><strong>K£ p.a.</strong></td>
<td><strong>KShs. p.m.</strong></td>
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</table>
(b) **House Allowance**

We **recommend** that a house allowance of KShs.60,000 per month be paid to Permanent Secretaries. Where Government quarters are provided, the Permanent Secretary concerned will surrender the house allowance to Government as rent for the official residence. The house allowance we are recommending has been arrived at on the basis of a survey undertaken on market rents by the Government Valuer in the Ministry of Lands and Settlement in January 1997. The survey shows that a four bedroom house in Kilileshwa, Lavington, Westlands or Riverside Drive, where Permanent Secretaries would normally reside, attracts rent of between KShs.60,000 and KShs.70,000 per month.

(c) **Leave Allowance**

We have recommended elsewhere in this Report that civil servants be paid leave allowance equivalent to one third of one month’s basic salary once every year to assist them and their families meet leave expenses. We **recommend** that Permanent Secretaries be paid leave allowance equivalent to two-thirds of one month’s basic salary once in a year. This will enable them take vacation from their busy schedules to relax in a place of their own choice.

(d) **Transport and Transport Allowance**

Permanent Secretaries normally have saloon cars attached to them for official use. They also have access to pool transport as and when the need arises. We received representations that while this arrangement has worked satisfactorily in some ministries and independent non-ministerial departments, in others it has had the effect of tying down several vehicles for use by the Permanent Secretary, thereby depriving the motor pool of transport. In order, therefore, to redress the situation, we **recommend** that the holder of the post of Permanent
Secretary be provided with one appropriate saloon car and one four-wheel drive vehicle for official use. The saloon car will normally be used on all weather roads while the four-wheel drive vehicle will be used on rough roads and terrain during field inspection tours which Permanent Secretaries are expected to undertake regularly. In addition to the official transport, we recommend that a Permanent Secretary continues to be paid transport allowance of KShs.5,000 per month to cover instances when he or she has to use a private vehicle on official duties.

(e) **Medical Privileges**

Our Committee recommends that, pending the developing of a comprehensive health insurance scheme for the Civil Service, holders of the post of Permanent Secretary be paid medical allowance of KShs.5,000 per month to cover the cost of out-patient medical treatment for the officer and his family. We further recommend that in the event of hospitalisation a Permanent Secretary be entitled to a maximum cover of KShs.2,000 per day for himself or herself, spouse or any of his or her dependent children under the age of 22 years.

(f) **Responsibility Allowance**

We recommend that Permanent Secretaries be paid responsibility allowance of KShs.10,000 per month in view of the heavy responsibilities they shoulder.

(g) **Entertainment Allowance**

We recommend a non-accountable entertainment allowance of KShs.6,000 per month. The enhanced allowance will enable the holder of the office of Permanent Secretary receive and entertain guests from the public and private sectors without having to resort to his family income. This is important especially in light of the fact that as a chief executive in Government, the Permanent Secretary will
increasingly receive visitors outside the normal working hours.

(h) Club Membership

We learnt that chief executives in private sector enterprises and in some parastatals are provided by their organisations with membership to clubs to enable them exercise for better health, relax and interact with their counterparts in quiet environment. We are of the view that Permanent Secretaries as chief executives of their respective ministries should enjoy similar privileges. Accordingly, we recommend that Permanent Secretaries be provided with membership in any one club of their choice at public expense.

(i) Furniture

We learnt that it is a practice in the private sector to provide furniture allowance to chief executives to enable them properly furnish their residences to maintain the dignity of the offices they hold. In this regard, we recommend that Permanent Secretaries be granted one month’s salary in form of furniture allowance which will be paid once per service contract period. The allowance will bring them at par with other chief executives.

(j) Utilities

With respect to utilities, we recommend that Permanent Secretaries be provided with one official telephone line at their residences for official use.

(k) Other Benefits

Currently Permanent Secretaries are provided with one gardener and one housekeeper at public expense. We have examined this privilege and find it to be appropriate. We, therefore, recommend that the present arrangement where
Permanent Secretaries are provided domestic servants at public expense continues. The arrangement will subsist for the duration of their service contract.

858. We are aware that the current remuneration package attached to the post of Private Secretary and Comptroller of State House is equivalent to that attached to the post of Permanent Secretary. Considering the heavy responsibility shouldered by the holder of the former post, we are of the view that the principle of parity of treatment be continued even with the new management for Permanent Secretaries. We therefore recommend that the Private Secretary and Comptroller of State House continues to get the same salary, allowances and other fringe benefits as those recommended for Permanent Secretaries.

Conclusion

859. The calibre of Permanent Secretary we have defined in this Chapter will be that of a high performer and an astute manager of resources. He or she will be the prime sectoral mover in the facilitation of the private sector. He or she will be responsible for the correct policy initiatives in support of the Government’s vision of industrial transformation by the year 2020. The Permanent Secretary will not be operating in a vacuum. He or she will need to be in constant touch with other managers in both the public and private sectors for the sharing of new ideas and how the Civil Service could better facilitate their introduction and implementation. These are some of the challenges which the Permanent Secretary we recommend for the Civil Service will face. He or she will need to be well informed, bold but unafraid to embrace and take advantage of private sector management practices and techniques, such as task analysis, target setting, close monitoring and evaluation of project or programme implementation, taking stock of successes and failures and putting appropriate timely corrective measures in place. He or she will need to learn how to transform identified weaknesses in his or her ministry into strengths and how to use achievements attained as a platform for moving forward to the next project, task and challenge.
CHAPTER 26 - PUBLIC SERVICE COMMISSION

Introduction

860. The Committee noted that the Public Service Commission of Kenya is one of the main institutions responsible for personnel management function in the Civil Service, the other being the Directorate of Personnel Management. The Commission derives its origin from the country’s Constitution. It was established in 1964 after Kenya attained republican status. Its precursor was known as the Civil Service Commission. The Committee observed that the establishment and role of the Commission are clearly spelt out in sections 106, 107 and 108 of the Constitution of Kenya. These functions are further amplified in the Service Commissions Act, Cap. 185 which also spells out its organisation. The Committee further noted that the Commission is established as an autonomous body which should operate independently without influence from any quarters. It is currently composed of 11 members who include the Chairman and the Deputy Chairman. The Constitution, however, provides for 17 members.

Appointment of Members of the Commission

861. It was noted that members of the Commission are appointed by the President in accordance with Section 106 (2) of the Constitution. The Committee has established that there are no laid down criteria for appointing members of the Commission to ensure that they are professionally capable of performing their work effectively according to the mandate of the Commission. This situation has adversely affected the Commission’s ability to deliver services. The Committee received varied views on how best the Commission could be restructured in order to deliver better services, one of which was that Government should appoint professionally qualified and experienced persons to be Commissioners. We are of the view that members of the Commission should be highly seasoned people who have served at various senior positions in the public or private sector and who are broad minded and professional in their own right.

862. Accordingly, we strongly recommend that the Government establishes clear and appropriate criteria for appointing members of the Public service Commission with a view to injecting professionalism in the
Functions of the Public Service Commission

863. The functions of the Commission include making appointments to, exercising disciplinary control over and removal of persons from the Public Service.

864. The Committee received evidence that there were delays in the Commission when it came to making decisions on promotion and disciplinary cases and that those delays adversely affected the career progression and welfare of the officers concerned. It was submitted to the Committee that the recruitment process took too long to be concluded by the Commission and that there was lack of professionalism in the Commission with regard to its service delivery. It was noted, for instance, that the Commission lacked expertise to recruit suitable foreign service personnel.

865. The above situation can be attributed to, inter-alia, the fact that the Commission is not adequately staffed coupled with its wide coverage area since it covers most of the Civil Service as well as senior officers in local authorities. It may also be due to lack of professionalism in the Commission; lack of effective delegation of personnel functions to authorised officers; lack of computerised personnel data system at the Commission and, at times, due to submission of poorly researched and constructed cases by ministries/departments for the Commission's decision. There are also cases where legal advice is sought from the Office of the Attorney-General and in some cases the legal officers are not readily available, thus resulting in delays in finalising some disciplinary cases. The Committee has evidence that with the existing capacity at the Commission, it cannot effectively handle the current workload. The Committee was told of persistent conflicts between councillors in the local authorities and chief officers appointed for them by the Public Service Commission. This resulted in wrangles which adversely affected delivery of services, such as maintenance of infrastructure and disposal of garbage.

866. In view of the foregoing, the Committee recommends that:

(a) The vacant positions for Commissioners of the
Commission be filled and the respective functional panels be increased as appropriate including one to handle recruitment of foreign service personnel which should have experts on foreign service matters such as ex-Ambassadors.

(b) The Commission computerises its records and network with the Directorate of Personnel Management to ensure prompt accessibility of personnel data from the Directorate on issues like staff appraisal, skills inventory and complement control.

(c) Delegated powers to authorised officers be extended to officers in Job Group K and below as opposed to the current practice of Job Group H and below.

(d) The Ministries/departments ensure that personnel matters are properly researched and cases well made before forwarding them to the Commission for decision.

(e) The Commission considers recruitment of legal officers to assist in legal matters affecting the Commission in the course of conducting its functions, particularly with regard to discipline matters.

(f) In order to minimise the adverse effects arising from conflicts between councillors and chief officers in local authorities, and in the interest of service delivery, the Government employs the Chief Officers and seconds them to local authorities for deployment.

867. The Committee received representations to the effect that the relationship between the Commission and the Directorate of Personnel Management with regard to administration of personnel matters, i.e. recruitment, promotion and discipline was not properly harmonised. The Committee was informed that in certain cases, ministries/departments submitted some personnel cases to the Commission without going through the Directorate and that this was considered irregular. We were told that this also created disharmony in the performance of the personnel function in the Civil Service. In this connection, we note that the power to appoint
persons to hold or act in offices in the public service and in the service of local authorities, the power to exercise disciplinary control over such persons and the power to remove them from the public service is constitutionally vested in the Public Service Commission. We have already noted in Chapter 10 on Management Practices in the Civil Service that the Government proposes to introduce management innovations, such as performance management. We have also recommended in Chapter 25 on Permanent Secretaries that these top Civil Service managers be appointed on performance contract and be given specific targets and time frame within which to achieve them. We are of the view that for the Civil Service to be able to perform as envisaged, the Government will have to get rid of unnecessary bureaucratic red tape in its personnel management practices. In this regard, new and more efficient working relationships between ministries, Directorate of Personnel Management and the Public Service Commission will have to be adopted. In our view, this is a crucial matter which needs to be addressed urgently. However, because of time constraints the Committee is unable to make specific recommendations on the new system and procedures to be adopted by the Government to remove the existing bureaucratic red tape in personnel management. We, therefore, recommend that an urgent study be undertaken through the ongoing Civil Service Reform Programme within the next six months.

868. It is observed that the Commission is expected to safeguard against nepotism, favouritism and sectionalism in the Civil Service and should shield the civil servants against undue influence. It was submitted to the Committee that there were cases where civil servants' job security was threatened by some highly placed persons, particularly politicians. The Commission should always exercise its independence by ensuring that cases of discipline are handled without interference from any quarters including from powerful personalities. The Commission is, therefore, expected to maintain equity, fairness, merit as well as transparency whilst carrying out its functions of recruitment, promotion and discipline.

869. The Committee was informed that there were cases of nepotism, tribalism, ethnic and political considerations which took front stage when the Commission was making its decisions. It was represented to the Committee that there was a "godfather syndrome" in the administration of promotions and discipline issues in the Civil Service. Some promotions
were merely based on seniority of officers concerned and were not made in order of merit in as far as the officers’ abilities and work performance were concerned. The Committee further received representations that this undesirable situation could be contained with the introduction of promotional examinations and performance related pay system in the Civil Service. In addition, some civil servants were promoted too rapidly on ethnic and political considerations, resulting in double standards when dealing with matters, thus adversely affecting the morale of civil servants and professionalism in the Service.

870. Representations were made to the Committee to the effect that recruitment in the Civil Service occasionally included rejected staff from parastatal organisations. Such staff who were invariably earning higher salaries compared to their counterparts in the Civil Service, were absorbed into the Service with those salaries personal to themselves. The Committee is of the view that this trend, if left uncontrolled, will further demoralise the civil servants and impair the delivery of services. This practice should be discontinued. We were further informed that the practice of transferring people from other areas and professions, e.g. from local authorities, parastatals and private sector or from other disciplines in the Civil Service to different and unrelated cadres in the Service, particularly the administrative cadre, affects professionalism in the Service and promotional opportunities and morale of other officers who have to work under such officers. We were told that the transferred officers were not able to deliver services effectively and were expensive to train. We consider that these concerns ought to be addressed in order to restore morale and enhance professionalism in the Civil Service.

871. In view of the foregoing, the Committee recommends that:
(a) The Public Service Commission handles recruitment, promotion and disciplinary matters professionally and in order of merit devoid of nepotism, ethnic and political considerations.
(b) Performance-related promotions be considered as opposed to the current practice of basing them mainly on seniority irrespective of work performance.
(c) The practice of transferring officers who have failed elsewhere (either in the Civil Service or state corporations) to other professions in the Service be discouraged.
The Committee was informed that the powers delegated by the Commission to authorised officers were, at times, abused. We were told for instance, that promotions were not granted on time, or on the basis of merit, dedication to duty, qualifications, experience or ability. We further heard that corruption and nepotism were practised in the awarding of promotions, to the detriment of the Service as deserving officers were denied their chance. It was submitted to the Committee that there was general apathy in the Civil Service due to delayed promotions since vacancies were not advertised on time, thus causing stagnation of the officers concerned. In view of the foregoing, the Committee recommends that authorised officers ensure that the powers delegated to them by the Public Service Commission are administered professionally and in order of merit devoid of extraneous considerations. We further recommend that the Public Service Commission ensures that the powers delegated to authorised officers are properly exercised.

Independence of the Public Service Commission and Tenure of Office for its Members

The Committee noted that, in principle, the Commission is independent as it derives its powers and authority from the Constitution. It is not part of the Civil Service and legally, it is not controlled by the Legislature or the Executive. Section 106 (12) of the Constitution states, "Subject to this Chapter, the Commission shall, in the exercise of its functions under this Constitution, not be subject to the direction or control of any other person or authority." However, the Committee was informed that the independence of the Commission is at times interfered with by people who are highly placed, hence its decisions are not always objective and based on merit. Further, the Committee received representations that at times, the Commission's decisions were influenced by considerations other than merit, thus making the Commission merely a rubber stamp. The Committee noted that members of the Commission are appointed to serve for a period of three years. Their security of tenure is guaranteed by the Constitution, but only to the extent of the term of each appointment. It was represented to the Committee that the period was too short and that there was need to harmonise the retirement age for all Constitutional office holders and their retirement age be pre-determined in order to enable them plan and discharge their responsibilities effectively. It was proposed that the retirement age be set at 65 years.
874. In view of the foregoing, we **recommend** that the tenure of office for members of the Public Service Commission be raised from three years to five years to enable them discharge their duties effectively. We further **recommend** that the retirement age for Members of the Public Service Commission be pre-determined.

875. It was submitted to the Committee that the Commission tended to rely heavily on the views expressed by ministries on matters of promotion and discipline of staff and that the affected members of staff were not given adequate hearing. Representations were made to the Committee that, in some cases, Permanent Secretaries gave instructions to the officers representing their ministries/departments in the interviewing panels of the Commission on the candidates to be appointed or promoted, thereby eroding the powers of the Commission. It was further submitted to the Committee that in a defacto sense, the Commission was not independent despite the existence of constitutional provisions to that effect. The Committee was informed that, as a consequence, the Commission was not performing its role effectively.

876. In view of the foregoing perceptions held by some civil servants on the performance of the Commission; we **recommend** that:

(a) The Public Service Commission jealously guards its independence as provided for in the Constitution.

(b) The Commission ensures that its performance and decisions are beyond reproach.

877. The Committee was informed that the independence of the Commission was further adversely affected by the fact that members of its secretariat belong to various schemes of service in the Civil Service and are subject to transfer to and from the Commission. The Committee was informed that this situation creates difficulties in terms of loyalty to, continuity in and independence of the Commission. We were informed that the Secretariat had an authorised establishment of 205 of which only 144 posts were filled. It was submitted to the Committee that the number of officers in post did not adequately cope with the increased volume of work arising from expansion and growth of the Civil Service over the years. It was, therefore, suggested that the Commission should be
authorised to appoint its own staff directly and specifically on the basis of merit and suitability without seeking authority from the Directorate of Personnel Management.

878. It was submitted to the Committee that the work of the Commission required accuracy, speed, confidentiality, high integrity and demands complete devotion both in terms of energy and time as it related to specific deadlines. It was further submitted that subjecting the officers in the Secretariat to the same terms and conditions of service applicable to the general Civil Service was inappropriate since they were not commensurate with their responsibilities. It was, therefore, represented that there was need to delink the Secretariat from the main Civil Service in order to adequately provide for better terms and conditions of service for the Secretariat's staff. The Committee notes, however, that the Commission being in charge of appointments and promotions in the Civil Service, is in a position to get the best officers for itself. Further, it should be perceived as the locomotive and the rest of the Civil Service as the wagons and should therefore work in tandem in the management of the human resource in the Civil Service delinking it from the Civil service would therefore be untenable.

879. The foregoing notwithstanding, the Committee recommends that due consideration be given by the Government to pay overtime allowance or honoraria, as the case may be, to officers in the Secretariat of the Public service Commission who are called upon to work outside the normal working hours. We have already made recommendations on enhanced overtime allowance rates in Chapter 19 on Other Terms and Conditions of Service.

880. The Committee is of the view that the effectiveness of the Commissioners and members of the Secretariat could be enhanced by sending them for management courses in specialised areas, such as recruitment and interviewing techniques. The courses are available at the Kenya Institute of Management, among other training institutions. The officers could also be attached to reputable private consultancy firms dealing in human resource management.

881. In Chapter 25 on Permanent Secretaries we have recommended special salaries and allowances for Permanent Secretaries. This has
implications on the remuneration structure for the Chairman, Deputy Chairman, Secretary and Commissioners of the Public Service Commission. Accordingly, we recommend that the Chairman, Deputy Chairman, Secretary and Members of the Public Service Commission be paid new salaries under the new salary scales as shown below and as indicated in Conversion Tables PSC 1, PSC 2 and PSC 3:

(a) Chairman, Public Service Commission -
Salary Scale PSC 1

(b) Secretary, Public Service Commission; and, Deputy Chairman, Public Service Commission -
Salary Scale PSC 2

(c) Members, Public Service Commission
Salary Scale PSC 2
K£31,278 x 748 - 32,754 x 411 - 33,165 x 1,875 - 38,790 p.a.

We further recommend that the Chairman, Deputy Chairman and Secretary of the Public Service Commission be entitled to the same allowances and fringe benefits recommended for Permanent Secretaries.
CONVERSION TABLE PSC 1

CHAIRMAN, PUBLIC SERVICE COMMISSION

Present Salary Scale (Job Group T):

Recommended Salary Scale PSC 1:
K£ 48,234 x 2,361 - 50,595 x 3,026 - 62,739 x 3,135 - 65,874 p.a

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<th>Recommended Salary</th>
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<td>14,934)</td>
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<td>15,348)</td>
<td>25,580)</td>
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**CONVERSION TABLE  PSC 2**

1. SECRETARY, PUBLIC SERVICE COMMISSION  
2. DEPUTY CHAIRMAN, PUBLIC SERVICE COMMISSION  

Present Salary Scale (Job Group S)  

Recommended Salary Scale PSC 2  
K£ 38,790 x 2,361 - 50,595 x 3,036 - 53,631

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**CONVERSION TABLE "PSC 3"**

**COMMISSIONERS, PUBLIC SERVICE COMMISSION**

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**Recommended Salary Scale "TSC 3"**

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<td><strong>KShs. p.m.</strong></td>
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<td>19,670)</td>
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**Conclusion**

882. We have noted that the Public Service Commission is an important institution in the management of the human resource in the Civil Service. In this regard, it is rightly perceived to be the driving force in matters relating to recruitment, discipline and removal of persons from the Service. We reiterate that the Commission should promote and protect its independence in order to provide the necessary guidance to the Civil Service.
CHAPTER 27 - OFFICES OF THE CONTROLLER AND AUDITOR-
GENERAL AND AUDITOR-GENERAL CORPORATIONS

Introduction

883. In this Chapter, we discuss several issues presented to us regarding the office of the Controller and Auditor-General. We also deal with issues concerning the office of the Auditor-General (Corporations) because of similarities it has with the office of the Controller and Auditor-General.

884. Prior to 1985, the office of the Controller and Auditor-General was responsible for auditing the accounts of the Central Government, local authorities and state corporations. Due to the expansion of the Central Government and local authorities, and the growth in the number of state corporations, the Government decided to establish a separate department to audit state corporations. Consequently, the Exchequer and Audit Act, Cap. 412 was amended to facilitate the creation of the office of Auditor-General (Corporations) as a department within the Ministry of Finance responsible for auditing the accounts of state corporations. The former division of the office of the Controller and Auditor-General, which was responsible for auditing state corporations, was hived off to form the new department. The powers given to the Controller and Auditor-General by the Exchequer and Audit Act in the performance of his duties were also conferred on the Auditor-General (Corporations.)

The Exchequer and Audit Department

885. The office of the Controller and Auditor-General is established under section 105 of the Constitution of Kenya as "an office in the public service". While this section provides for the independence of the office, section 110 provides for the appointment and security of tenure of the holder. According to section 105 of the Constitution, the Controller and Auditor-General is required to audit and report on the public accounts of the Government of Kenya, the accounts of all officers (sic) and authorities of the Government, the accounts of all courts in Kenya, the accounts of every commission established by the Constitution and the accounts of the Clerk of the National Assembly. The Constitution also requires the Controller and Auditor-General to confirm that any proposed withdrawals
of funds from the Consolidated Fund is properly authorised by law and if so satisfied to approve the withdrawal. It is also the responsibility of the Controller and Auditor-General to confirm that all moneys appropriated by Parliament and disbursed are applied to the purposes to which they are so appropriated and that expenditure conforms to the authority that governs it. This mandate also covers the audit of all local authorities in Kenya.

886. According to Section 105 (4) of the Constitution, the Controller and Auditor-General is required to "...submit every report made by him in pursuance of sub-section (2) to the Minister for the time being responsible for finance who shall, not later than seven days after the National Assembly first meets after he has received the report, lay it before the Assembly." Section 105 (5) of the Constitution provides that "In the exercise of his functions...the Controller and Auditor-General shall not be subject to the direction or control of any other person or authority."

887. The Committee noted that there are two separate schemes of service embracing audit examiners and auditors in the Civil Service. The one which was issued on 23rd October, 1991 covers audit examiners and auditors under the office of the Controller and Auditor-General. One scheme is administered by the Controller and Auditor-General. The other scheme covers audit examiners and auditors in the Ministries of Finance, Co-operative Development, Education and Local Government and in the office of the Auditor-General (Corporations). The latter scheme of service is administered uniformly but separately by the Permanent Secretaries of the ministries mentioned above. The Committee noted that the two schemes are similar in terms of their job descriptions and specifications.

888. We received representations that whilst the training of audit examiners and auditors is basically the same, the type of work the internal auditors perform is different from that of external auditors. It was also submitted that internal auditors are part of the organisation they audit and report to the chief executive of that organisation. On the other hand, external auditors are, in most cases, answerable to the board of directors or shareholders of the organisation. The Controller and Auditor-General falls under the latter category. He acts on behalf of the general public who are taxpayers and is answerable to Parliament.
889. It was further represented to the Committee that the external auditor requires a different orientation from that of the internal auditor, hence lumping them together in terms of job descriptions and specifications is tantamount to overlooking the fundamental differences in their respective mandates. In view of this, it was proposed that external auditors should have a different scheme of service. It was also submitted that the existing scheme of service, as is presently arranged, does not cater for certain skilled personnel who are not necessarily accountants by profession, this inspite of the fact that some of these professionals are highly qualified and render invaluable service to the Department. An example was given of a computer specialist who cannot meet the professional requirements for promotion in accordance with the existing scheme of service yet he was highly qualified and rendering invaluable service to the department. In view of these representations, we have made a recommendation in paragraph 921 to the effect that there should be a separate scheme of service for external auditors and audit examiners.

890. We were informed that recruitment and retention of qualified audit personnel have been a major problem for the Exchequer and Audit Department and that there is serious understaffing, mainly at the middle management level due to poor salary and other terms and conditions of service. We noted that the vacancy position for the audit cadre in the Department is approximately 56 per cent of the authorised establishment. The Committee was informed that the Department has a high staff turnover as it has lost numerous professionals of various grades after they are trained due to the poor remuneration. Such officers leave for the private sector or to parastatals which offer better salaries and other terms and conditions of service.

891. We were further informed that the shortage of staff has resulted in demoralisation and overworking of the remaining staff who have to work long hours and sometimes on weekends and during public holidays in order to meet certain statutory deadlines. This has also resulted in inadequate service delivery by the Department. To address the above situation, we concur with the proposal that the existing schemes of service for audit personnel in the Civil Service be revised as a matter of urgency with a view to making them more relevant and attractive.
892. It was submitted to the Committee that since independence, the gross expenditure budget of the Government has grown more than 140 times, rising from approximately KShs.1.4 billion inclusive of Recurrent, Development and Consolidated Fund Services in 1963/64 to KShs.195.7 billion in 1996/97. The growth in the size of the budget has resulted in an increase in the number and volume of transactions and complexity of the activities involved. This invariably requires a continuous review of audit methods, as well as recruitment and training of staff to cope with the added responsibilities.

893. It was further submitted to the Committee that the taxpayers, and parliamentarians in particular, are now more sensitised and want to know every detail about financial management and expenditures. In addition, there has been a growing demand for financial accountability and transparency on Government expenditure. There is now more emphasis not just on the correctness of the figures in the audited accounts but rather on whether value for money has been realised.

894. The Committee was informed that Parliament, on behalf of the taxpayers, wants to know, for instance, why development projects have not been implemented despite allocation of financial resources or why some projects have become too expensive or why others have taken too long to complete. Parliament also wants to know, for instance, why schools are not given their grants sometimes for almost a year and yet the estimates of expenditure approved by it indicate that such grants should be issued on a quarterly basis, or why infrastructure in hospitals and in other essential public utilities and services are deteriorating while they continue to receive substantial budgetary allocations.

895. The Committee was informed that the role of the office of the Controller and Auditor-General in highlighting cases of misuse of public funds, fraud and laxity in the performance of duties in some ministries/departments is complementary to that of the Ombudsman. The office of the Controller and Auditor-General therefore acts as a Sectoral Ombudsman. We have dealt with the institution of Ombudsman in Chapter 14 of this Report.

896. The Committee was informed that the operations of local authorities constitute a complex accounting function which comprises a
wide spectrum in terms of accounting and audit requirements, thus necessitating a different audit system from that applicable to purely Government accounts. This situation is exacerbated by the fact that the preparation of local authorities’ accounts is very much in arrears and that the majority of the accounts produced are of a generally poor standard. The Committee noted that the authorities’ accounts are in a deplorable as they are not kept up-to-date and have, as a result, fallen in arrears as the authorities do not have the capacity to prepare them due to lack of qualified and trained personnel. Further, the Committee noted that proper auditing has not been possible and that attempts to employ private auditors have not only been expensive but unsuccessful. The Committee accordingly recommends that the accounting system in the local authorities be reviewed and simplified.

897. It was proposed to the Committee that the management of local authorities could be improved by removing political interference which has led to job insecurity for local authority staff. It was submitted that the Local Government Act, which gives the Minister for Local Government executive powers, should be amended with a view to reducing those powers. We were informed that this would also facilitate the simplification of accounting procedures. The Committee concurs with this proposal and recommends that the Government amends the Local Government Act with a view to separating political from executive powers, and thereby simplifying the operations of the local authorities. This subject has also been addressed in Chapter 23 on Local Government Service.

898. The Committee was informed that since independence the staff in the office of the Controller and Auditor-General had shown commendable dedication and determination in discharging their duties. As a result of this commitment to duty, the Controller and Auditor General has been able to provide satisfactory and objective audit services to the Central Government and the various local authorities. By performing their duties in a professional and forthright manner, the office of the Controller and Auditor-General has earned trust and its functions have been accepted as essential to good governance and accountability.

899. We were informed that as a result of the positive contribution on matters relating to accountability and proper management of financial and
other public resources, the office of the Controller and Auditor-General has created a favourable image to other external bodies and, as a result, the office has been called upon and requested to undertake quite a number of external audit assignments in international organisations of which Kenya is a member. Additionally, the office has served as a member of certain international bodies, such as the United Nations Panel of External Auditors and Board of Auditors for the International Monetary Fund (IMF), among others. The Committee was informed that the most significant achievement of this office has been the maintenance of critical focus on the promotion of proper financial management and accountability in the Civil Service and all aspects of public financial management.

900. It has already been stated elsewhere in this Chapter that the office has inadequate properly qualified staff to enable it effectively discharge its responsibilities and that it has been unable to recruit and retain qualified staff mainly due to poor remuneration. This has resulted in overworking the existing staff, inability to meet all the deadlines and, to some extent, compromising on the quality of work. Lack of adequate skilled audit personnel has had adverse effects on the Department’s ability to effectively provide audit services.

901. Notwithstanding the Department’s achievements as stated in paragraph 899 above, it was submitted to the Committee that while its funds are voted by Parliament, there is a recurrent problem of lack of Exchequer issues. Audit programmes and assignments have been delayed or at times terminated prematurely due to lack of funds. Delayed Exchequer issues and other budgetary constraints have had adverse effect on timely and effective provision of audit services since the Department is subjected to budgetary controls like any other ministry/department. Given the important role of the Department in safeguarding public funds and assets, we are of the view that it is essential for the office of the Controller and Auditor-General to be provided with adequate and reliable funding to enable it effectively carry out the essential audit services in an effective and efficient manner. To give the Department the financial independence required to enable it deliver audit services effectively, the Committee recommends that the Exchequer and Audit Department be funded directly by Parliament through Consolidated Fund Services.
902. The remuneration of the staff of the Exchequer and Audit Department is pegged to those obtaining for the rest of civil servants. It was submitted to the Committee that the salaries and other terms and conditions of service for the staff in the Department are unattractive and are not commensurate with required qualifications as stipulated in the scheme of service. It was proposed that consideration should be given to paying competitive salaries to the audit personnel in the Department, bearing in mind what parastatals and the private sector are paying for similar positions. It was suggested that professionals should be considered separately rather than lumping them with other civil servants in terms of grading and remuneration. It was further suggested that a leaf could be borrowed from the situation obtaining for Judiciary personnel. We have taken note of these submissions and the important role played by this Department in safeguarding public funds and in ensuring prudence in financial management in the public service.

903. It was submitted to the Committee that although the legal framework of the independence and security of tenure for the Controller and Auditor-General is provided for under the Constitution, this does not extend to his staff. It was represented to the Committee that the present arrangements in this country leave open the possibility of other arms of the Government being in a position to directly or indirectly influence actions of the office of the Controller and Auditor-General on resources and staffing matters to an extent that its ability to perform the audit function effectively and efficiently is compromised. This is with particular reference to the Treasury in its role of providing funds for the Department; the Directorate of Personnel Management in its role of preparing a scheme of service for staff in the Department and determining their grading levels and establishment as well as controlling the training vote; and, the Public Service Commission in its role in recruitment, promotions and discipline of members of staff of the Department.

904. It was represented to the Committee that the main issues which need to be addressed to provide the degree of independence required to ensure the effective management of the office of the Controller and Auditor-General are: the source and level of funding for the Department; the issues of recruitment, promotion, disciplinary action and removal of staff from office; and, the ability to retain properly qualified staff.
It was proposed to the Committee that an Audit Service Commission be established to deal with matters affecting the staff of the office of the Controller and Auditor-General. We have considered this proposal and taking cognisance of the important role played by this office and the problems it encounters, we recommend that the financing and staffing of the office of the Controller and Auditor-General be delinked from the rest of the Civil Service. In arriving at this recommendation, we have taken into account the fact that the work of external auditors is sensitive and specialised. We are convinced that external auditors need independence of action and job security. By having auditors recruited, promoted and disciplined alongside the rest of the Service, there is a danger of exposing them to reprisals by aggrieved parties.

Auditor-General (Corporations) Department

Upon its creation, the office of the Auditor-General (Corporations) Department was not established under a separate Act of Parliament but was to draw its mandate from the existing Exchequer and Audit Act. The powers conferred on the Controller and Auditor-General as a constitutional office were not transferred to the Auditor-General (Corporations) when the Department was created and as a result it has been operating as a Department under the Ministry of Finance. With the enactment of the State Corporations Act, Cap. 446 in 1986, the audit of all corporations in which the Government had 51 per cent shareholding, along with their subsidiaries, with the exception of Government-owned banks, was placed under the office of the Auditor-General (Corporations). It was represented to the Committee that as the Department has no constitutional basis for independence, it has not won widespread recognition due to the above situation and its departmental status under the Ministry of Finance.

It was submitted to the Committee that although the office of the Auditor-General (Corporations) operates under a scheme of service common to Internal Audit Department in the Ministry of Finance, Ministries of Education, Cooperative Development and Local Government, the mandates of auditors in these ministries are completely different from that of this office. It was proposed that they should not operate under one scheme of service and that the scheme of service for the office of the Auditor-General (Corporations) should be like that of the office of the Controller and Auditor-General as their mandates are similar.
908. As already stated, the Auditor-General (Corporations) is expected to audit all state corporations in which the Government has majority shareholding together with their subsidiaries. The Committee noted that the Auditor-General (Corporations) contracts out most audit functions in the state corporations. In addition, there has been privatisation of certain state corporations, such as the Kenya Airways, thus resulting in reduction in the number of state corporations under the ambit of the Auditor-General (Corporations) as well as the magnitude of the workload.

909. We were informed that the presence of an active and effective office of Auditor-General (Corporations) has instilled some form of financial discipline in state corporations. The audit reports of the Department have brought to the attention of Parliament, on behalf of the public, cases of misuse of public funds, frauds and laxity in the performance of duties in some state corporations. In view of this, chief executives of state corporations now know that they have to be accountable for public funds under their care and are more careful. We were informed that preparation of some accounts is still in arrears, but generally, state corporations have ensured that their accounts are prepared and submitted for audit within the statutory period of four months after the close of the financial year. It was pointed out that, although the impact of the office of the Auditor-General (Corporations) has not been quantified, it has saved the country substantial sums of public funds.

910. We were informed that the placing of the office of the Auditor-General (Corporations) in the Ministry of Finance is a constraint in as far as the Department’s ability to deliver audit services is concerned. It was pointed out, for instance, that despite his senior position, the Auditor-General (Corporations) can only recommend disciplinary action for members of his staff but cannot enforce it. In addition, communication with the Public Service Commission and the Directorate of Personnel Management on personnel matters has to go through the Ministry of Finance, thus lengthening the process and slowing down the action on recruitment and promotion of the staff in the Department.

911. The Committee noted that recruitment and retention of qualified audit personnel has been a major problem for the Department. The Committee was informed that there is a serious understaffing due to poor salary and other terms and conditions of service. The Committee also
learned that the office of the Auditor General (Corporations) is currently operating with less than half of its staff capacity. The Committee noted that the staffing problems in this Department are similar to those affecting the Exchequer and Audit Department and should be addressed in a harmonised manner.

912. It was submitted to the Committee that the remuneration package for the staff under the office of the Auditor-General (Corporations) should be equivalent to those currently in place for Category A state corporations since these are some of the corporations that the Department audits. This would motivate the staff to do a good job and give them confidence when dealing with the auditors while undertaking audits.

913. As already stated, the office of the Auditor-General (Corporations) is currently a Department of the Ministry of Finance, a situation which adversely affects its independence in service delivery. We were informed that the Public Investments Committee had recognised the present anomaly and had recommended that the status of the office of the Auditor-General (Corporations) be raised from a department of the Ministry of Finance to full constitutional status with independence and security of tenure similar to that of the Controller and Auditor-General. It was suggested that the Auditor-General (Corporations) should be delinked from the Ministry of Finance and be empowered to deal directly with the Public Service Commission and the Directorate of Personnel Management on staff matters similar to what is obtaining for the office of the Controller and Auditor-General. The Committee concurs with this view and recommends that the office of the Auditor-General (Corporations) be delinked from the Ministry of Finance.

914. In addition to the above, it was stated that, ideally, the office of the Auditor-General (Corporations) and that of the Controller and Auditor-General should be made more independent by placing the two offices under an Audit Service Commission (similar to Judicial Service Commission) which would be responsible for processing appointments, promotions and setting the terms and conditions of service for the audit personnel.

915. The Committee has carefully examined various submissions made with regard to the two audit departments and has noted that, ideally, there
should not be two departments dealing with similar functions. In addition, the Committee noted that placing an audit department under a Ministry tends to compromise its independence which is essential in ensuring its efficiency and effectiveness in discharging its responsibilities.

916. In the preceding paragraphs of this Chapter, we have discussed the issues presented to us touching on the office of the Controller and Auditor-General and the office of the Auditor-General (Corporations). We have noted that similarities exist between these two departments and that with the on-going privatisation of state corporations, the workload of the latter will be reduced considerably. Under these circumstances, we feel that there is a strong case for the merger of these two departments since previously the audit function was one. We are of the view that what is needed under the prevailing circumstances is for the office of the Controller and Auditor-General to be strengthened.

917. In consideration of the various representations made to the Committee in which the problems affecting audit work in the Central Government, state corporations and local authorities have been highlighted, the Committee is of the view that a new structure should be set up for the audit function. Consequently, we recommend that:

(a) The office of the Controller and Auditor-General and that of the Auditor-General (Corporations) be merged.

(b) The Government creates three new departments under the office of the Controller and Auditor General, namely, Directorate of Audit (Civil Service) to audit the Civil Service; Directorate of Audit (Local Authorities) to audit local authorities; and, Directorate of Audit (State Corporations) to audit state corporations.

(c) Each of the above three departments be headed by a Director of Audit.

(d) Once the offices of Controller and Auditor-General and the Auditor-General (Corporations) have been merged, the offices of the Directors in charge of the three departments be established as constitutional offices with independence and security of tenure similar to that of Controller and Auditor-General.

433
918. We are satisfied that with the new set-up as recommended above, staff performing audit work in the office of the Controller and Auditor-General will be able to perform their duties without interference as the security of their jobs will not be compromised. We recommend that the Government establishes an Audit Service Commission to handle all staffing matters affecting the enlarged office of the Controller and Auditor-General.

919. In Chapter 25, we have recommended special salaries and allowances for Permanent Secretaries in view of the critical role they are and will be expected to play in management of ministries under a situation of performance-related management system. The new scales will have implications for the salary scales for certain other offices in the Civil Service including the Office of the Controller and Auditor-General. In order to maintain parity of treatment, we recommend that the Controller and Auditor-General and his three Directors of Audit be paid new salaries under the new salary scales as shown below and as indicated in Conversion Tables CAG 1 and CAG 2:

(a) Controller and Auditor-General
Salary Scale "CAG 1"

(b) Director of Audit (Civil Service)
Director of Audit (State Corporations) and
Director of Audit (Local Authorities) -

Salary Scale "CAG 2"

920. We further recommend that the Controller and Auditor-General and the three Directors of Audit under his office be entitled to the same allowances and other fringe benefits recommended for Permanent Secretaries.
## CONVERSION TABLE  CAG1

**CONTROLLER AND AUDITOR-GENERAL**

Present Salary Scale (Job Group T):


Recommended Salary Scale CAG 1:


<table>
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<tr>
<th>Present Salary</th>
<th>K£ p.a.</th>
<th>KShs. p.m.</th>
<th>Recommended Salary</th>
<th>K£ p.a.</th>
<th>KShs. p.m.</th>
</tr>
</thead>
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<tr>
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<tr>
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<td>25,580</td>
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<td>50,595</td>
<td>84,325</td>
<td></td>
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<tr>
<td>15,813</td>
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<td>53,631</td>
<td>89,385</td>
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<td>56,667</td>
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<td>16,743</td>
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<td>59,703</td>
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<td>62,739</td>
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<tr>
<td>17,673</td>
<td>29,455</td>
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<td>65,874</td>
<td>109,790</td>
<td></td>
</tr>
</tbody>
</table>
### CONVERSION TABLE CAG 2

1. **DIRECTOR OF AUDIT (STATE CORPORATIONS)**

2. **DIRECTOR OF AUDIT (CIVIL SERVICE)**

3. **DIRECTOR OF AUDIT (LOCAL AUTHORITIES)**

Present salary Scale (Job Group S):


Recommended Salary Scale CAG 2:


<table>
<thead>
<tr>
<th>Present Salary KShs. p.m.</th>
<th>Recommended Salary KShs. p.m.</th>
</tr>
</thead>
<tbody>
<tr>
<td>20,900</td>
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<td></td>
<td>53,631</td>
</tr>
<tr>
<td></td>
<td>89,385</td>
</tr>
</tbody>
</table>

921. As explained above, it was submitted to the Committee that staff under the office of the Controller and Auditor-General should have a scheme of service different from the others because of its peculiar mandate. We are satisfied that internal audit work should not be mixed up with that of the constitutional office. Consequently, we recommend that a new scheme of service embracing audit examiners and auditors in the proposed departments of Directorate of Audit (Civil Service), Directorate of Audit (Local Authorities) and Directorate of Audit (State Corporations) be issued by the Directorate of Personnel Management.
CHAPTER 28 - NATIONAL ASSEMBLY

Introduction

922. The Committee examined the ad hoc Report of the Committee to Review the Terms and Conditions of Service for the Staff of the National Assembly, 1996-97 chaired by Mr. P. C. J. O. Nyakiamo (Nyakiamo Committee) which was presented to us for study and harmonisation with our own Report. Having examined that report, this Committee notes that in making its recommendations, the Nyakiamo Committee was guided, among other things, by the need to make the terms and conditions of service for the staff of the National Assembly attractive so as to facilitate retention of qualified personnel; the need to motivate the staff for effective performance and better output; the unique working environment; the rise in the cost of living; and, the ability of the Government to pay.

923. The Committee noted that the ad hoc Committee had received representations for the enhancement of salaries and allowances for the staff of the National Assembly and consequently made recommendations for their enhancement. We also noted that while most of the issues contained in the ad hoc committee’s report are also the subject of our Report, some of them are specific to the staff of the National Assembly while salaries and allowances affect everybody in the Civil Service. We have taken this opportunity to isolate those recommendations which we consider to be specific to the staff of the National Assembly and to make our position clear on each one of them.

Special Compensatory Allowance

924. The Nyakiamo Committee noted that Hansard Editors/Reporters, Clerks, Serjeants-at-Arms, Librarians/Library Assistants and Caterers, who are on Job Group H and above and who are required to work regularly after normal working hours due to the nature of work in the National Assembly, are paid special compensatory allowance at the rate of 20 per cent of their basic salary. We noted that special compensatory allowance was approved by the Directorate of Personnel Management in 1989 and that the ad hoc Committee had recommended that it should be increased from the current rate of 20 per cent to 30 per cent of the annual basic salary.
925. In considering the recommendation of the *ad hoc* committee, we noted that the cost of living has considerably risen since 1989 due to a number of factors which have contributed to the erosion of the purchasing power. However, considering that special compensatory allowance is paid as a percentage of the salary and that we are recommending new salaries, this Committee saw no merit in recommending enhancement of this allowance. In view of this, we **recommend** that Special Compensatory Allowance continues to be paid at the existing rate of 20 per cent of annual basic salary.

**Parliamentary Service Allowance**

926. We noted that the *ad hoc* committee had recommended the payment of a parliamentary service allowance to all staff of the National Assembly to compensate them for the unique environment in which they work. We noted that the recommended rates were: Job Groups A to D, 30 per cent; E to G, 25 per cent; H to K, 20 per cent; L to N, 15 per cent; P and Q, 10 per cent; and, R and above, 5 per cent of annual basic salary.

927. We note that in recommending the payment of the parliamentary service allowance, the *ad hoc* committee had considered the fact that the staff of the National Assembly work for long hours and under pressure and strain. Additionally, we noted that the *ad hoc* committee had considered the fact that the recent increases in salaries and allowances for Members of Parliament had given rise to high expectations on the staff of the National Assembly for salary increase.

928. We considered this issue and are satisfied that there is a case for compensation of the staff of the National Assembly for the unique environment in which they work as recommended by the *ad hoc* committee. We, therefore, **recommend** that the staff of the National Assembly be paid a parliamentary service allowance at the following rates and that this allowance ceases when one is transferred:
### Job Group

<table>
<thead>
<tr>
<th>Job Group</th>
<th>Percentage of Annual Basic Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>A to D</td>
<td>30</td>
</tr>
<tr>
<td>E to G</td>
<td>25</td>
</tr>
<tr>
<td>H to K</td>
<td>20</td>
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<tr>
<td>L to N</td>
<td>15</td>
</tr>
<tr>
<td>P to Q</td>
<td>10</td>
</tr>
<tr>
<td>R and above</td>
<td>5</td>
</tr>
</tbody>
</table>

### Creation of Post of Senior Deputy Clerk of the National Assembly

929. The Committee noted that the *ad hoc* Committee had recommended the creation of a post of Senior Deputy Clerk of the National Assembly to be graded at Job Group R to facilitate effective co-ordination and to bridge the gap between the Clerk of the National Assembly and the Deputy Clerks. In arriving at this recommendation, the *ad hoc* committee had observed that it was necessary to have a planned and smooth management succession. We agree with the observations of the *ad hoc* committee and accordingly recommend that a post of Senior Deputy Clerk of the National Assembly be created and graded at Job Group R.

### Legal Unit

930. This Committee noted that the *ad hoc* committee had recommended the creation of a Legal Unit in the National Assembly and for a post of Parliamentary Counsel graded at Job Group S for the head of the Unit in the Speaker’s Chambers. We noted that although a post of Speaker’s Counsel, Job Group P, was created by the Directorate of Personnel Management for the counsel responsible for all legal matters relating to the Speaker’s Chambers in liaison with other sections in Parliament, it had not been possible for the Attorney-General to identify a suitable officer for secondment to the National Assembly due to shortage of Legal Officers in the Service.

931. We considered this issue and agreed that there is need for a Legal Unit to be created in the National Assembly and for a Legal Counsel to handle legal matters in the Speaker’s Chambers. We have, however,
noted that the post of Parliamentary Counsel recommended by the Nyakiamo Committee is graded at a lower level in the Office of the Attorney-General’s and that if it is created at Job Group S level in the National Assembly, it is likely to cause some confusion. We, therefore, recommend that a Legal Unit be established in the National Assembly and that a post of Speaker’s Counsel, be created in the National Assembly and graded at Job Group S.

Catering Unit

932. We noted that the ad hoc committee had recommended that the National Assembly should consider the possibility of contracting out its catering services to the Kenya Utalii College. In arriving at this recommendation, the ad hoc committee had noted that Members of Parliament have constantly complained about the poor quality of service and indiscipline of the catering staff. Having considered this issue, we recommend that the National Assembly considers the possibility of contracting out its catering services to the Kenya Utalii College and thereafter abolishing posts in the Catering Unit.

Library Service

933. This Committee noted that the Nyakiamo Committee recommended that better prospects be provided to attract and retain Librarians/Library Assistants and that the Government should urgently review the existing Scheme of Service for Librarians and Library Assistants. We have considered these issues in the light of the difficulties the Government is experiencing in recruitment and retention of qualified library personnel in the Service and we have concurred with the recommendations of the ad hoc Committee.

934. In the light of the foregoing, we recommend that the Directorate of Personnel Management provides better career prospects to facilitate attraction and retention of qualified Librarians and Library Assistants. We also recommend that the Scheme of Service for Librarians and Library Assistants be reviewed by the Directorate with a view to providing better career prospects to Librarians and Library Assistants.
Computer Unit

935. We noted that the *ad hoc* Committee had observed that the Directorate of Personnel Management had created an establishment for the Computer Unit in the National Assembly in 1989 to facilitate computerisation of operations and records in the National Assembly. We have in Chapter 10 on Management Practices in the Civil Service discussed the introduction of Management Information Systems in the Civil Service as a management technique. We are of the view that it is necessary for all the operations and records of the National Assembly to be computerised. We, therefore, recommend that the operations and records of the National Assembly be computerised. We also recommend that the Authorised Officer of the National Assembly ensures that all the existing vacancies in the Computer Unit are filled to facilitate computerisation of operations and records of the Computer Unit.

Filling of Existing Vacancies

936. The Committee noted that the *ad hoc* committee had recommended that all existing vacancies in the Hansard Division, Library Unit, Computer Unit and Personnel Unit should be filled in order to enable the National Assembly to cope with the increasing workload. In addition to this, we noted that the *Ad Hoc* Committee had recommended that officers should be given specialised training in their areas of operation.

937. We concur with the recommendations of the *ad hoc* Committee that all existing vacancies in the Hansard Division, Library Unit, Computer Unit and the Personnel Unit should be filled and that officers should be given specialised training in their areas of operation. We, therefore, recommend that the Authorised Officer in the National Assembly advertises all the existing vacancies in the Hansard Unit, Library Unit, Computer Unit and Personnel Unit. We also recommend that officers be given specialised training in their areas of operation.

Personnel Establishment for the National Assembly

938. The Committee noted that the Nyakiamo Committee had recommended that the Government, through the Directorate of Personnel
Management, should carry out a study of the organisational structure with a view to determining the ideal staff establishment for the National Assembly. We also noted that the last review of the establishment of the National Assembly was carried out by the Directorate in 1989 and that since that time a number of changes have taken place, including reintroduction of multiparty politics which may have changed the way civil servants work in the National Assembly.

939. In the light of the foregoing, the Committee concurs with the recommendation of the Nyakiamo Committee. We, therefore, recommend that the Directorate of Personnel Management urgently carries out an organisational study of the structure of the National Assembly with a view to determining its ideal staff establishment.

Institutional Housing for the Speaker and Clerk of the National Assembly

940. The Committee noted that the ad hoc Committee had recommended that the Government should acquire institutional houses for the Speaker and the Clerk of the National Assembly so as to enhance the dignity of the House and the pride of the Nation. We noted that in arriving at this recommendation, the committee had received representations that according to the prevailing traditions within and outside the Commonwealth, the Speaker and the Clerk are provided with institutional houses which are maintained by Parliament.

941. We have examined this issue and concur with the recommendation of the ad hoc committee. We have in Chapter 18 on Housing and Office Accommodation recommended that holders of constitutional offices should be properly housed. Consequently, we recommend that the Accounting Officer in the National Assembly ensures the provision of institutional houses for the Speaker and the Clerk of the National Assembly.

942. We have recommended in Chapter 25 on Permanent Secretaries that these top Civil Service managers be employed on contract but be remunerated well in order for them to operate in the same way as private sector managers. In order to maintain parity of treatment in the Civil Service, we recommend that the Clerk, National Assembly be paid a new salary under the new Salary Scale CNA at the rate of KES 48,234 x 2,361 -
50,595 x 3,036 - 62,739 x 3,135 - 65,874 per annum. The conversion of the present salary scale to the new scale is shown in Conversion Table CNA. We further recommend that the Clerk, National Assembly be entitled to the same allowances and fringe benefits recommended for Permanent Secretaries.
## CONVERSION TABLE CNA

### CLERK, NATIONAL ASSEMBLY

Present Salary Scale (Job Group S):

K£ \(12,540 \times 369 - 13,278 \times 414 - 15,348 \times 465 - 15,813\) p.a.

Recommended Salary Scale CNA:

K£ \(48,234 \times 2,361 - 50,595 \times 3,026 - 62,739 \times 3,135 - 65,874\) p.a.

<table>
<thead>
<tr>
<th>Present Salary</th>
<th>Recommended Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>12,540</td>
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</tr>
<tr>
<td>12,909</td>
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<td>25,580</td>
</tr>
<tr>
<td>15,813</td>
<td>26,355</td>
</tr>
</tbody>
</table>
CHAPTER 29 - OFFICE OF THE ATTORNEY-GENERAL

Introduction

943. At the outset we wish to settle the question of nomenclature. We note that "Office of the Attorney-General" is the name by which the institution under discussion is referred to in Presidential circulars on the organisation of Government. However, we have observed that the name has been used alternately with "State Law Office" in other references and literature. We shall throughout this Report, refer to the institution under the latter name, i.e. State Law Office.

944. In this Chapter, we discuss several matters that have been put before the Committee for consideration in respect of the State Law Office. These include the salary structure and other terms and conditions of service prescribed for the Office; establishment and staffing position in both professional and para-legal cadres; and, gradings and designations.

945. In the course of our inquiry, we received representations to the effect that the current pay and other benefits assigned to the State Law Office need to be comprehensively reviewed to enable the Office attract, retain and motivate its staff. We were told that for quite a number of years now, the Office has been seriously understaffed due to the exodus of its best staff to other public service organisations or to the private sector. As at the time of our review, the State Law Office had an authorised establishment of 252 legal posts but only 163 of these were filled. Of the remaining 89 positions that were vacant, more than a half were in the critically important cadres of Senior and Principal State Counsel. The implication of this situation was that the professional duties and responsibilities of the State Law Office were being carried out by inadequate numbers of junior and inexperienced officers who had to work under close guidance and supervision of a few overburdened senior officers.

946. The Committee was told that due to this shortage of staff, colossal amounts of money were lost by ministries and parastatals due to either lack of a person with legal skills to handle their legal affairs or the existence in those ministries and institutions of lawyers whose training and experience might be called to question. To address these and other
problems that had seriously constrained the rendering of professional services by the State Law Office, the Attorney-General made strong representations to this Committee on the need to improve the remuneration structure for his staff. Specifically, he requested us to consider harmonising the pay and benefits for the State Law Office with those obtaining in the Judiciary in view of the symbiotic relationship that existed between the two institutions.

**Professional Legal Officers**

947. The issue of the relationship between the Judiciary and the State Law Office is not new and has been discussed by various committees that have reviewed the Civil Service in the past. The Waruhiu Committee of 1980 discussed the matter and recommended that a job evaluation study be undertaken with a view to devising a career plan for legal officers so as to attract and retain the best lawyers in the Judiciary and the State Law Office. We note that arising from this recommendation, a Scheme of Service for Professional Legal/Judicial Officers and Law Lecturers was subsequently prepared and released in 1990 which provided harmonised career plans for the legal professionals in the two institutions as well as those deployed elsewhere within the public service. Subsequent review committees, such as the Ramtu and Mbithi Committees, similarly recognised the affinity between the Judiciary and the State Law Office, especially in reference to interchangeability of staff between the two and thus recognised the principle of parity of treatment.

948. The Committee notes that this symbiotic relationship was somewhat broken when the Government decided to grant financial independence to the Judiciary and appointed in 1991 the Committee to Inquire into the Terms and Conditions of Service of the Judiciary chaired by Mr. E. Kotut (Kotut Committee) to restructure its salaries and related benefits separately from the Civil Service. The Kotut Committee completed its task and recommended a remuneration package for the Judiciary that was greatly improved compared to that of the Civil Service and, by extension, that of the State Law Office. Subsequent to the implementation of the Kotut Report, the Government decided to restore parity of treatment of lawyers in the two institutions by awarding to lawyers in the State Law Office salaries equivalent to those of the Judiciary and slightly lower rates of other benefits. The Government also formally recognised, in 1995, the
principle of parity and in effect delinked the setting of remuneration for the State Law Office from the mainstream Civil Service. A circular issued by the Directorate of Personnel Management to this effect stated:

"The principle of parity in determining the terms and conditions of service between professional legal officers in the State Law Office and in the Judiciary has been accepted."

949. Despite this clarification, the Committee was informed that there still existed disparities in the remunerative and other allowances applicable to the two institutions. We believe it is for this reason that it has been impressed on us to not only harmonise the allowances but to review as well the salaries for the State Law Office personnel.

950. We were told that apart from disparities in the rates payable for various allowances, the types of allowances granted were also not uniform. On the basis of the principle of parity of treatment, which the Government had accepted, we recommend the Directorate of Personnel Management ensures that all the allowances currently granted to the professional staff of the Judiciary, and the rates at which they are payable, are applied, _ipso facto_, to the professional staff of the State Law Office.

951. As regards the salaries payable in the two institutions, we note that these were at par. However, the Committee has been urged to review salaries for the State Law Office along with those of the mainstream Civil Service. In considering this matter, the Committee justifiably finds itself in a dilemma. We are in a dilemma because:

- firstly, the determination of remuneration for the staff of the State Law Office is now linked to that of the Judiciary and therefore, outside the purview of the Civil Service and by extension, that of our Committee; and,
- secondly, the current salaries for the State Law Office are substantially higher than those obtaining in the Civil Service and, therefore, their review would require a set of criteria that would be equally applicable to the Judiciary whose remuneration review is outside our mandate.
In the view of this Committee, this awkward situation arises from a number of factors. Firstly, we note that during the 1991 review of the Judiciary, neither the Kotut Committee nor the Government gave an indication of the modalities and timing of future salary reviews for the Judiciary, yet the Attorney-General’s submission to us states with great clarity:

"In my considered view, and so I submit, that Principle [of parity of treatment] entails that whenever judicial salaries and allowances are increased the same increases ought, ipso facto, and automatically without further argument, representations, canvassing, or reference, to be applied to legal officers in the State Law office".

After giving considerable thought to this matter, this Committee is of the strong view that a decision ought to be made and enforced by the Government as to whether the determination of remuneration for the State Law Office should continue to be linked to that of the Judiciary or that of the Civil Service, or whether that Office should be left to reap benefits from both worlds. A possible solution to this problem would be for the Government to decide that the setting and reviewing of remuneration for both the Judiciary and the State Law Office and, indeed for all other public service organisations, shall fall under the purview of the permanent Public Service Pay Review Board whose creation we have recommended in Chapter 16 on Civil Service Pay Policy. If that be the case, we recommend that the Government moves with haste to establish the proposed Board so that it can deal with the above matter which appears to be outside our jurisdiction and competence.

Para-Legal Staff

We now turn to the subject of para-legal staff which featured prominently in the Attorney-General’s submission to the Committee. He introduced the subject thus:

"It is a truism that no professional officer can deliver efficient service without the support of a well motivated administrative and financial staff. In my Office, the structure of the latter staff is from the Principal Administrative Secretary to the Subordinate
Staff and it is pervasive throughout the Professional Departments. In my submission all this support staff are para-legal. I am fortified in that view of the matter by the dictionary meaning of the word *para* - when used as a prefix. It means beside, near or related to. In the context of my Office, I cannot see any category of staff who do not fit that description. I am, therefore, recommending that all of them be treated as para-legals....In the Judiciary, all staff other than legal officers are treated as para-legals. It will be to stand reason on its head to pay a cleaner or messenger with the Judiciary differently from a messenger or cleaner in the State Law Office. In the event that this proposal does not meet with your approval, I recommend...[the] cadres of Secretarial, Clerical and Executive Staff. They can all be specifically trained as para-legals. I am sure that your Committee knows that the Kenya Polytechnic trains a cadre of Secretaries called Legal Secretaries".

955. We note that the Kotut Committee saw "para-legals" in terms of section 69 (3) (e) of the Constitution which talks of "such other offices of member of any court or connected with any court as may be *prescribed* by Parliament". It is imperative to pause here and ask what was to be prescribed by Parliament: the "*other offices of member of any court*" or the "*court*" itself? We understand that the Kotut Committee report was implemented in 1993 and that the Judiciary was delinked from January 1993. If what was to be prescribed by Parliament was "other offices of member of any court", the only specific Parliamentary prescription of a "para-legal" cadre brought to our attention was done vide the Council of Legal Education Act, 1995 which came into force in December 1995 - well over a year after implementation of the Kotut Committee report. Clearly, implementation of that report could not have been based on the Council of Legal Education Act. We shall shortly examine the implications of this Act on the support staff in the State Law Office. For now we attempt to dispose of the alternative parliamentary "prescription". If what was to be prescribed was the court itself, a nexus has to be established between the court and the support staff in the State Law Office in order for the said staff to be able to benefit from the prescription. No evidence has been placed before us establishing any nexus and we find none.
956. In January 1995, the Attorney-General wrote to the Directorate of Personnel Management proposing the upgrading of "para-legal" staff in the State Law Office. He described "para-legal staff" as court clerks, registry clerks, among others, of whom he said there was a large number. He reported that owing to unattractive terms of service many of his support staff had left Government service to join the private sector. Further to that, following improvement of terms for the support staff in the Judiciary, a number of support staff in the State Law Office had resigned to join the Judiciary. He urged the Directorate to make necessary arrangements to work out an appropriate scheme to place the support staff in the State Law Office at par with their counterparts in the Judiciary. The Permanent Secretary/Director of Personnel Management, after acknowledging the letter, suggested that the request be held in abeyance until such time when the salaries of other civil servants would be reviewed. The Attorney-General was, therefore, perfectly right in taking up the issue with this Committee.

957. The Council of Legal Education Act, 1995 in section 2 defines "para-legal as meaning" any person who has successfully completed a course for para-legals prescribed under section 6 (2) and holds a certificate of attendance awarded by the Council". Section 6 (2) of the Act states: "6.(2) without prejudice to the generality of the foregoing, the Council shall -
(a) establish, manage and control such training institutions as may be necessary for...
(v) organizing and conducting such courses for para-legals as the Council may prescribe".

958. In view of the improvement of terms reported to have been accorded to support staff in the Judiciary following the Kotut Committee report and in view of the complementarity of the Judiciary and the State Law Office, we are very sympathetic to the plight of the support staff in the State Law Office. The Judiciary had certain advantages over the State Law Office. Firstly, it was able to fall back on the general constitutional provision "such other office of member of any court or connected with any court" to convert its support staff into "para-legals". In paragraph 949 we found no nexus between the support staff in the State Law Office with the court and came to the conclusion that the State Law Office support staff cannot benefit from the general constitutional provision relied
upon by the Judiciary. Secondly, because it was given a measure of autonomy from the Civil Service, the Judiciary was able to devise its own organisational structure incorporating its support staff which it chose to describe as "para-legal" in its terms and conditions of service. The State Law Office on the other hand belongs to the Executive and is subject, by and large, to the normal Civil Service procedures. Thirdly, the Council of Legal Education Act, 1995 has given a statutory definition of "para-legal". It would appear to us that after enactment of the Act, anyone wishing to be treated as a para-legal has to satisfy the requirements of the Act. We are, therefore, unable to endorse the Attorney-General's proposal on account of the technical problems stated above.

959. We note that the Attorney-General's memorandum to us was accompanied, among other things, by a proposed Scheme of Service for Professional Legal and Trust Officers in the Department of the Administrator-General (Public Trustee). The proposed scheme attempts to cover all staff, including subordinate staff, in the Department. As a concept, the proposed scheme represents progressive thinking. However, it is not within our mandate to consider schemes of service. We doubt, though, whether it is appropriate, or even feasible, to have a scheme which caters for both lawyers and non-lawyers alike. We would have thought that what is needed, and urgently, in the State Law Office is a scheme of service for para-legals, with operational specialisations built into it. Accordingly, we recommend that the Authorised Officer in the State Law Office liaises with the Directorate of Personnel Management and embarks on preparation of a scheme of service for para-legals without delay. The Council of Legal Education should also embark on preparation of a training programme for para-legals without delay. The two programmes should result in the creation of para-legals who should be given a remuneration package commensurate with their semi-professional status. Thereafter, it will be necessary for arrangements to be made for this category of staff to remain either in the State Law Office or be deployed in the legal units of ministries which have such units.

960. In the meantime and as an interim measure, we recommend that the Government considers:

(a) Paying duty allowance to support staff deployed in the State Law Office. The level of such allowance to be determined by the Directorate of Personnel Management depending on
the "para-legal" nature of the member of staff concerned. The allowance to cease in the event of the transfer of staff enjoying such interim benefit out of the State Law Office to "non-legal" ministries.

Introducing crash in-service training programme for support staff in the State Law Office for purposes of qualifying to join the scheme of service for para-legals and encouraging, by appropriate means, serving members of staff to enrol for the programme.

Restructuring of the State Law Office

961. The Attorney-General informed the Committee that in December 1996 there was restructuring of the State Law Office which included the establishment of the post of Principal Administrative Secretary vested with the duties of accounting officer and authorised officer, which were previously vested in the Solicitor-General. The intention, he said, was to ease the burden on the Solicitor-General who has general superintendence of all Departments other than Public Prosecutions Department. We understand that in the sister Judiciary, proposals for its restructuring include a proposal to establish a post of Chief Court Administrator to relieve the Registrar of the burden of attending to administrative matters which leave the Registrar with little or no time for judicial matters. The vision there is that the Chief Court Administrator should be a man of law, which will be an essential prerequisite to the occupying of such an important and pivotal position in the Judiciary. The legal qualifications are to enable him to have a good grasp of the workings of the Judiciary and to efficiently deal with the legal problems that are bound to arise in the discharge of his functions. He is not envisaged as a generalist administrator but is to have under him a Chief Personnel Officer as well as an Accounts Controller. Apart from his legal qualifications, the Chief Court Administrator is expected to possess adequate qualifications, training or experience in personnel management including training in appraisal reporting system and financial administration. In our view this comparative arrangement may be worth consideration by the State Law Office.

962. The Attorney-General also reported the creation of the post of Director of Public Prosecutions. He said it was necessary for the Director
to have a Deputy but proposed that in view of the size and importance of the prosecutions office there should be established two posts of Deputy Director of Public Prosecutions and that the present post of Assistant Deputy Public Prosecutor be redesignated as Assistant Director of Public Prosecutions. We see no reason not to endorse the proposed establishment of the post of Deputy Director of Public Prosecutions. Accordingly, we **recommend** that the Authorised Officer in the State Law Office liaises with the Directorate of Personnel Management for the establishment of the post of Deputy Director of Public Prosecutions. Determination of the number of posts at this level should, however, be done through job analysis and evaluation. We also **recommend** that the post of Assistant Deputy Public Prosecutor be redesignated as Assistant Director of Public Prosecutions.

963. Additionally, the Attorney-General also made representations to the effect that the Department of Public Prosecutions should now be considered a fully fledged Directorate with its own Director. He proposed that it be redesignated as the Directorate of Prosecutions and its senior officers be given titles matching the office. We note from the Attorney-General’s memorandum that the new office of Director of Public Prosecutions will work under the direction of the Attorney-General and in accordance with his general and specific instructions. Our understanding is that constitutionally the Attorney-General is the Director of Public Prosecutions. Since the existing constitutional arrangements are not affected, we see no legal problem arising from the Attorney-General’s proposal for redesignation of the current Public Prosecutions Department to Directorate of Prosecutions. Accordingly, we **recommend** that the Public Prosecutions Department be redesignated to Directorate of Prosecutions. Appropriate representations will have to be made to the Directorate of Personnel Management in this regard.

**Creation of Grade of State Counsel III**

964. The Attorney-General proposed the creation of a new entry grade of State Counsel III for the purpose of elongating the promotional ladder in the State Law Office so that officers do not reach the top too soon and begin to feel they are stagnant. This proposal presents problems. Firstly, other submissions made to us have decried the existing system whereby civil servants get small annual salary increments thereby delaying their
attainment of the top of salary scales pertaining to the various job groups. Secondly, a question arises as to the implications of the proposal on the Scheme of Service for Professional Legal/Judicial Officers and Law Lecturers which we understand was intended to address, among other things, the issue of harmonisation of the treatment of lawyers within Government legal services. The complaint against small annual salary increments was based principally on the fact that salaries were in the first place low and that rapid erosion of the purchasing power of the shilling has had the consequence that the increments come nowhere near compensating civil servants for the erosion of their purchasing power. We found merit in the complaint against small annual salary increments over a long span of time and have in Chapter 17 on Recommended Salaries proposed a higher remuneration package for civil servants with fewer pay points, accompanied by a recommendation for regular reviews at shorter intervals. This does not, however, wholly dispose of the Attorney-General’s proposal. We examine it further in tandem with a somewhat related subject which has come to our notice.

965. The Attorney-General’s proposal for creation of the grade of State Counsel III has another aspect which introduces a new dimension into the matter. We take the issue up from the Attorney-General’s submission on the need to strengthen the Department of Public Prosecutions. He said, among other things:

"In my considered opinion, every Provincial Chamber should be headed by an officer of the rank of Assistant Director of Prosecutions. And every District Chamber should be headed by an officer of the rank of Senior Attorney. I also feel strongly that the time has come to lower the entry level. Experience shows that standards of legal education have deteriorated and there is need for an on the job training before one can really be considered fit for unguided deployment. I therefore recommend that a new position of state Counsel III be approved."

966. One of the complaints against the legal system relates to the issue of prejudicial effects of lack of experience on the part of judicial officers upon litigants. Thus when magisterial misdirections on points of law and findings of fact give rise to retrials or appeals, the litigation process, which is already expensive, is prolonged and more expenses are added to the litigants. There is a school of thought to the effect that appointments
to the magistracy should be made from advocates with experience. This raises the question as to where and how the experience is to be gained.

967. In the above connection, our attention has been drawn to section 32 of the Advocates Act, Cap. 16 which is to the effect that no advocate should engage in practice on his own behalf unless he has practised in Kenya continuously on full-time basis for a period of not less than two years after obtaining the first practising certificate in a salaried post either as an employee in the Office of the Attorney-General or an organisation approved by the Council of Legal Education or an advocate who has been engaged in continuous full-time practice on his own behalf in Kenya for a period of not less than five years. This section was intended to provide a remedy to problems of inexperience such as illustrated above. Somehow we understand the section has not been brought into operation while the rest of the Act came into force since 1989. In our view, the section is a vital legislative provision for purposes of enhancing efficiency and the good name of the legal profession for the wider ends of qualitative justice. Inexperienced lawyers should not be let loose to practise on their own in the open market, to the prejudice or detriment of innocent citizens. It is in Kenya’s interests to bring the section into operation without further delay. Arising from the above we recommend that the Attorney-General takes appropriate measures to bring into force without further delay section 32 of the Advocates Act, Cap. 16.

968. We take cognisance of the fact that the practice of law is a contentious business. It is, therefore, important that those going into it get proper and firm grounding. The Attorney-General’s proposal for the creation of an entry grade of State Counsel III does in our view commend itself in the context of providing a training grade. We, therefore, recommend that the Authorised Officer in the State Law Office liaises with the Directorate of Personnel Management to establish the grade of State Law Counsel III as at training grade.

Redesignation of State Counsel to State Attorney

969. Our attention has been drawn to the fact that prior to independence, legal officers in the State Law Office were designated as Crown Counsel and that at independence the title changed to State Counsel and remains so to-date. The top post in the State Law Office is, however,
designated as Attorney-General. The terms "Attorney" and "Counsel" do, of course, mean the same thing. The Attorney-General has submitted that it is untidy and unsystematic to talk of "Counsel" at the lower ranks and suddenly change to "Attorney" at the top. Why the position of "Attorney-General" when there are no "Attorneys"? Additionally, section 17 of the Advocates Act provides for conferment of the rank of Senior Counsel upon persons of irreproachable professional conduct who have rendered exemplary service to the legal and public services in Kenya. Also among the existing titles for legal officers in the State Law Office is that of Senior State Counsel. In view of the resemblance of the two titles, the distinction between "Senior Counsel" as a rank of honour and dignity and "Senior State Counsel" as a title of ordinary seniority will tend to be blurred. That can only have the effect of taking the flavour out of the dignity of the rank and honour of "Senior Counsel". Accordingly, we recommend that the Authorised Officer in the State Law Office liaises with the Directorate of Personnel Management to redesignate the title "State Counsel" to "State Attorney."

970. We observe in the above connection that there exists in the State Law office the post of Solicitor-General. Kenya's legal system is based on the British legal system. Their legal profession is divided into Barristers and Solicitors. Basically, the latter take instructions from clients and prepare briefs and take initial steps in setting in motion the legal process but it is the latter who on the whole appear to argue cases before the courts. Solicitors have limited access in actual representation of clients before the courts. In Kenya there is a fused Bar and upon qualifying, the Kenyan advocate can do solicitor's as well as barrister's work. There are, therefore, no solicitors in Kenya. That makes the title "Solicitor-General" just as anomalous as, if not more anomalous than, the title State Counsel subject matter of the preceding paragraph. It occurs to us that this anomaly should be addressed also.

**Shortage of Legal Publications**

971. The Attorney-General reported that the State Law Office is grossly short of law books and periodicals, which are the lawyers tools of trade. The books in short supply include Kenya Law Reports. Inadequacy of funding was cited as the problem. We note that there now exists the National Council for Law Reporting, established by the National Council
for Law Reporting Act, 1995 which came into force on 27th January the same year. The function of the Council is the preparation and publication of Kenya Law Reports. We were made to understand that the Council had not been funded to be able to start publication of Kenya Law Reports. We recommend that the Accounting Officer in the State Law Office takes the necessary measures to secure adequate funding for purchase of law books for the Office. We also recommend that the necessary arrangements, including funding, be made for the National Law Reporting Council to start its work.

Increase of Posts in the State Law Office

972. The Attorney-General also proposed the increase of the establishment in the State Law Office particularly from Senior State Counsel and above by at least one-third. He reported that his experience as the principal legal adviser of the Government had shown that colossal amounts of money are lost by ministries and parastatals due to lack of persons with legal skills to handle their legal affairs or the existence in those ministries or departments of lawyers whose training and experience might be called into question. He lamented that although he was convinced of the need to second experienced lawyers to ministries, he had repeatedly turned down requests for secondment of lawyers to ministries as even his own Office was in short supply of lawyers. He re-emphasised the need to improve the terms and conditions of lawyers in the State Law Office to empower the Office to discharge fully its constitutional mandate. And if the proposed improved terms succeed in attracting lawyers to join Government legal services in sufficient numbers, the Attorney-General would wish to second at least one legal officer to each ministry to take responsibility for handling its legal affairs and serve as a liaison officer between the State Law Office and the ministry or department concerned.

973. We note that the State Law Office is charged with many demanding functions: constitutional matters, legal education, estate duty, legal affairs, official receiverships, public trusteeship, custodianship of enemy property, wakf commissioners affairs, college of arms affairs and copyrights. It also undertakes registration of adoptions, books and newspapers, building societies, business names, chattels, transfers, companies, deeds of arrangement, legitimated persons, limited partnerships, marriages, societies and trade unions.
The Attorney-General appears to be caught on the horns of dilemma. On the one hand he has been unable to fill a substantial number of vacant legal posts in his Office while on the other hand he urges enlargement of his authorised establishment. We are persuaded that it would be a good investment for the country if the Government has adequate lawyers in its legal services. A three-stage strategy seems to be the practical approach providing the greatest promise: improvement of terms and conditions of service to enhance chances of filling the numerous existing vacancies; followed by analysis and evaluation of the capacity of the full complement, if realised, to cope with the mandate of the Office; followed by enlargement of the establishment if the evaluation proves a need for such enlargement. It is our considered view that the Attorney-General's proposals for creation of various additional posts and enlargement of his Office establishment should be subject to job analysis and evaluation. In this regard, we recommend that the Authorised Officer liaises with the Directorate of Personnel Management for job analysis and evaluation with a view to determining the need for and level of an expanded establishment.

Post of Assistant Deputy Public Prosecutor vis-a-vis Post of Senior Principal State Counsel

There is a matter raised by the Attorney-General regarding the post of Assistant Deputy Public Prosecutor in the Public Prosecutions Department vis-a-vis that of Senior Principal State Counsel in other Departments. The Attorney-General put the matter this way:

"At the moment, the position of Assistant Deputy Public Prosecutor is placed in the same Job Group as that of senior Principal State Counsel in other Departments. And in the Civil Litigation Department, there is no equivalent of the Assistant Deputy Public Prosecutor in the Department of Prosecutions. That would appear to be because in criminal prosecutions there was no position of Senior Principal State Counsel. To remove these anomalies and inspire court lawyers with the hope of upward mobility, is the reason why I have recommended that the position of Assistant Deputy Public Prosecutor and Senior Principal State Counsel be redesignated Assistant Deputy Chief State Counsel or, to use the new nomenclature I have recommended, Assistant Deputy Chief State Attorney."
976. Our understanding of the matter is that during preparation of the Scheme of Service for Professional Legal/Judicial Officers and Law Lecturers, the question of standardisation of titles in the State Law Office was considered. It was agreed that "State Counsel" be retained as the standard title but departments whose operations called for titles descriptive of the peculiar nature of their work be allowed to convert each standard title to its equivalent descriptive title in each concerned department to solidify sense of identity. Thus, for a department which retained the standard title throughout, for example, Treaties and Agreements Department, the hierarchy, in ascending order, was: State Counsel II, State Counsel I, Senior State Counsel, Principal State Counsel, Senior Principal State Counsel and Chief State Counsel at the headship of the Department. An example where conversion of the standard title to meet local needs took place is the Civil Litigation Department. There, the hierarchy developed, in the same order, was: Litigation Counsel II, Litigation Counsel I, Senior Litigation Counsel, Principal Litigation Counsel, Senior Principal Litigation Counsel and Deputy Chief Litigation Counsel at the headship of the Department. In the case of the Public Prosecutions Department, the wish was expressed that the titles "Deputy Public Prosecutor" and "Assistant Deputy Public Prosecutor" should not change. So, the hierarchy developed there, also in the same order, was: State Counsel II, State Counsel I, Senior State Counsel, Principal State counsel, Assistant Deputy Public Prosecutor and Deputy Public Prosecutor at the headship of the Department.

977. The post of Assistant Deputy Public Prosecutor in the Public Prosecutions Department is, therefore, the same post described as Senior Principal State Counsel in the Treaties and Agreements Department or Senior Principal Litigation Counsel in the Civil Litigation Department. We thought it important for this historical fact to be recorded. Otherwise we find nothing objectionable in the Attorney-General’s proposal for redesignation of the position of Assistant Deputy Public Prosecutor to Assistant Deputy Chief State Counsel or Assistant Deputy Chief State Attorney.

Complaints Commission

978. The Attorney General proposed appointment of more lawyers to the Complaints Commission, which deals with complaints against
advocates or their employees. He said that complaints are on the increase, averaging seven hundred per year. While we endorse the Attorney-General’s proposal, we note that his Office has several vacant legal posts. He should strive to fill them and utilise the legal officers so recruited to strengthen the Commission. The Attorney-General’s proposal to decentralise the services of the Commission to the field makes abundant sense. It is our view, however, that the Office can undertake the decentralisation administratively and we suggest that this be done. In view of the foregoing, we recommend that the Attorney-General takes the necessary action to have the number of full time Commissioners increased by three. The Attorney-General also proposed that one of the Commissioners be appointed Chairman, with co-ordinating responsibilities. We recommend that the Attorney-General takes the necessary measures to have the Advocates Act, Cap. 16, amended to provide for the position of Chairman of the Complaints Commission. We further recommend that the Authorised Officer in the State Law Office thereafter liaises with the Directorate of Personnel Management to have the post of Chairman established.

979. We note from the Attorney General’s presentation that the State Law Office spends considerable money on operations of the Complaints Commission. He has proposed that fines levied against offending advocates should be paid to the State Law Office as Appropriations-in-Aid, to be used for improving the services of the Commission. While the proposal readily commends itself, we understand that the body which levies fines on offending advocates is the Advocates Disciplinary Committee of which the Attorney-General is the statutory Chairman with the Solicitor-General as his alternate. The membership of the Committee includes three private legal practitioners. The Law Society of Kenya provides the Secretariat and pays for the services it renders. In view of the foregoing, we recommend that suitable arrangements be made between the State Law Office and the Law Society of Kenya for apportionment of costs and fines arising from the disciplinary process.

Council of Legal Education

980. The Attorney-General drew attention to the fact that the Council of Legal Education Act, 1995 established the Council of Legal Education as a body corporate with powers to administer legal education through the
instrumentality of the Kenya School of Law. He urged that the School, which was prior to the enactment of the Act a department in the State Law Office, should now be treated as an independent statutory corporation and his Office to exercise only ministerial responsibility over it. He proposed and we recommend that:

(a) The Kenya School of Law establishes and implements its own scheme of service for professional and administrative staff.

(b) The Accounting Officer in the State Law Office takes appropriate measures to ensure the provision of sufficient funds for the development of infrastructure and other facilities to enable the Kenya School of Law undertake post-graduate training of lawyers, continuing legal education programmes and the training of para-legals.

(c) In the spirit of cost-sharing, fees be charged by the School to all students.

Kenya Law Reform Commission

981. The Attorney-General acknowledged the importance of law reform and surveyed the role of the Kenya Law Reform Commission in this regard. He noted that the Commission is currently a department in the State Law Office, subjected to the usual Treasury budgetary ceilings. He reported having had to appoint various Task Forces to assist the Commission expedite the process of law reform. However, financial constraints hampered reform work. For instance, the estimates for legislative review, which were mainly directed to the Task Forces, were drastically reduced from KShs.27 million in the recurrent estimates of expenditure of 1995/96 to KShs.8 million in 1996/97. He urged the provision of more funds for law reform. We note from the Law Reform Commission Act, Cap.3 that the function of the Commission is "...to keep under review all Laws of Kenya to ensure its systematic development and reform, including in particular elimination of anomalies, the repeal of obsolete and unnecessary enactments and generally its simplification and modernisation". In discharging its mandate the Commission is required, among other things, to seek views from interested or concerned persons. Some of the persons to be involved in the process of law reform may be experts in different fields of law. This requires substantial financial
provisions.

982. The Attorney-General has proposed that the Law Reform Act be amended to achieve various objectives: to establish the Commission as an autonomous institution separate from the State Law Office; to make possible the appointment of more Commissioners; to extend the tenure of Commissioners from three to five years; and, to grant the Commission statutory authority to establish such committees as it considers necessary and to delegate to those committees such of its functions as it considers fit. Under the new arrangement, the Chairman and Commissioners would be equated to directors in parastatals and their remuneration would have to be commensurate with what they would draw in places of alternative employment. The Chairman may be equated to a Judge of Appeal and the Commissioners to High Court Judges, complete with all their privileges. That would make it possible to attract judges to the Commission on secondment. It would also make it possible to attract researchers from academia and those senior members of the Bar who have disposition to legal research. That way, it would be easier to solicit and receive donations and grants from donors without going through the Treasury. We find merit in the proposed reforms. Accordingly, we recommend that the Attorney-General takes the necessary action to have the Law Reform Act, Cap. 3 amended to:

(a) provide for the establishment of the Law Reform Commission as an autonomous institution.
(b) Provide for appointment of more Commissioners.
(c) Provide for extension of the tenure of Commissioners from three to five years.
(c) To grant the Commission statutory authority to establish committees and delegate to them such of its functions as it may deem fit.

Civil Service Reform Programme

983. Regarding the Civil Service Reform Programme, the Attorney-General reported that his Office had to let go some sixty members of staff in the cadre of clerical, secretarial and subordinate staff. This, he said, had caused problems as professional services require the support of these cadres. Consequently, he had to turn down subsequent applications for
early retirement under the programme. He urged that his Office be allowed to recruit more staff in this cadre. We have addressed problems arising from the implementation of the Programme in Chapter 5 on Civil Service Reform and Chapter 6 on Rationalisation of Ministerial Functions and Structures. We reiterate our views on the matter.

Office Accommodation

984. Regarding office accommodation, the Attorney-General lamented its inadequacy. In this he was in the good company of virtually all other Government ministries or departments. We have addressed this matter globally in Chapter 18 on Housing and Office Accommodation and generally reiterate our views on the subject. However, we note that the Government had sometime back given consideration to the construction of a new eight-storey office block next to the Attorney-General’s Chambers in Nairobi but somehow the project did not take off. Having regard to the central role played by the State Law Office in the administration of justice and the rule of law, which are vital pre-requisites to development, we recommend that the Accounting Officer in the State Law Office takes the necessary action to secure adequate financial provision for the early construction of the proposed office block.
CHAPTER 30 - THE FOREIGN SERVICE

Introduction

985. The Ministry of Foreign Affairs and International Co-operation is the principal organ in projecting the image, protecting and promoting economic and security interests of Kenya. We received submissions that since the break-up of the Eastern Communist bloc and the end of the cold war, international relations have subsequently assumed a new dimension with a major focus on economic matters. To this end, our Foreign Service is faced with the big challenge of providing the lead for the country in the competition for international trade, commerce and foreign investment with a mission towards industrial transformation by the year 2020. Therefore, having regard to the important role that the Foreign Service has to play in the new challenges facing the Civil Service as the country moves into the 21st century, we have found it necessary to address issues relating to the Foreign Service in this Report.

Organisation and Structure

986. The Committee was informed that Kenya has 35 diplomatic missions abroad and two locally based missions. The Ministry of Foreign Affairs and International Co-operation provides linkages between the Government and foreign governments. In line with the Vienna Convention on Diplomatic Relations, Kenya’s missions are headed by Ambassadors or High Commissioners and supported by political officers, attaches from other ministries and auxiliary staff.

Foreign Policy

987. We received submissions that Kenya’s foreign policy is based on a broad policy framework. The policy encompasses projection of national goals covering commerce, tourism and promotion of good neighbourliness. It also encompasses non-interference in the internal affairs of other states, positive non-alignment, commitment to international co-operation and search for and maintenance of peace and security in the region as well as the rest of the world. The service is also charged with the responsibility of drafting and signing international agreements. In doing this, it has a primary responsibility to ensure that the country’s
honour is preserved unequivocally. Furthermore, in pursuance of this policy, Kenya is a member and active participant in international fora, such as the Organisation of African Unity, the Non-Aligned Nations Movement and the United Nations. With the current trend towards globalisation, the urgency towards adopting aggressive bargaining in international political and economic relations has taken the center stage of the Foreign Service. We are aware that the Foreign Service requires well trained and experienced staff and adequate financial resources to meet the emerging challenges.

**Salary Structure and Allowances**

988. The salary structure and allowances for the Foreign Service are generally pegged at the same level as the rest of the Civil Service. The various Civil Service cadres that are deployed within the Foreign Service are covered by their existing schemes of service, salary and allowances. Submissions received from the Ministry of Foreign Affairs and International Co-operation were that the current salaries are inadequate and that the Foreign Service staff should be paid salaries equivalent to those obtaining in the Judiciary and which salaries should be pegged on the cost of living indices to make them self-adjusting and to be reviewed every two years. We have addressed these issues and find no justification for the request to peg Foreign Service salaries on those pertaining to the Judiciary. We believe that the enhanced salary scales for the entire Service as recommended in Chapter 17 on Recommended Salaries should suffice for the Foreign Service. In recommending so, we are guided by our focus on achieving parity of treatment in the Civil Service and discouraging differentiated salaries that have no basis, while also pre-empting the craze towards delinking by parts of the Service.

**Foreign Service Regulations**

989. The Foreign Service staff are accredited to Kenyan missions abroad where they operate under conditions which are different from those obtaining under the general Civil Service. The rules and regulations that guide the operations of staff in the Foreign Service are contained in the Foreign Service Regulations. The regulations are unique to the Foreign Service and do not, therefore, apply to the rest of the Civil Service.
Foreign Service Allowance

990. We were informed that the foreign service allowance is payable on monthly basis to staff posted to the country’s missions abroad and differentiated according to station of accreditation. The allowance is paid under single and married categories. The Ministry has stated that the present foreign service allowance in major cities of the world is way below that offered by comparable nations. Examples were given of countries which pay higher allowances to their diplomatic staff in comparison to those paid to Kenya’s diplomatic personnel. We were given an example that the Kenyan Ambassador to Germany earns about half the earnings of his Ugandan or Tanzanian counterpart.

991. The last general review of the allowance for Kenyan diplomats was done in 1992 and it was not until January 1997 that the recommended new rates were approved and implemented. We were informed that the rates were initially recommended for implementation in 1992 by the Mbithi Salary Review Committee. By the time they were implemented they had been overtaken by sharp increases in the cost of living. We received representations that a joint Directorate of Personnel Management and Foreign Affairs survey team that toured the various cities around the world found out that the cost of living had escalated considerably since 1989 when the last survey was done. Arising out of the differentiated cost of living around the world, the team recommended that the number of categories of Kenya’s diplomatic missions abroad be increased from three (Category I to III) to five by adding two special categories (Special Category I and II). Submissions received called for an increase of between 25 to 26 per cent of the current allowance and for an annual review.

992. We have examined the representations on the need to improve the foreign service allowance and make the following observations:

(a) The foreign service allowance was last reviewed in 1992 but implemented in January 1997 when the rates were increased at different percentages as dictated by the cost of living in various missions stations abroad.

(b) The Ministry has argued that the rates implemented in January 1997 were reflective of the cost of living
existing in 1992 and are actually recommendations of the Mbithi Salary Review Committee. The Committee learnt that in February 1997 another joint survey team toured various cities around the world to ascertain the cost of living. The outcome of the survey was not available by the time of writing this Report. We, therefore, had no basis for recommending any increase.

(c) The argument that the rates applicable to Kenyan diplomats abroad are too low compared to other countries was not supported by empirical evidence of the total allowances and privileges available to their counterparts.

(d) The general improvement in the remuneration to the Civil Service as recommended elsewhere in this Report also applies to Foreign Service personnel.

(e) The existing financial constraints in Government call for a delicate balancing of interests. Having regard to the fact that even the rest of the Civil Service is not adequately remunerated, it would be unfair to direct a higher proportion of resources, to one sector at the expense of the rest.

Consequently, we recommend that the rates approved in January 1997 continue to apply to the Foreign Service and that the case for review of the foreign service allowance be referred to the recommended permanent Public Service Pay Review Board with sufficient justification for consideration. In the event of delay in the establishment of the recommended permanent Public Service Pay Review Board, the Ministry of Foreign Affairs and International Co-operation may make out a case for enhancement of foreign service allowance to the Directorate of Personnel Management for consideration.

Outfit Allowance

We were informed that this allowance is payable to officers on first posting overseas at a fixed rate of Kshs.3,600 without regard to the country of accreditation and that the allowance is supposed to enable officers purchase appropriate clothing for their new station. However, the
extremes of weather conditions persisting in the various centres around the world; the difference in the cost of the appropriate outfits; and, the difference in seniority from the Head of Mission to the lowest ranked officer and their need for different attire call for a differentiated allowance. The submission proposed that the payment should be denominated in dollars and paid according to Job Group as follows:

<table>
<thead>
<tr>
<th>Job Group</th>
<th>US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q and above</td>
<td>300</td>
</tr>
<tr>
<td>M,N,P</td>
<td>250</td>
</tr>
<tr>
<td>H,J,K,L</td>
<td>220</td>
</tr>
<tr>
<td>All others</td>
<td>180</td>
</tr>
</tbody>
</table>

The Ministry has also proposed that the allowance be paid once every year as opposed to the present arrangement where it is paid once every three years. Proposals were also received for the Chief of Protocol to be granted an annual special outfit allowance in order to enable him be suitably attired.

995. We have considered the merits of the arguments for an improved outfit allowance. While we agree that there is need to re-examine the regulation, we observe that there is lack of sufficient justification for an upward review. Consequently, we recommend that the proposal to review the outfit allowance be made to the recommended permanent Public Service Pay Review Board with sufficient justification for consideration. Further, we observe that the Chief of Protocol need not be accorded an outfit allowance. Instead, we recommend that the Chief of Protocol be given a responsibility allowance of Kshs.10,000 per month. It is our view that the responsibility allowance is more relevant to the task of the Chief of Protocol than the outfit allowance.

Resettlement Allowance

996. We received proposals for the introduction of a resettlement allowance equivalent to one month’s foreign service allowance to be paid to officers in the Foreign Service on being posted home and three months foreign service allowance to those officers returning from stations affected by civil strife. We were informed that when officers have stayed abroad
for long periods of time, they need to be helped to find their base on returning home. We have received submissions on officers who undergo a lot of stress due to problems experienced in resettlement, especially for their young children who may have grown up in different cultural environments. Currently, these officers are only eligible for three days hotel accommodation which period was said to be insufficient to enable an officer find a suitable accommodation.

997. We have examined the proposals from the Ministry and having regard to the fact foreign service allowance is differentiated for payment to the officers in different missions abroad, we do not find merit to recommend the payment of the foreign service allowance locally. If we were to allow such compensation, it would run counter to our considered policy of parity of treatment since officers from different missions would be eligible for differentiated foreign service allowance. We have also taken note of our recommendations made in Chapter 18 on Housing and Office Accommodation for the development of Government guest houses. We, therefore, recommend that in the long-run the foreign staff returning from tour of duty abroad be afforded accommodation in the proposed guest houses. However, there is urgent need to assist such officers settle and, accordingly, we recommend that the current three days hotel accommodation period be increased to 15 days to allow the officers enough time to settle and seek suitable accommodation. We observe that the officers will also be eligible to market determined house allowance. Consequently, we recommend that the returning officers be further eligible for one month’s salary being transfer allowance for normal resettlement. In addition to payment of one month’s basic salary, cases of those relocated from civil strife zones should be handled on their own merit.

Other Allowances

998. We received proposals for the enhancement or introduction of spouse, responsibility, entertainment, bereavement and miscellaneous allowances. Having considered the desirability of these allowances, we are of the view that they can be catered for by foreign service allowance, while the reimbursable allowances not already catered for under existing regulations should only be considered when the identified need cannot be met under the foreign service allowance.
Scheme of Service for Foreign Service Staff

999. The diplomatic staff in Kenya’s missions abroad and at the Ministry Headquarters are governed by the general scheme of service for Administrative Officers in the Civil Service. The staff are, therefore, subject to inter-ministerial transfers by the Central Postings Committee and are not at all considered specialists in their area. The officers are also subject to the Public Service Commission for recruitment, promotion and discipline. However, due to their specialised role as diplomats, the Ministry diplomatic staff are subject both to the Code of Regulations and the Foreign Service Regulations. The Foreign Service Regulations take care of their specialised roles while the Civil Service Code of Regulations cover the general service aspects of their work.

1000. We were informed that there exists discrepancies in the concurrent operations of this system. While it is true that officers within the diplomatic service are transferable to the rest of the Civil Service, this occurrence is more of an exception than the rule. Quite often, once officers are transferred from the rest of the Civil Service to the Foreign Service, they rarely find their way back unless on disciplinary grounds.

We were also informed that the current system pertaining worldwide is that diplomatic staff are covered and categorised by the Vienna Convention on Diplomatic Relations. As presently constituted, Kenya’s diplomatic staff do not conform to this categorisation because of being subject to inter-ministerial transfers.

1001. We have examined these representations and owing to the observations that the current Foreign Service requires officers who are broad-based, experienced in Government functions, skilled and well trained, we recommend that the Foreign Service continues to source for officers at any rank from the Civil Service, provided the officers identified have the qualities, training, disposition and potential that the Foreign Service requires in a diplomat. The training and experience an officer receives by working in various Government ministries is conducive to the thorough grounding in Government policy and functions that a diplomat needs to adequately represent the country’s interests abroad.
Training and Career Development

1002. We were informed that there is a Diplomacy Programme for foreign service staff tenable at the University of Nairobi. We note that the available chances for training are limited and do not meet the existing needs of the service. Training in diplomacy helps in induction and, therefore, appreciation of the role and ethics that the service requires. We recommend that the Diplomacy Programme be expanded and strengthened to take care of the increased personnel needs and to cater for the expansion and sophistication in the role and duties of the diplomatic staff which currently require improved negotiating skills in such diverse areas as loans, technical agreements and trade.

Welfare

1003. We received submissions that the Foreign Service is subject to a host of extraneous circumstances that require special intervention by the Government. We further received submissions to the effect that the welfare of Kenya’s Foreign Service staff has been poorly attended to in comparison to other countries’ missions abroad, leading to Kenyan diplomats surviving under stringent economic conditions. We have also considered that the welfare of the staff has linkages with the projection, protection and promotion of Kenya’s interests and image at home and abroad. Consequently, we conclude that the welfare of the country’s diplomatic staff, inter alia, directly impacts on the achievement of these objectives. Officers whose welfare is not adequately addressed are likely to engage in activities detrimental to the country’s image and interests.

1004. We received representations regarding the placement of children, counselling of diplomats and their children, passages for the family, education supplement and insurance cover. Submissions called for enhancement of these privileges. We have examined the representations and having regard to the financial implications involved in the enhancement of any existing privileges, we agree with submissions that the current arrangement under the above mentioned privileges are inadequate to meet the needs of the foreign service. However, due to the poor economic situation facing the nation, it would be difficult to fully compensate staff in the diplomatic service. Consequently, we recommend that the case for these privileges be presented to the recommended
permanent Public Service Pay Review Board for thorough scrutiny and consideration. On Insurance Cover, with the liquidation of Kenya National Assurance Company Limited, the Committee is pleased to note that the Government has now put the Group Personal Accident Policy with M/S Intra Africa Assurance Company with effect from 1st July 1996. However, while the cover specifies that the policy is taken out for all civil servants, it is not clear whether those officers serving in our Missions abroad are in effect covered. The Ministry of Foreign Affairs and International Co-operation submitted that the policy be extended to expressly cover officers who meet death and injury while outside the country. Arising out of the submissions received, we recommend that the Government takes commensurate cover to cater for civil servants while on duty outside the country.

Housing and Office Accommodation

1005. We received representations about the poor and inadequate office and housing facilities available to the Foreign Service personnel both locally and abroad. This country has continued to rent housing and office accommodation for Kenya’s missions abroad despite Kenya having comparative advantage in those countries, relative to comparable economies which have acquired permanent accommodation. We were informed that were this country to make outright purchases of housing and office accommodation in these countries, it would save on the costs attendant upon the housing and office accommodation budget.

1006. We take note of our recommendations for the Government to compensate civil servants by offering them an automatic market determined house allowance. We were informed that the rates obtaining locally cannot apply to the varied circumstances obtaining in our missions abroad. Due to the prevailing circumstances, the missions usually make pool arrangements towards housing its officers since it would not be convenient and efficient to have the officers make private arrangements for renting houses. Consequently we recommend that the Government strives to own pool houses for Kenya’s missions abroad. As a consequence, the foreign mission staff, unlike their local counterparts, will still be subject to monthly deductions in respect of utility charges. The current charges for utility are grossly inadequate and in the spirit of cost sharing we recommend new charges as follows:
Monthly Deductions in Respect of Utility Charges (Regulation F.2)

<table>
<thead>
<tr>
<th>Officers Job Groups</th>
<th>Current KShs.</th>
<th>Recommended KShs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>M and above</td>
<td>200</td>
<td>2,000</td>
</tr>
<tr>
<td>K and L</td>
<td>150</td>
<td>1,500</td>
</tr>
<tr>
<td>H and J</td>
<td>100</td>
<td>1,000</td>
</tr>
<tr>
<td>F and G</td>
<td>75</td>
<td>750</td>
</tr>
<tr>
<td>Others</td>
<td>50</td>
<td>500</td>
</tr>
</tbody>
</table>

Further, in the spirit of monetising the housing facility provided to all Government officers, we recommend that after the officers have been appropriately housed, the cost to the Government of housing each officer, be consequently accounted and reflected as remuneration to the beneficiary. We believe that this would assist in realising the actual cost of deploying our diplomatic staff abroad. On being posted back home, the officers in our missions abroad will be subject to the terms and conditions as recommended for the rest of the Civil Service. On office accommodation, we have considered the representations as detailed earlier and concur with submissions that there should be concerted efforts to acquire Government owned office accommodation, to avoid the high costs of renting offices for the country’s missions abroad. We, therefore, recommend that the Government systematically acquires offices for Kenya’s missions abroad.

Status of Kenya Missions to UNEP and HABITAT

We received submissions that Kenya’s Missions to the United Nations Environment Programme (UNEP) and Habitat, like the foreign missions, should be accorded the following privileges: duty free facilities, entertainment allowance, medical cover and full cost of education for a maximum of 4 children. We agree with the submission that the representational functions of these missions are at par with the other missions abroad and should be treated equally in that regard. However, we consider that the proposed allowances are paid to diplomatic staff serving abroad on the basis of special conditions obtaining there. Extending such allowances to officers stationed locally would have no justification. Furthermore, since such allowances are not extended to civil...
servants in the local service, granting the allowances only to the diplomatic staff serving locally would be tantamount to discrimination. We, therefore, recommend that the status of local missions be subject to the existing Civil Service Regulations as they apply to the local staff within the Ministry of Foreign Affairs and International Co-operation.

Support Services

1009. The diplomatic staff operates with assistance from other support staff who offer such crucial services as finance and accounts, supplies, secretarial and other support services. The adequacy, timeliness and efficiency with which these services are delivered is crucial to the good performance of the Foreign Service. The service has experienced underfunding and reduced budgetary ceilings leading to curtailment of operations whose impact on the services provided may have a negative effect on the country’s image. Underfunding has also adversely affected the country’s ability to train and prepare officers for specialised areas obtaining in the Security Council, such as Nuclear Disarmament, Peace Keeping and Law of the Sea. We received submissions that the current deliberations at multilateral and bilateral levels are highly specialised and require officers who are properly trained and skilled.

1010. We were also informed that international relations have become more sophisticated and this has made political and economic negotiations increasingly specialised. It now requires a lot of lobbying to win international deals, decisions and staff placements. Kenya has continuously been passive in the pursuit of placement of its personnel in international posts and one of the setbacks noted in this regard has been the inability to lobby by Kenya’s Foreign Service. International lobbying requires substantial funding which Kenya’s Foreign Service has not been sufficiently provided with. The countries which have successfully utilised this opportunity were said to have benefitted by having their nationals take up strategic international positions. We recommend that deliberate efforts be made towards funding foreign service lobbying efforts through the existing budgetary items. However, we observe that this country is endowed with experts in various sectors of the economy and the Foreign Service should endeavour to identify relevant Kenyan expertise and appropriately seek to access their services whenever required.
Linkages with other Ministries/Departments

1011. We received representations regarding the relationship between the staff of the Ministry of Foreign Affairs and International Co-operation and those seconded to Kenya’s missions abroad from other ministries and departments. We were told of problems arising at mission level between mission heads and seconded staff regarding conduct, accountability for expenditure and ethical behaviour. These representations decried the manner in which some departments seconded their officers without affording them an opportunity to learn and be inducted in the basics of diplomacy. We were told that lack of inter-ministerial briefing and induction has contributed to what has been observed in some instances as strained relationships between the seconded staff and the rest of the mission staff. **We recommend** that officers seconded to missions abroad be given requisite induction and briefing prior to taking up their overseas assignments. We received further representations calling for improved management skills among mission heads abroad to enable them offer proper guidance and counselling to the mission staff. We consider these skills as vital. Accordingly, we **recommend** that mission heads be adequately trained in modern management skills.

1012. Inter-ministerial co-ordination at policy and implementation level is crucial to the success of the Foreign Service. Submissions to the Committee decried lack of such co-ordination within the Civil Service. There is need, therefore, to have concerted efforts by the Ministry towards imaging and attracting local interest in the activities of the Ministry abroad. We also believe that Kenyans will learn to use the services of the Ministry in accessing international fora for the promotion of trade and commerce, social and cultural contacts, transfer of technology and other services. We further learnt that in some cases private public relations firms and lobbyists have been used in selected countries to promote the country’s image and that their costs were prohibitive. We consider that this should only be used as a last resort. Meanwhile, more emphasis should be put on developing capacity in policy creation and image co-ordination within the country’s Foreign Service as recommended elsewhere in this report. Arising from these observations, we **recommend** that the Ministry of Foreign Affairs and International Co-operation strengthens its research division and make deliberate efforts to educate the population and line ministries on its role in linking local to global socio
economic relations.

Case for Delinking

1013. The Warhiu Committee made recommendations for Service Boards to be set up under the auspices of the Public Service Commission to cater for specialised services in the Civil Service. This recommendation was not implemented. We have examined the request for delinking from the Foreign Service in view of its specialised requirements. We take note of the fact that the Service has so far been operating within the Public Service but with its own set of regulations. We have examined the tendency towards delinking by various other arms of the Civil Service and believe that delinking does not augur well for a unified Civil Service. Consequently, we recommend that a Foreign Service Board be established within the Public Service Commission to operate as a specialised body to cater for the diplomatic service. We believe that such arrangement will serve the interests of the Foreign Service without adversely impinging on the uniformity of the Civil Service and the wider interests of Government.
CHAPTER 31 - PUBLIC SCIENTIFIC AND TECHNOLOGICAL RESEARCH INSTITUTES

Introduction

1014. As we have stated in the introduction Chapter, we were asked to examine reports of certain ad hoc committees which had been mandated by Government to review the status and remuneration packages of some institutions in the public service. In examining these reports, our Committee was expected to bring a measure of harmony in the overall remuneration structure in the entire Civil Service and, to some extent, in the wider public service. In this Chapter, we review the proposals which were prepared and forwarded to this Committee by the Ministry of Research, Technical Training and Technology.

1015. We were told that the review by the Ministry of terms and conditions of service for research institutes was prompted by a number of factors. Firstly, there were close similarities between the universities and other relevant organisations in terms of human skills and knowledge required and functions to be performed. Secondly, research institutes found it very difficult to attract and retain qualified professional staff because of the existing relatively poorer terms and conditions of service. Thirdly, research institutes experienced losses of highly qualified staff to the universities and other national and international organisations doing related work. These officers left the institutes after expensive in-service high level training. They went away with skills required by the institutes in execution of research programmes. We were informed, for instance, that in the Kenya Agricultural Research Institute (KARI) alone, more than twenty doctorate degree (PhD) holders left during the last few years. The majority of these officers had left immediately after training without making any contribution to the institute’s research programmes.

1016. The Committee is aware that the application of scientific knowledge and technology is an essential contribution to sustainable national development. It is for this reason that the Government in 1977 enacted the Science and Technology Act, Cap. 250 which established the National Council for Science and Technology. The Council has a wide mandate covering national science policy, determination of national priorities for science and technology and all other matters related to
application of science and technology to national development.

1017. The Committee noted that most of the current public research institutes were part of the elaborate research system within the East African Community. Following the demise of the Community, the institutes were formally housed in the respective sectoral ministries. Subsequently, the Government in 1988 created a new Ministry of Research, Technical Training and Technology (MRTTT) to take charge of research and technology matters and to align research and development into economic development for higher growth.

1018. The public research system comprises six research institutes; two foundations; one institute managed by the National Museums of Kenya; and, two apex institutions, namely, the National Council for Science and Technology and the Directorate of Research Development. The institutions under the direct responsibility of MRTTT are Kenya Agricultural Research Institute; Kenya Medical Research Institute; Kenya Marine and Fisheries Research Institute; Kenya Forestry Research Institute; Kenya Trypanosomiasis Research Institute; and, Kenya Industrial Research Development Institute. In addition, there are two commodity research organisations, namely, Coffee and Tea Research Foundations which are funded from cesses levied from coffee and tea sales.

1019. The Committee learnt that the bulk of tangible achievements in the research and development field has been in agriculture and food production. Over the years the research system has developed new products, technologies and knowledge that has been useful to national development. In the agricultural sector, KARI has developed new improved food, industrial and horticultural crop varieties and related agronomic practices suitable for various agro-ecological production zones. For example, the maize hybrids are the basis of commercial production of this staple crop. In the livestock sector, KARI has developed fodder production packages in support of milk production in the small and medium scale areas; appropriate husbandry practices for high yielding dairy cows; new methods of diagnosing and controlling livestock diseases as well as better soil and water management practices as a basis for sustainable livestock production systems. Forestry research has perfected new methods of seed harvesting; forest regeneration techniques; and, new forest products. Relative emphasis has been given to socio-forestry and
agro-forestry including aspects of conservation of the natural resources. Fresh water fish farming and an inventory of marine reserves are among the breakthroughs from marine and fisheries research. With regard to industrial research, new procedures in the use of sorghum, fish skin processing technology, among others, have already been commercially applied. These are examples and each of the research entities has made material contribution to the development and welfare of this nation.

1020. The Committee further noted that the link between Kenyan industry and research institutions is weak and no structured mechanism exists for identifying problems of the private industrial sector, which should be passed on to research and development institutions for investigation and formulation of appropriate solutions. In most cases, there is no private sector involvement in the research conducted by state-controlled research institutions. Consequently, research activities and findings of these institutions have made very little impact on industrial or private sector development. Private sector funding of research in Kenya is virtually non-existent and no structured communication or link exists between suppliers and users of research findings. This has led to a situation where most research findings are not driven by demand and thus are not entirely relevant to industry. In view of the foregoing, we strongly recommend that:

(a) The Ministry of Research, Technical Training and Technology establishes a structured system to facilitate the usage of research institutions by the private sector.
(b) Such a system facilitates funding of research work by the private sector.
(c) Once the research findings are out, they be released to users immediately.

1021. The Committee also noted that there is an urgent need for a critical re-examination of the country’s research and development as outlined in both the Eighth National Development Plan, 1997-2001) and Sessional Paper No. 2 of 1996 on Industrial Transformation to the Year 2020 in view of the vision of transforming Kenya into a newly industrialised country by the year 2020. We are also aware that the Science and Technology Act was last revised in 1980 and, as such, it does not cover adequately emergent sciences, such as biotechnology, informatics and
space science. We further note that both the National Council for Science and Technology and the public funded research institutes are faced with a range of severe operational difficulties including inadequate number and quality of professional, scientific and support personnel, mainly due to the relatively poor remuneration; inadequate incentives and rewards; inadequate incentives for local production of materials required for research and development; and, poor public funding thus leading to over dependence on donor funding.

Terms and Conditions of Service

1022. The Committee noted that the need for improved terms and conditions of service for research officers in these institutions dates as far back as 1989 when the Government released a scheme of service for this category of public servants. Despite the issuance of this scheme of service which put research officers one grade higher than their equivalents in the Civil Service, brain drain from these research institutes has continued to rise. This situation, therefore, calls for a definite solution in order to attract, train and retain professionally qualified research officers in the country’s public scientific and technological research institutes. Most of the research officers who have left the public scientific and technological research institutes have joined public universities which require similar training background as that which obtains in the public scientific and technological research institutes. A few of these researchers find their way to international research institutions.

1023. The Committee noted that the majority of these research officers receive training which is similar to that for researchers in the public universities in this country and yet the latter are better rewarded in terms of salary and other related benefits. We therefore recommend that a study be urgently undertaken to re-examine the entire spectrum of researchers in the public service (universities included) and their role in the new challenge that now faces the nation’s research and development institutions in our industrialisation process.

1024. The Committee further recommends that the Ministry of Research, Technical Training and Technology liaises with the Directorate of Personnel Management to work out modalities to match the terms and conditions of service for research officers in the public research
institutions with those obtaining in the public universities. This should be done after ascertaining that researchers in public research institutions hold similar academic qualifications and work in comparable research conditions. In matching the terms and conditions of service, recommendations of the Committee to Review the Terms and Conditions of Service for Members of Staff of the National Universities chaired by Mr. E. Mwakio be taken into account once accepted by the Government. In making these recommendations, we have been influenced by the fact that that Committee was appointed simultaneously with our Committee, coupled with the need to harmonise the role of researchers in Kenya. The harmonisation will ensure consolidation of research and optimum development of human resources in this country.
CHAPTER 32 - CIVIL AVIATION AND METEOROLOGICAL SERVICES

Introduction

1025. In this Chapter, we discuss issues of remuneration and terms and conditions of service for the staff of the Directorate of Civil Aviation (DCA), the Civil Aviation Board (CAB) and the Meteorological Department. In this connection, we received soon after our appointment a report commissioned by the Government addressing wider issues of these departments including their-salaries. The Committee noted that these departments were part of the regional institutions shared during the East African Community. With the collapse of the Community in 1977, they were incorporated into the Ministry of Transport and Communications and continued performing their roles for Kenya. Since then remuneration and terms of service have been a contentious issue leading to strikes and go-slow, the latest being in April, 1996. This has been due to many factors, mainly improvement in terms and conditions for civil aviation workers in neighbouring countries where work-loads and responsibilities are much less; recent privatisation of Kenya Airways Limited and delinking of Aerodromes Department from the mainstream Civil Service; non-implementation of the Sypher-Mueller report of 1994 which recommended that DCA becomes an autonomous body; adversities experienced in peculiar work situations, such as shift duty, high security area and work in radio-active environment; high levels of mental and physical exertion that some of the work entails; and, influence of packages offered by some international organisations and non-governmental organisations to ex-DCA employees.

1026. In addition, the Committee notes that the major role of the Directorate of Civil Aviation is management of the Kenya air space by ensuring that air traffic and navigational services are provided as stipulated by the International Civil Aviation Rules and Regulations. To fulfil this role, DCA is structured into two operational areas: headquarters and field operations. The headquarters is structured into Air Traffic Services, Air Worthiness, Flight Operations, Telecommunications and Operations Division. The Directorate also hosts the East African School of Aviation which is one of the regional schools catering for anglophone countries in Africa except for South Africa. The field operations are divided into six major stations: Jomo Kenyatta International
Airport, Moi International Airport, Malindi Airport, Wilson Airport, Kisumu Airport and Eldoret Airport.

1027. The Committee notes that the Civil Aviation Board was formed in 1977 to assume, within Kenya, the role of the former East African Civil Aviation Board. Its functions are to advise the Minister for Transport and Communications on aviation matters including those affecting Civil Aviation conventions; provide technical support in the investigation of aircraft accidents; enforcement of bi-lateral agreements; licensing of air services; and, setting of fares and freight rates. These functions are performed by non-professional staff through a Secretariat which is headed by a Deputy Secretary who is also the Executive Secretary to the Board.

1028. The Meteorological Department is the sole Government institution charged with the responsibility of providing meteorological services to all sectors of the national economy. The Department has 35 full weather observation stations and numerous rainfall and climatological stations scattered all over the country. The Department maintains national, regional and international links for the collection and exchange of meteorological data and information. Kenya is a member of the World Meteorological Organisation, a United Nations specialised agency. Due to its leading role in meteorological services in Africa, the Department houses a number of regional centres such as: Regional Telecommunications Hub, Regional Meteorological Forecast Centre, Regional Meteorological Training Centre and Drought Monitoring Centre. The meteorological watch office at Jomo-Kenyatta International Airport is designated as a Regional Meteorological Watch Office charged with collection and distribution of aeronautical meteorological information for this region. The Meteorological Department and the Directorate of Civil Aviation work together in the implementation of World Meteorological Organisation and the International Civil Aviation Organisation regulations and standards in the aviation sector.

1029. We note that following the break-up of the East African Community, the Institute for Meteorological Training and Research was placed under the Meteorological Department because of the complementarity of their functions. In its present set-up, the institute cannot achieve its objectives and attract adequate external funding because it has to operate within the Government bureaucracy. Considering that the
institute offers courses to students from many parts of Africa and beyond, it should project standards befitting an institution of its international class.

1030. The Committee further noted that the industry has undergone impressive development, with Nairobi having one of the best regional networks of aeronautical navigation aids ranking with Cairo, Johannesburg and Lagos as a leading air traffic routing centre on the continent. Nairobi also hosts regional offices for the International Air Transporters Association and the International Civil Aviation Organisation.

Terms and Conditions of Service

1031. The Committee noted that the Government with the help of International Civil Aviation Organisation commissioned a study that was undertaken by Sypher-Mueller International Inc to determine appropriate management options which would improve the effectiveness of the Directorate of Civil Aviation operations. The study, which was submitted to Government in 1994, outlined the relative merits and demerits of adopting various management options. The report pointed out that in countries where public institutions serving the civil aviation sector had gone autonomous, remarkable improvements in efficiency was noted and it strongly urged the Kenya Government to adopt a similar option. However, this recommendation has not been implemented by the Government. The non-implementation of this report has been one of the factors that has led to low morale of staff and contributed to persistent industrial unrest.

1032. The Committee is aware that Air Traffic Controllers of the Directorate of Civil Aviation staged a go-slow in their operations in April 1996, demanding review of their salaries, allowances and other benefits. To avert the crisis, the Government intervened through the Directorate of Personnel Management by offering improved rating and validation allowances in April, 1996. This, however, only benefitted Air Traffic Controllers and shift workers thereby leaving out other cadres whose functions are closely related to civil aviation safety and expedition. The other cadres also demanded parity of treatment with the Air Traffic Controllers. The cadres left out include personnel in the Meteorological Department, Civil Aviation Board and other staff within the Directorate of Civil Aviation.
In order to address the problem effectively, the Government contracted a study to look into their problems and come up with appropriate recommendations. The study was carried out by the Directorate of Personnel Management (DPM) and a report submitted in September 1996. The report states that the demands presented by the Civil Aviation and Meteorological staff on salary scales and allowances are not unique to Kenya. The study further noted that the allowances paid within the Civil Service do not cater adequately for peculiar responsibilities and working conditions in the organisations covered in the study. It, therefore, made recommendations and justifications on the allowances detailed in Table 17 below.

Table 17: Justification for Allowances as Recommended by DPM Study, 1996

1. Aviation Allowance
   - Responsibility for handling and expediting live traffic whose nature is global
   - Role of providing a hub for the region
   - To reduce wastage of highly qualified staff to other employers
   - To pre-empt industrial instability since similar cadres in other countries are paid better

2. Liability Allowance
   - To compensate for extreme stress experienced on the job

3. Rating and Validation Allowance
   - To maintain validity of licenses and encourage high professionalism in the field
4. Safety Allowance
   - Responsibility for aviation safety without a role in expedition
   - To stem loss of highly qualified staff to other employers
   - To enhance teamwork with those handling live traffic

5. Airport Support Staff Allowance
   - To improve morale in an environment where other employers extend similar allowances to their employees

6. Instructors Allowance
   - For instructors at EASA, IMTR and Flight Simulator to compensate for the extra demands of teaching responsibilities and help retain competent instructors

7. Adversity Allowance
   - To compensate for unusual conditions that affect health and social life
   - To improve on preference by staff of deployment in the stated areas
   - To enhance morale
   - To "supersede" shift allowance

8. Flying Allowance
   - To retain qualified staff
To keep in step with other employers

To save on costs of hiring pilots from other organisations

*NB: The allowance be paid at market rates.*

The Committee has scrutinised the reports by Sypher-Mueller, 1994 and DPM 1996 and, having regard to the strategic position of the aviation sector in the national economy and security of the country’s airspace, finds merit in the recommendations they made. We, therefore recommend that:

(a) As a short-term measure, the salaries and allowances we have recommended for the mainstream Civil Service be paid to Civil Aviation and Meteorological Services Staff.

(b) Those allowances identified by the Directorate of Personnel Management study as peculiar and compensatory to the staff of the Civil Aviation sector be paid to them as per Table 18.

(c) As a long-term measure, the Civil Aviation service be delinked from the mainstream Civil Service and be merged with the Kenya Airports Authority to form one authority under the umbrella name of Kenya Civil Aviation and Airports Authority. In this model, both the Civil Aviation Service and the Kenya Airports Service will each retain professional and technical identity but in the operations both will be co-ordinated by a Director General guided, on policy issues, by a Board of Directors.

(d) In order to give the new authority effective guidance and provide satisfactory service to its clients, the composition of the new umbrella board be as follows:

1. Permanent Secretary, Ministry of Transport and Communications
2. Permanent Secretary, Provincial Administration and
3. Permanent Secretary, Ministry of Tourism and Wildlife
4. Director, International Air Transport Association
5. Chief Executive, Civil Aviation Board
6. Representative, Kenya Air Operators Association
7. Representative of International Civil Aviation Organisation
8. Commander, Kenya Air Force
9. The Director, Kenya Meteorological Department
10. Three other members representing special interest groups, such as Kenya External Trade Authority & Kenya National Chamber of Commerce & Industry
11. Director-General of the Kenya Civil Aviation and Airports Authority who will also provide the Secretariat to the Board.

1035. In making the above recommendations, the Committee has considered the financial base of these two services. We have been informed that the monthly revenue derived from air navigational services by the Directorate of Civil Aviation is in excess of KShs. 60 million as opposed to its monthly expenditure of about KShs. 12 million for salaries. Similarly, the Kenya Airports Authority revenue is in the tune of KShs. 80 million per month. It has also been intimated to us that with motivated staff, and intensified approach to collection of revenue, more revenue would be realised. With the above information in mind, and the kind of revenue projected, the proposed Kenya Civil Aviation and Airports Authority should be self financing.

1036. The Committee observes that the Secretariat of the Civil Aviation Board is headed by a Deputy Secretary from the Ministry of Transport and Communications who is also the Executive Secretary for the Board. However, the staff who perform air transport duties under him are administrative officers who are subject to frequent transfers. We were informed that as soon as they begin to understand and to appreciate the air transport responsibilities, they are transferred thereby retarding the growth of the sector hence hampering continuity. In order to address this problem, we recommend that the Secretariat of the Civil Aviation Board be manned by professional air transport officers and that a scheme of
service be drawn up for them to facilitate advancement in the career, boost their morale and attract and retain qualified officers.

1037. The Committee observes that the Meteorological Department and Directorate of Civil Aviation staff work as a team to provide pertinent information to the aviation industry. We take cognisance that in the absence of this vital information it would be unsafe to fly. The Committee notes that the Meteorological Department plays a vital and complimentary role in the management and safety of Kenya’s air space. In order to enhance greater team work and better performance, we recommend that: parity treatment with the Directorate of Civil Aviation hence the following specific recommendations:

a) There be parity of treatment between staff of the Meteorological Department and those of the Directorate of Civil Aviation with regard to terms and conditions of service.

b) The Institute for Meteorological Training and Research be separated from the Department of Meteorology and made an autonomous parastatal organisation answerable to the Ministry of Transport and Communications

c) Upon the establishment of the proposed Kenya Civil Aviation and Airports Authority, staff of the Meteorological Department who provide meteorological data for aviation purposes be seconded to the authority.
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**KEY:**

NMC = National Meteorological Centre  
RTH = Regional Telecommunication Hub  
RAFC = Regional Area Forecast Centre  
NTC = National Telecommunication Centre  
IMTR = Institute for Meteorological Training and Research  
EASA = East African School of Aviation
SUMMARY OF MAIN OBSERVATIONS AND RECOMMENDATIONS

Introduction

Paragraph
16. That everything possible ought to be done to protect the institution of the Civil Service from the vicissitudes of undue political influences and to inculcate in it a high sense of nationalism, patriotism and respect for authority. Furthermore, civil servants must learn to serve the Government, which is their employer, faithfully, loyally and with total dedication and devotion; and, to avoid unnecessary delays or disruptions in implementation of its policies because of personal political inclinations.

18. That the Civil Service must, as a matter of urgency, move forward to meet this technological challenge if its role as a facilitator of development is to have meaningful impact as the nation inexorably moves towards industrial transformation by the year 2020. The civil servant of the future must be able to discuss confidently and intelligently with his counterpart in the private sector the intricacies of international trade relations, among other things, and understand clearly his role in the larger picture.

21. That civil servants in Kenya, especially those involved in the implementation of inter-governmental policies, must have a clear vision of the mission of the Government in regional co-operation. Civil servants must be innovators and facilitators of Government policies and must be equipped suitably to undertake activities that consolidate and promote Kenya’s interests.

Economic Background

60. The National Development Plan targets will require increased dedication, commitment, efficiency and effectiveness from the Civil Service as facilitator of the private sector in the vision of industrial transformation. This will call for appropriate upgrading in the quality and motivation of civil servants.

61. In the new multi-party era and the great economic challenges that
lie ahead, development efforts will have to occur in a different perspective from the past. Participatory approach will be increasingly crucial to internalizing and institutionalizing the values needed for sustained private sector-led development.

The State of Civil Service

80. We observed, that civil servants have suffered from serious deficiency in self-esteem, mainly due to inability to access modest standard of living and social amenities. Most officers did not take pride in their work and many stayed in the Service as a last resort. As a result, they tended to take their work for granted and did not discharge their duties efficiently and with the integrity expected.

81. The morale and efficiency of civil servants had deteriorated and that the enthusiasm and commitment had continued to be hampered by cumbersome regulations and procedures, poor co-ordination of activities, absence of machinery for evaluating and monitoring productivity and inadequate system of rewards and incentives. The evidence submitted before this Committee indicates that the performance of the Civil Service continued to experience decline and that the current state is a cause for concern.

83. The progressive expansion in the staffing of the Civil Service increased the financial burden on the Government and reduced funding for operations and maintenance, thereby contributing further to increased idleness and under-employment in the Civil Service.

84. The Civil Service had not established optimum staffing norms for ministries and departments. This lead to the unsystematic growth. We examined these representations and came to the conclusion that the lack of staffing norms in the Civil Service had inhibited appropriate staffing in ministries and departments. This contributed to the decline in efficiency and productivity which the Civil Service was experiencing.
The understaffing and consequent overwork in the Directorate itself and in personnel units in ministries and departments; resistance to postings; lack of appropriate training; and lack of cooperation and interference from some Government offices had negatively affected efficiency and effectiveness of the Directorate. The result was demotivation and inefficiency in the Civil Service.

There is evidence that the high rate of inflation has adversely affected the purchasing power of the incomes of civil servants. There is further evidence that low pay and benefits as well as unclear guidelines on agreed policies and strategies have seriously compromised the morale and performance of civil servants. This has been further aggravated by lack of better management practices and techniques in the Civil Service such as target setting, workplans, performance evaluation, job evaluation, unsystematic grading practices and supersession. Lack of training and training needs assessment and the after-effects of the retrenchment programme has also compromised effective delivery of services.

Future Challenges

Our analysis of the problems, which is based on intensive countrywide inquiries and perusal of many past reports, brings out the array of challenges that the Civil Service must prepare to confront in the face of rapidly changing circumstances. Future challenges are as much a function of tomorrow’s uncertainties as they are of the present condition of our society. Rapid population growth, unemployment and poverty, and the quality of life they portend, are already a daunting challenge in the present. The consolidation of national unity and political stability, economic restructuring and environmental protection are not only challenges today but will continue to be so in the future.

It is not in doubt that since independence political leadership in our country has given a clear vision of the destiny of the nation and has articulated from time to time what needs to be done to strengthen our nationhood and achieve a better life for our people.
110. Based on careful consideration of much evidence tendered to us, that civil servants, individually and collectively, lack a shared vision of the purpose and mission of the Civil Service as an institution. Civil Servants operate in a closed shop: an inward-looking institution which appears incapable of breaking out of the cocoon of bureaucratic culture and thus be able to see its place in the wider national scheme of things.

111. The seeming incapacity of the Civil Service to embrace change is a function of attitudes as well as training and experience. The average civil servant in Kenya today is happy to sit at his desk shuffling files, obeying orders and generally living day by day with no concern about the future, except his own and perhaps that of the department he works for. Put simply, today’s civil servant feels removed from the broad national issues which they consider to belong to the realm of politics.

116. The Committee is of the strong view that the Government should take urgent measures to strengthen the management capacity of the Civil Service. It is our considered opinion that the mobilisation of resources and efforts towards Plan implementation should pay particular attention to inter-ministerial co-ordination especially where the input of one ministry will be contingent upon the input of another ministry or ministries, or of agencies outside the Government system.

120. We take note of the fact that poor delivery of health services has had an adverse effect on the productivity of the population and the Civil Service in particular. It is therefore a major challenge for the Civil Service to be adequately provided and enabled to deliver appropriate health services.

121. The current National Development Plan has appropriately defined shelter as the entire environment within which housing is a
function and includes protection from adverse weather conditions as well as the security, privacy and space for socio-economic activities for the advancement of quality of life. We agree with this definition and confirm that adequate shelter is basic to the productivity of the population.

124. We have noted further that the Government has instituted appropriate measures in the Social Dimensions of Development programme to cushion vulnerable members of the community from the adverse effects of structural adjustment programmes. We commend the Government for this initiative. The Civil Service will need to rise to the occasion to ensure correct and timely implementation of this important policy measure.

128. Attempts by multinational corporations to dump toxic or potentially toxic substances within Kenya’s borders, depletion of our forest cover and erosion of our soils through greed and carelessness were a threat to the achievement of sustainable development. In this regard we agree with the representations received that it is the duty of a properly trained Civil Service to safeguard the nation’s environment for the benefit of posterity.

129. The advantages inherent in modern automated systems and satellite systems, such as Wide Area Networking (WAN) for inter-ministerial linkages and Local Area Networking (LAN) for internal information management systems, and the Internet for global communication far outweigh their costs. It is, therefore, urgent that the Civil Service adopts these modern communication systems to keep up with the technological advances which are taking place in the world and in order to facilitate faster delivery of services.

130. We concur with the view that the Civil Service urgently requires to adapt office automation as a measure towards reducing inefficiencies, improving inter-ministerial co-ordination and improvement in the delivery of services.
132. Having regard to the ills inherent in tribalism and taking cognisance of the fact that most developed economies have been able to succeed by rallying whole communities to nationalism, we strongly feel that concerted and deliberate efforts ought to be made to promote a national culture and outlook in the Civil Service. We strongly feel that the continued encroachment of tribalism in the Civil Service does not augur well for its stated mission as it leads to poor personnel management and unsatisfactory delivery of services.

133. In a liberalised economy, the Civil Service as a facilitator is expected to balance between policy articulation and service delivery and to respond to taxpayers who are becoming increasingly conscious of what they should expect from public servants.

136. While improved remuneration is crucial for the motivation of the Service, we wish to stress that the overall improvement in its management practices and techniques is crucial to the achievement of the desired improvement.

137. In conformity with the liberalisation measures, the Government, and by extension the Civil Service, will be expected to reduce direct participation in those activities which can be optimally provided by the private sector through open market competition. The Civil Service will, therefore, be expected to adopt private sector practices in sourcing for goods and services.

138. The success of regional co-operation is largely dependent on a highly skilled, trained and commercially-oriented Civil Service and is enhanced by political, economic and social stability. The Civil Service is the instrument by which the Government will nurture and sustain the co-operation and ensure stability in the region.

140. We commend the positive steps taken towards better implementation of policies and strategies through the setting up of
these committees and commissions and hope that they will live up to their mandates. We do, however, share the concerns about non-implementation of agreed policies and strategies and urge that a culture of their timely implementation be nurtured and institutionalised.

Civil Service Reform

156. The Committee wishes to express its commendation to the Government for recognising the need for comprehensive Civil Service restructuring and for taking bold actions towards its realisation. This notwithstanding, we are constrained to point out at this early stage that the commitment and dedication to the reform effort by policymakers, implementers and other stakeholders must be sustained at all costs. It is important, that in future, clarity of intentions, expected outcomes and attendant negative implications be given the serious consideration they deserve by both the Government and the donors. The Committee is, of the strong view that as much as possible, national objectives and donor conditionalities should be co-ordinated in such a way that all potentially painful side effects of reform are identified and solutions to them found before embarking on full-blown implementation. In particular, completion deadlines should not be set until an elaborate implementation capacity has been put in place.

158. After careful analysis of all the evidence we have received in the course of our inquiry, the impression we have formed is that the reform programme was launched in a situation of utter unpreparedness.

159. Ministerial rationalisation should have been undertaken first so as to provide a basis for the development of staffing norms and, in
to provide a basis for the development of staffing norms and, in turn, the criteria for determining the magnitude of overstaffing and the scale of retrenchment required.

163. That:
(a) The Government, albeit belatedly, produces as a matter of urgency a comprehensive definition of the scope of future responsibilities of the Civil Service. This Committee's Report has made a number of recommendations which could form the basis of such definition.
(b) Concerted efforts be made by all the key players in the reform process to ensure that all the reform components are implemented in accordance with the laid down plan of action; these include the National Steering Committee, the Directorate of Personnel Management, Civil Service Reform Secretariat, Ministry of Finance and the various Civil Service Reform Committees.
(c) The Government mounts, concurrently with the rationalisation of the second group of ministries, a crash programme to develop reform management capacity in those ministries.
(d) Permanent Secretaries to the ministries being rationalised be given wider responsibilities and accountability for the rationalisation programme analysis and implementation to ensure its sustainability.
(e) Each ministry creates a policy formulation and analysis unit which will be advisory to the Permanent Secretary.
(f) Staff rationalisation and the development of staffing norms be developed in ministries concurrently with the rationalisation of functions and organisational structures.
(g) Target-setting and deadlines for all reform activities be prescribed realistically bearing in mind availability of the required resources and internal implementation capacity.

(h) The National Steering Committee meets once every quarter to review the progress of the Civil Service Reform Programme.

167. In the view of the Committee, the first preparatory step towards retrenchment should, ideally, have been a careful analysis of the current staffing position in each ministry, the determination of shortages and surpluses and the development of staffing norms.

171. We appreciate the fact that human beings are the most important resource in any organisation, the effective management of which is the predominant determinant on how well the organisation performs.

172. That personnel issues be handled in order of merit and the Government should ensure that undue interferences in the Civil Service, particularly by politicians, is curtailed. This can be effected by ensuring that the existing institutional arrangements handling personnel matters, particularly the Public Service Commission, are empowered and their independence maintained.

175. That:

(a) The Directorate of Personnel Management should ensure the introduction of modern management practices and techniques in the Service under the Civil Service Reform Programme.

(b) The Directorate ensures that the Code of Regulations and Personnel Circulars are revised regularly as and when the needs arise.
177. That:
(a) The Directorate develops a skills inventory under the auspices of the Civil Service Reform Programme.

(b) The Directorate should revise all the schemes of service which need updating, streamlining and harmonisation as well as develop new ones for those cadres without them.

(c) The Directorate should ensure that all personnel cases submitted to it are expeditiously dealt with to avoid unnecessary delays.

179. That:
(a) Training projections be drawn up in each ministry/department on the basis of identified training needs and be strictly followed when determining the staff to be trained.

(b) Induction and on-job-training be undertaken in the Civil Service in accordance with the identified training needs.

(c) Officers be trained locally and be sent abroad for training only when the training programme is not locally available and when it is not available locally or when it is not cost effective to mount such a course locally.

(d) Government should strictly enforce the bonding system and relate the amount of bond to the actual cost of training.

(e) Civil servants be properly sensitised to effectively provide public services in a multi-party and reform era.
That:

(a) Budgetary provisions for personal emoluments should be based on personnel data as contained in the complement control records maintained by the Directorate of Personnel Management which should be regularly harmonised with the records kept in ministries/ departments and particularly those of the Ministry of Finance:

(b) Budgetary ceilings on personnel emoluments and operations and maintenance should be re-examined with a view to allowing more flexibility, especially in the major revenue collecting ministries, to enable them spend more in order to enhance their revenue collection capabilities:

(c) A proper budgetary mix of personnel emoluments and operations and maintenance be established on a more rational and objective manner in the Civil Service.

(d) The budgetary process be streamlined to avoid budget cuts in the course of the fiscal year which disrupts operations in ministries/departments, thus adversely affecting their plans of action and their service delivery capabilities.

That:

(a) That sound financial management be practised in ministries/departments tenure that pending bills, particularly on the above utilities are cleared.

(b) That the organisations which collect money on behalf of the Government promptly remit those collections failing which their chief executives be held personally responsible.

That:-

(a) Savings realised through staff reductions be administered by the Directorate of Personnel Management through a separate vote under a similar arrangement to that used for
the Road Maintenance Levy and that the Government comes up with modalities on establishment of the fund and its management mechanism.

(b) Utilisation of reform savings be used to improve terms and conditions of service for the remaining civil servants, to enhance operations and maintenance budgetary allocations and to finance the high priority activities as stipulated in Personnel Circular Number 5 of 12th October, 1993 on the Civil Service Reform Programme.

194. To ensure the success of the Civil Service Reform Programme, reform management capacity in ministries should be developed on crash programme basis; staffing norms should be developed for various cadres to be used in determining staffing levels and future reform activities; and, targets should be based on the availability of required resources and the internal implementation capacity. In addition, there should be clear and sustained demonstration of commitment and dedication to the reform effort by policymakers, implementors and other stakeholders. Further, there should be clarity of intentions and expected outcomes and any resultant negative implications of the reform initiatives should be seriously considered by both the Government and donors. There should also be effective co-ordination of donor conditionalities and national objectives.

Rationalisation of Ministerial Functions and Structures

204. That:

(a) The phase one reports be put before the National Steering Committee with minimum delay for decision on implementation.

(b) Finalisation of phase two of the rationalisation exercise involving six ministries be expedited and its outcome submitted to the National Steering Committee for necessary action.
(c) With regard to the remaining eleven ministries, the Civil Service Reform Secretariat and the National Steering Committee put in place necessary measures to ensure their rationalisation by end of December 1997.

(d) In view of its central role in the Civil Service Reform Programme, the National Steering Committee meets regularly to receive progress reports from the Civil Service Reform Secretariat on implementation of the ministerial rationalisation exercise, with a view to appraising the Cabinet at least once every quarter.

(e) Considering the experience gained from the retrenchment exercise, the development of staffing norms be undertaken concurrently with the rationalisation exercise for all ministries.

206. That:

(a) The Directorate of Personnel Management plays a more co-ordinating role, where experiences learnt in one ministry could be used to facilitate action in another.

(b) The Directorate continues to monitor the six pilot ministries and provide a regular forum where these ministries can share experiences among themselves and with ministries covered subsequently.

(c) There should be a mid-term evaluation not just to check whether a ministry is on target in meeting specifications of the Action Plan, but also to analyse the impact of the exercise and make adjustments as appropriate.

208. That some of the routine ministerial functions, such as cleaning, outside security, maintenance of buildings and up-keep of stations,
motor vehicle servicing and repairs, among others, be contracted out through competitive bidding.

209. We note that the rationalisation exercise in respect of the six pilot ministries which constituted phase one of the sub-programme was completed and that phase two covering a further six ministries was underway. As for the remaining eleven ministries, we reiterate the need for expeditious finalisation of their rationalisation.

**Financing of Government Operations**

212. That the necessary measures be taken to complete Government stalled projects so as to prevent the substantial public funds already invested from going to waste.

214. (a) That the Directorate of Supplies Services in the Treasury together with the Chief Mechanical and Transport Engineer in the Ministry of Public Works and Housing undertake urgent review of the current procedures on procurement and maintenance of Government equipment in order to remove existing anomalies.

(b) The Accounting Officers in liaison with the two departments dispose of obsolete capital equipment through competitive bidding. The funds raised from the sales be used to repair and maintain the remaining serviceable equipment.

215. That Treasury ensures timely release of counterpart funds for donor-financed projects to avoid cost overruns.

216. That Accounting Officers urgently establish sectoral inter-ministerial donor co-ordination committees to ensure that donor related financing of projects is synchronised on sectoral basis to prevent duplication of efforts and ensure optimum use of resources.
217. We urge the Treasury to request donors to maintain proper records in respect to donor financed projects so that such data may be used by Government to prevent duplications and to plan for maintenance expenditures once the projects are handed over to the Government.

218. That the Treasury puts in place adequate measures to improve timeliness in Exchequer releases, especially with respect to unique programmes such as those which are weather dependent.

219. (a) That the Ministry of Finance puts emphasis on national priorities such as food production in the allocation of funds.

(b) In addition to aligning the budgetary process to reflect national priorities, the Government establishes a high level inter-ministerial committee to oversee budgetary allocations be established to ensure optimal co-ordination, prioritisation, and sequencing of programmes and projects.

221. That measures be taken to improve the current budgetary process by:

(a) Ensuring that the Ministry of Planning and National Development plays its pivotal role in the budgetary process in tandem with the Ministry of Finance at all stages of the budgetary process.

(b) Ensuring that there is full consultation between the Ministry of Finance and line ministries before budgetary ceilings are set.

(c) Ensuring cognizance is given to district specific project priorities when financial resources are being allocated for maintenance and development activities.

222. That Treasury’s External Resources Department establishes
mechanisms to monitor and analyse loan negotiations to ensure that a larger proportion of the loans contracted is used in financing other project costs.

223. That key Treasury Departments be staffed with personnel from the professional cadres drawn from the Civil Service and who possess the requisite technical and professional skills.

224. That swift disciplinary action be taken against any errant officer and that accounting officers be held personally responsible for any act of financial indiscipline within their respective ministries/departments.

229. That appropriate measures be taken to ensure that resources budgeted under the Development Vote are allocated to the most productive projects and to priority areas of social spending.

231. There is an urgent need to reduce the debt burden on the budget through various measures. Such measures include realisation of higher revenues to reduce Government reliance on borrowing requirements; privatisation of non-strategic loss making public enterprises; and by discounting debt through environmental projects. The Committee acknowledges the need for the country to approach friendly bilateral donors to seek debt relief.

234. That measures be taken to reduce the administrative and wage costs of recurrent spending on economic services to free resources move into non-wage recurrent spending, as well as augment the development component of Government spending on economic services, to allow a larger share of resources to go into capital formation.

235. That appropriate measures be taken to increase the share of development expenditure through removal of administrative overlaps.
240. That:
   (a) Appropriate measures be taken to ensure that adequate funds are allocated to operations and maintenance in order to rehabilitate existing equipment and prevent further deterioration of public sector capital and to ensure availability of complementary working tools for civil servants.
   (b) Funds generated through the savings from ministerial rationalisation, increased appropriation-in-aid and revenue and from resources realised through better management practices, be used to enhance the budgetary allocations for operation and maintenance.
   (c) That officers involved in budgeting be thoroughly trained in appropriate budgeting techniques to ensure proper management of public financial resources.
   (d) That Government puts adequate measures in place to prevent misuse of operations and maintenance resources and to ensure effectiveness in service delivery.

243. That:
   (a) The interventions under the Social Dimensions Adjustment Programme be synchronised with the objectives contained in *Sessional Paper No. 2 of 1994 on National Food Policy* in view of the fact that famine relief allocations take up the bulk of the programme’s resources and that such interventions be more focused on assistance to small-scale farmers and pastoralists, who are among the vulnerable groups, with enhanced financial assistance to boost national agricultural output.
   (b) That less costly intervention programme be designed under the Social Dimensions Adjustment Programme.
Paragraph

260. (a) That, as a matter of utmost urgency, the Treasury and Kenya Revenue Authority effect the necessary measures to ensure that the revenue targets set are realistic and take into account planned Government expenditure.

(b) That the Treasury and Kenya Revenue authority take the necessary measures to ensure harmonisation of revenue target setting as a means of maximising revenue collection. The Committee recognises that even in the absence of a planned increase in Government spending, revenue has to increase to a level which at least meets the inflation component of non-wage Government expenditure.

261. That:

(a) Treasury urgently puts in measures to strengthen existing revenue collection mechanisms with a view to sealing existing loopholes which permit revenue leakages.

(b) Treasury devises and implements additional revenue raising measures to ensure that the newly emerging income activities under the services sector are included within the tax net.

(c) Treasury institutes stringent measures to stamp out corruption which had led to tax evasion practices such as undervaluation of cargo, diversion of transit goods and non-receipting of purchases attracting VAT, among others.

(d) The Attorney-General ensures rigorous enforcement of the Prevention of Corruption Act, Cap. 65 and related laws.

(e) The current legislation be reviewed with a view to raising penalties to deter tax evasion.

262. That:

(a) The Kenya Revenue Authority intensifies its efforts to
collect all the taxes owed to it by individuals, public corporations and private companies within the shortest possible duration.

(b) With respect to public corporations, the Treasury and these corporations reconcile their records to determine the amounts legitimately owed between them and settlement of owing debts of bills by end of December 1977.

263. (a) That Treasury introduces measures necessary for security printing of Government accountable documents.

(b) The Committee also observes that many countries worldwide have introduced an environmental tax utilised by Government to reverse damage to the environment brought about by industrial and other commercial activities. We, therefore, recommend that the Government considers the possibility of levying such a tax.

264. That:
(a) Treasury ensures that Appropriations-in-aid projections by ministries and self-accounting departments are realistic and achievable.

(b) Treasury puts in place suitable mechanism to ensure that Appropriations-in-aid voted by the National Assembly are collected and accounted for promptly.

265. That there is an urgent need to put in place mechanisms which would ensure optimal allocation between recurrent and development expenditures; between personnel emoluments and operations and maintenance expenditures; and, through ensuring that resources are directed to priority areas.
Paragraph

Staffing in the Civil Service

268. That:
   (a) Provincial and District Advisory Committees finalise disciplinary cases within two months.

   (b) That the Public Service Commission and the Directorate of Personnel Management design a model format to be followed in submitting disciplinary cases to ministry headquarters in order to remove inconsistencies in handling these cases.

269. That:
   (a) The Directorate of Personnel Management ensures Personnel Officers posted to provinces and districts are suitably qualified to discharge this function.

   (b) District personnel units be headed by Senior Personnel Officers and provincial personnel units be headed by Chief Personnel Officers to facilitate effective supervision and coordination of the personnel function in the field.

271. That manpower planning be introduced in the Civil Service and strictly adhered to so as to ensure that recruitment is done only when there is carefully assessed need for additional manpower.

276. That the Government takes immediate steps to facilitate fair distribution of the remaining staff in the Civil Service.

279. That:
   (a) The Directorate of Personnel Management facilitates a very strict establishment control system and that all complement control records in ministries/departments be computerised.

   (b) The Government expedites the introduction of Integrated Payroll and Personnel Database system in the Civil Service.
281. That officers be deployed in areas where they have the requisite skills.

282. That the Government develops criteria to ensure equitable deployment of professional staff.

283. That the Government embarks on the deployment/redeployment of staff and ensures fair distribution in all departments.

284. That in carrying out the staff rationalisation exercise, the Government takes into account the requirements of the District Focus Strategy for Rural Development.

286. That the Directorate of Personnel Management undertakes job analysis and evaluation as a basis for carrying out staff redeployment in the Service.

287. That before any vacant posts are filled in ministries/departments, Authorised Officers be required to carry out job analysis and justify to the Directorate of Personnel Management the need to fill the posts and the availability of the necessary tools to enable the officers perform their work.

288. That Authorised Officers and postings committees first examine the biographical data of an officer, job content, appraisal reports and the work environment including availability of tools of work and Service needs before initiating or accepting proposals for posting.

289. That self initiated requests and availability of operational tools break for transfer be approved subject to availability of vacant positions in the receiving stations and suitable replacements in the sending stations.
Paragraph

291. That:
   (a) Authorised officers desist from posting officers to these areas on disciplinary grounds.

   (b) In order to encourage suitably qualified officers to serve faithfully and wholeheartedly in hardship areas, postings to these areas, as far as possible, be on promotional basis.

   (c) The Government enhances the level of hardship allowance paid to officers serving in this areas as recommended in Chapter 19 on Other Terms and Conditions of Service and provide additional incentives so as to attract and retain qualified officers in the hardship areas.

   (d) Officers posted to hardship areas be reposted to other areas in the country after a tour of duty not exceeding three years unless they volunteer to and the Government agrees that they serve for longer periods.

   (e) Authorised Officers identify with minimum delay officers who have overstayed in the hardship areas for reporting to other areas once suitable replacements have been identified.

293. That a retraining programme be developed under the auspices of the Civil Service Reform Programme to retrain redeployed officers considered for redesignation.

297. That ministries decentralise their approved personnel establishments and services from the headquarters to the districts in line with the District Focus Strategy for Rural Development.

304. That the Government hires the services of external consultants to assist the Directorate of Personnel Management in creating staffing norms.
Paragraph

Grading System in the Civil Service

318. That schemes of service should be developed for every cadre in the Service and that in developing these schemes, the structure should be based on job evaluation.

320. That the Directorate of Personnel Management ensures that any future upgrading considers the entire structure for a given cadre as opposed to selected positions.

321. That the Directorate of Personnel Management ensures that:
   (a) Appointments on a "personal basis" should be discontinued.
   (b) Cases of officers who have been re-deployed outside their areas of specialization as a disciplinary measure are referred to the Public Service Commission for dealing in accordance with existing disciplinary procedures.

322. That under the ongoing Civil Service Reform Programme, a new and more flexible grading system based on job evaluation in the various occupations and professions be developed.

324. That:
   (a) The post of Principal Administrative Secretary at Job Group "S" whose holder will be the principal assistant to the Permanent Secretary be created.
   (b) A post of Director of Administration graded at Job Group "R" be established in Ministries.
   (c) In order to streamline gradings in the administrative cadre, the post of Deputy Secretary be upgraded to Job Group "Q" and a new post of Senior Under-Secretary be created and graded at Job Group "P"
Paragraph

(d) A study be done to determine the actual requirements of each ministry/department for such posts. In particular the study should establish the requirements for the posts of Director of Administration, Deputy Secretary and Under Secretary.

325. (a) A post of Deputy Provincial Commissioner and that it be graded at Job Group "R" be created.

(b) A post of Senior District Officer be created.

327. That an urgent job evaluation exercise be undertaken with a view to harmonising the grading structure.

328. That:
(a) That a private consultant, who can undertake job evaluation exercise within a period of six months, be hired.

(b) The exercise be done as part of the ongoing Civil Service Reform Programme.

330. That the Director of Education be graded at Job Group 'S' so as to reinforce his supervisory role and that the following positions in the Ministry of Education be re-graded as indicated below.

**Education Department**
Senior Deputy Director 
Deputy Director 
*Senior Assistant Director 
Assistant Director

**Job Group**
"R" 
"Q" 
"P" (New post) 
"N"

**Inspectorate (Education)**
Chief Inspector of Schools 
Deputy Chief Inspector of Schools

Job Group "R" 
Job Group "Q"
333. That the grading structure in the Directorate of Personnel Management and personnel units in ministries/departments be harmonised.

335. That:

(a) The existing post of Senior Deputy Director of Personnel Management, Job Group "R" be upgraded and redesignated "Principal Administrative Secretary", Job Group "S". The holder of this post will co-ordinate the activities of the functional Divisions in the Directorate as well as being the effective deputy to the Permanent Secretary and Director of Personnel Management.

(b) New positions of Senior Assistant Director and Deputy Programme Director, Civil Service Reform Secretariat (CSRS) in the Directorate of Personnel Management and the Senior Principal Personnel Officers in ministries/departments be upgraded from Job Group "P" to "Q".

(c) The positions of Assistant Director, Assistant Programme Director (CSRS) in the Directorate of Personnel Management and Principal Personnel Officers in ministries/departments be upgraded from Job Group "N" to "P".

(d) New positions of Principal Management Analyst and Principal Programme Officer (CSRS) be created in the Directorate of Personnel management and graded at Job Group "N".
(e) A new position of Assistant Principal Personnel Officer be created in ministries/departments and graded at Job Group "N".

337. That the post of Director of Medical Services be re-designated to Director of Health Services and graded at Job Group "S".

338. That the Scheme of Service for medical doctors and dentists be revised and split into two as proposed and further that the grading structure be re-aligned as shown below:

(a) **Medical Administrators/Managers**

<table>
<thead>
<tr>
<th>Job Group</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;S&quot;</td>
<td>Director of Medical Services</td>
</tr>
<tr>
<td>&quot;R&quot;</td>
<td>Senior Deputy Director of Medical Services</td>
</tr>
<tr>
<td>&quot;Q&quot;</td>
<td>Deputy Director of Medical Services</td>
</tr>
<tr>
<td>&quot;P&quot;</td>
<td>Senior Asst. Director of Medical Services</td>
</tr>
<tr>
<td>&quot;N&quot;</td>
<td>Asst. Director of Medical Services</td>
</tr>
<tr>
<td>&quot;M&quot;</td>
<td>Senior Medical Officer of Health</td>
</tr>
<tr>
<td>&quot;L&quot;</td>
<td>Medical Officer of Health I</td>
</tr>
<tr>
<td>&quot;K&quot;</td>
<td>Medical Officer of Health II (intern)</td>
</tr>
</tbody>
</table>

(b) **Medical Specialists**

<table>
<thead>
<tr>
<th>Job Group</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;R&quot;</td>
<td>Chief Specialist</td>
</tr>
<tr>
<td>&quot;Q&quot;</td>
<td>Senior Specialist</td>
</tr>
<tr>
<td>&quot;P&quot;</td>
<td>Specialist I</td>
</tr>
<tr>
<td>&quot;N&quot;</td>
<td>Specialist II</td>
</tr>
<tr>
<td>&quot;M&quot;</td>
<td>Senior Medical Officer in Health</td>
</tr>
<tr>
<td>&quot;L&quot;</td>
<td>Medical Officer of Health I</td>
</tr>
<tr>
<td>&quot;K&quot;</td>
<td>Medical Officer of Health II (intern)</td>
</tr>
</tbody>
</table>

340. That the Director of Agriculture be graded at Job Group "S".

341. That the positions of Director of Livestock Development and Director of Veterinary Services be graded at Job Group "R".
342. That there be re-grading of the positions in the Department of Agriculture, Department of Livestock Development and Department of Veterinary Services as follows:

<table>
<thead>
<tr>
<th>Department of Agriculture</th>
<th>Job Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director of Agriculture</td>
<td>&quot;S&quot;</td>
</tr>
<tr>
<td>Senior Deputy Director</td>
<td>&quot;R&quot;</td>
</tr>
<tr>
<td>Deputy Director</td>
<td>&quot;Q&quot;</td>
</tr>
<tr>
<td>*Senior Assistant Director</td>
<td>&quot;P&quot; (New post)</td>
</tr>
<tr>
<td>Assistant Director</td>
<td>&quot;N&quot;</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department of Livestock Development</th>
<th>Job Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director of Livestock Production</td>
<td>&quot;R&quot;</td>
</tr>
<tr>
<td>Deputy Director</td>
<td>&quot;Q&quot;</td>
</tr>
<tr>
<td>*Senior Assistant Director</td>
<td>&quot;P&quot; (New post)</td>
</tr>
<tr>
<td>Assistant Director</td>
<td>&quot;N&quot;</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Department of Veterinary Services</th>
<th>Job Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director of Veterinary Services</td>
<td>&quot;R&quot;</td>
</tr>
<tr>
<td>Deputy Director</td>
<td>&quot;Q&quot;</td>
</tr>
<tr>
<td>*Senior Assistant Director</td>
<td>&quot;P&quot; (New post)</td>
</tr>
<tr>
<td>Assistant Director</td>
<td>&quot;N&quot;</td>
</tr>
</tbody>
</table>

343. That the Engineer-in-Chief be graded at Job Group ‘S’ and that a position of Principal Superintending Engineer (Roads) be created and graded at Job Group ‘Q’.

344. That:
(a) The post of Director of Planning be graded at Job Group "S."
(b) A post of Deputy Director of Planning at Job Group "R" be created.

(c) The post of Inspector of State Corporations be upgraded to Job Group "S".

(d) Consequential to this upgrading, that a post of Senior Deputy Inspector of State Corporations at Job Group "R" be created.

345. We wish to reiterate that the grading structure we have recommended should not be interfered with by the creation of new positions or regrading of positions without an appropriate job analysis and evaluation being done. To this end, we have recommended elsewhere in this Chapter that the Directorate of Personnel Management should facilitate a job evaluation exercise in the Civil Service to be done within the next six months. In carrying out the job evaluation exercise, the Directorate of Personnel Management should take into account that the country has planned to achieve the status of a Newly Industrialised Country by the year 2020.

347. That:
   (a) The Directorate of Personnel Management should carry out an exercise with a view to harmonizing the designation titles in the Service.

   (b) The Directorate should revise the schemes of service where there are inconsistencies in the use of designation titles to ensure their harmonisation.

**Management Practices in the Civil Service**

358. (a) We reiterate the Ndegwa Commission recommendation that the DPM focus its activities on broad Service-wide issues like the setting of rules, regulations, guidelines and
standards and leave day-to-day management to line ministries.

(b) Further, we recommend that the DPM becomes a centre of excellence for the Civil Service, offering consultancy services; advice on emerging innovations in management; and, assisting ministries to access new management practices and accompanying technologies.

(c) The DPM develops, possibly within its Management Consultancy Services Division, a research unit to develop a management data bank on management issues and trends both in Government and the private sector.

361. That:
   (a) The introduction of performance management and performance-related pay in the Civil Service be proceeded with. In doing so, however, the widest possible consultations with Permanent Secretaries be undertaken with a view to obtaining their understanding and acceptance. As regards performance-related pay, reconsideration should be given to the current system of awarding honoraria and responsibility allowances.

(b) In view of the rapidly changing approaches to management internationally, the Civil Service also avails itself of the good attributes of such other innovations as Total Quality Management, Organisation Development, Results-Oriented Management and Self-Directed Work Teams, depending on suitability for particular functions or agencies in Government.

364. That the concept of delegation be incorporated in the performance-related contract.
Paragraph

366. That:
   (a) Permanent Secretaries be required to formulate detailed schedules of duties for their respective ministries and departments and to submit final copies to the Head of the Public Service and the Directorate of Personnel Management by 31st December, 1997.
   (b) The approved schedules of duties be circulated in Government by the first week of January 1998 for general information.

369. That urgent action be taken to replace the IBM mainframe computer based at the Treasury.

370. That the Government designs a system of networking all its institutions through the computer in order to facilitate speedier flow of information, faster and accurate decision making and, consequently, increased productivity.

375. That:
   (a) Each district be encouraged to identify, plan and concentrate in the implementation of core and high priority projects only.
   (b) All divisional and locational development committees be reactivated to ensure greater involvement of beneficiaries of development projects at the grassroots;
   (c) The Treasury, in liaison with line ministries, allocates adequate financial resources for development and in particular for recurrent operations to the districts.
   (d) Capacity building for planning, implementation and monitoring and evaluation be given adequate attention.
379. That:

(a) The concepts of cost-consciousness and value for money be inculcated in all field staff.

(b) Steps be taken to provide appropriate housing, where applicable, and office accommodation for staff working in the rural areas.

(g) Adequate basic communication facilities and working tools be extended to staff in the field.

(h) Information flow between the district and the ministry headquarters on budgeting matters be strengthened in order to incorporate district priorities in forward budgets.

(i) District Commissioners be required to allow ministerial district heads to control funds allocated for their sectoral programmes/projects.

380. That the Treasury ensures that financial resources approved for ministries are availed to the ministries in time.

382. That the exercise be given the high priority it deserves in view of its central role in the budgetary process.
383. That:
(a) Line ministries ensure timely submission of reimbursement claims to the Treasury.

(b) The Treasury lodges the reimbursement claims with donors expeditiously and ensures that the claims are honoured with minimum delay.

384. That:
(a) Any payment in excess of KShs.10 million be approved by the Accounting Officer personally.

(b) That the Accounting Officers check the ministries' cash book daily and further that Accounting Officers regularly counter-check their expenditure returns against Paymaster-General's Account at the Central Bank.

(c) In view of these recommendations, Accounting Officers who make commitments in excess of their ceilings should be reprimanded and disciplined when necessary.

385. That:
(a) The Public Investment Programme unit in the Ministry of Planning and National Development be strengthened.

(b) Project selection procedures be tightened and the input from the PIP exercise accorded the importance it deserves.

386. That a task force be set up, as a matter of priority, to review and update the existing Government procurement, maintenance and disposal procedures.

388 That:
(a) The recommendations made in this Chapter should equally apply to all public institutions. More importantly, we wish
Paragraph
to emphasise the need for instilling responsibility and accountability in all public servants so that they may view public funds as scarce resources which must be used prudently for the benefit of society as a whole.

(b) All public servants adopt the value for money concept which reflects the scarcity of national resources.

That:-
392. (a) The Directorate of Personnel Management constitutes a task force to undertake a comprehensive review of the Code of Regulations before the end of 1997 and in doing so, incorporate all past personnel circular letters that are still in force.

(b) The Directorate of Personnel Management ensures immediate availability of updated edition of the Code of Regulations for Permanent Secretaries to procure and distribute to work stations where all civil servants can access it.

(c) In future, formal comprehensive updating of the Code of Regulations be undertaken on regular basis.

Provision and Maintenance of Machinery and Equipment
405. That:
(a) Accounting Officers assess their requirements for plant, machinery and equipment as a matter of urgency with a view to meeting the needs of the civil service.

(b) To ensure high standards of cleanliness in Government institutions/ministries provision of appropriate and adequate equipment and their use be coupled with intensive supervision.
Paragraph

(c) The Treasury formulates a clear policy on replacement of obsolete plant, machinery and equipment to enhance productivity and to save on maintenance costs.

407. That preventive maintenance be accorded high priority as a cost-saving and time saving measure and all personnel involved be provided with the relevant skills and appropriate working tools.

408. That acquisition of new and modern equipment whether through donor funding or direct Government funding be accompanied by appropriate training of local technicians to enable them handle specialised repairs.

409. That enough funds be allocated for purchase of fast moving spares and that technical evaluation of broken down plant, machinery and equipment be undertaken before spares are purchased.

410. That:
(a) The policy that only garages and contractors renowned for efficiency be contracted to undertake vehicle repairs and to supply spares be continued and reinforced. Efficient garages should also be identified to be contracted to repair Government vehicles in Nairobi area. The Mechanical and Transport Department should also be enabled to undertake more repairs in Nairobi and in the district headquarters through re-introduction of the revolving fund

(b) In the area of plant, machinery and equipment, healthy competition between public institutions and the private sector be encouraged.

411. That:
(a) The inherent advantages of maintenance of plant, machinery and equipment be emphasised not only in the Civil Service but also in the society as a whole, in an effort to realise a positive maintenance culture.
Paragraph

(b) Stern disciplinary measures be taken against any officer found misusing Government property.

412. That:
(a) The modernisation of telephone communication systems in districts be hastened.

(b) To ease communication within the Civil Service, tie-lines be re-introduced without delay and the network covers all ministries, parastatals and provincial headquarters.

413. That a policy be formulated by the Treasury on introduction and institutionalisation of computer technology in the Civil Service.

414. That:
(a) All ministries/departments be assisted to establish Local Area Networks, in the short term, and to establish Wide Area Network in the long term, to cover provincial headquarters.

(b) As for INTERNET, the Government looks into the possibility of introducing the service, on the basis of gains to be reaped, particularly in the areas of engineering, medical, research and tourism.

415. That:
(a) The Government continues to give priority to the use of modern plant, machinery and equipment by civil servants, either through purchase of these facilities or hiring them.

(b) Special attention be given to modernisation of equipment in research/technical institutions to enable them to effectively guide the growth of technology.

(c) The Ministry of Research, Technical training and Technology urgently devises strategies and programmes for
Paragraph

converting Kenya from a mere consumer of technology and inventions into a producer thereof

416. That Government plant, machinery and equipment be standardised with the aim of having fewer makes and models and enhanced compatibility.

419. That:
(a) In view of the scarcity of drivers in the Civil Service, senior officers be allowed to drive Government vehicles or, alternatively, be granted adequate transport allowance to enable them use their own vehicles for official duty.

(b) As a long term measure, the Government looks into the possibilities of leasing or hiring from the open market modern plant, machinery and equipment such as vehicles, X-ray machines and photocopiers in view of difficulties encountered in purchasing and maintaining these facilities. Alternatively, the Government should explore the possibility of having a private plant, machinery and equipment hire company to supply it with its requirements in this regard.

421. That a thorough review of all procurement regulations and procedures be undertaken with a view to overhauling or reinforcing them.

424. That:
(a) Within the ongoing privatisation, the operations of the Supplies Branch be limited to selected common user items.

(b) Provision of additional funds be looked into to enable higher levels of stock.
(c) In this era of liberalisation and privatisation, competition between the Supplies Branch and the private sector be encouraged for greater efficiency and cost-effectiveness.

425. That:
(a) Inventories be computerised in all ministries/departments including district and provincial headquarters. Computerisation should, however, be rationalised as some expendables and consumables need not be computerised.

(b) The Treasury keeps an up-to-date data bank of all Government assets.

426. That the regulations governing boarding of Government assets be enforced to ensure that it achieves its purpose of being a cost-saving and cost-recovery measure.

Training

434. In view of the critical need for well trained civil servants who will effectively face the emerging challenges of national development, we recommend that a new training policy be formulated.

436. (a) That Authorized Officers ensure that ministerial/departmental training committees are reactivated and appropriately strengthened to discharge the training function effectively.

(b) That the capacity of the Directorate of Personnel Management be enhanced through the provision of suitably qualified staff and necessary facilities.

440. That the Directorate of Personnel Management be actively involved and consulted in the establishment and expansion of pre-service training programmes in the Civil Service, to give proper guidance on the skills required by the Service.
441. That induction courses for all cadres of staff be given high priority in the Civil Service to enable new officers to confidently and competently handle their schedules and to inculcate the right attitudes, values and working habits.

442. That Authorised Officers make deliberate efforts in all ministries and departments to explore ways of increasing opportunities for in-service training for all cadres.

444. That:
(a) In developing their training programmes, ministries liaise with Directorate of Personnel Management to ensure that the training programmes equip civil servants with both general as well as specialised skills

(b) Only suitably qualified staff be nominated for appropriate courses.

445. That:
(a) Accounting Officers acquire sufficient copies of The Eighth National Development Plan 1997-2001 and Sessional Paper No. 2 of 1996 on Industrial Transformation to the year 2020 for distribution to senior officers in their respective ministries for the purpose of familiarizing themselves with their content and the role which they must play in achieving the objectives therein.

(b) Each ministry takes concrete measures to refocus its training programmes with a view to developing a skills capacity which will facilitate the process of the envisaged industrial transformation

446. That the Directorate of Personnel Management develops and ensures implementation of in-service courses for the Civil Service, particularly for senior officers, aimed at achieving a non-partisan
Civil Service. Such courses should include inculcation of a high sense of nationalism, patriotism and respect for authority.

447. That:
   (a) Civil servants attending approved privately sponsored in-service courses relevant to their work be granted study leave without pay.
   (b) The provision in the Code of Regulations making the Directorate of Personnel Management the approving authority for study leave without pay be rigorously enforced by Authorized Officers.
   (c) The Directorate of Personnel Management enforces the bonding system for civil servants who are sponsored by the Government or by donors through the Government.

448. That a national skills inventory be developed by the Ministry of Labour and Manpower Development and that an equivalent inventory be developed by the Directorate of Personnel Management without further delay.

449. That concrete efforts be made by the Directorate of Personnel Management to enhance the capacity of staff trainers in the Civil Service to the maximum with a view to their offering quality services not only to the Civil Service but also to other sectors of the Kenyan society.

451. That:
   (a) Modalities be put in place by the Directorate of Personnel Management to increase cooperation between the Civil Service and the private sector for joint training and manpower development
Paragraph

(b) The Civil Service collaborates closely with the private sector in the formulation of training packages and that the private sector, in the spirit of cost-sharing, contributes more significantly to pre-service training in Government institutions.

452. That the Directorate of Personnel Management develops standardised training needs analysis and evaluation instruments for use by ministries and training institutions in their training programmes.

454. That:
   (a) In view of the important role that training plays in manpower development in the service, of the 20 per cent training levy should remain in force.

   (b) This levy should constitute a training fund to be managed by the Directorate of Personnel Management.

   (c) The Government should increase budgetary provision for training for both pre-service and in-service programmes in the Ministries and the Directorate of Personnel Management.

456. That provision should be made for adequate physical facilities, equipment and trainers to prepare the Civil Service to face the present and future challenges relating to industrial transformation of the nation by the year 2020.

Ethics and Work Culture

465. That all efforts be made to fully exploit the varied talents of all Kenyans for enhanced socio-economic development.
469. That:
(a) Urgent and concerted efforts be made by the Government in collaboration with religious organisations to establish acceptable standards of behaviour for all Kenyans.
(b) In order for the people to be guided properly on the expected high standards of behaviour, a national code of ethics be formulated as a matter of urgency.

471. That:
(a) Every school and training institution be provided with at least one teacher qualified and competent to handle guidance and counselling with the aim of instilling acceptable values and standards of behaviour amongst the students in particular, and the rest of the school/college community in general.
(b) Adult Education curriculum gives special emphasis to national social values and good citizenship.

473. That those professions not yet having code of ethics be encouraged to formulate them and the existing codes of ethics be fully enforced to ensure that high professional standards are achieved and maintained.

475. That the Attorney General takes the necessary action to develop a code of ethics for the public service to provide a basis for enhancing public confidence in the integrity of public leaders and the public sector in general.

477. That:
(a) A code of ethics be developed to guide those in positions of leadership on the standards of conduct to be observed by them and to provide for sanctions against violation of the code.
Paragraph

(b) A national code of ethics committee be appointed with specific functions which would include identifying appropriate rules of conduct to be observed by public servants and leaders and sanctions against those who violate the code.

478. That a national code of ethics committee be established and be given specific terms of reference including identification of rules of conduct to be observed by the leaders and of sanctions against those who violate the code.

480. That the culture of time management be strictly practised in order to enhance discipline, punctuality and productivity.

481. That Authorized Officers put in place appropriate measures to remove the element of fear among civil servants in order to promote objectivity, fairness and productivity in the Civil Service.

482. That the culture of rewarding good performance, for instance, in the form of commendation letters, bonuses and training be strongly encouraged in the Civil Service.

485. That regulations pertaining to the holding of private interests by civil servants be strictly adhered to and effectively enforced in the interest of the Service.

486. That the rule that civil servants should not engage in active politics be rigorously enforced.

487. That the rule of conduct prohibiting civil servants from receiving presents be enforced.

489. That the "Rules of Conduct" for civil servants in Section G of the Code of Regulations be reviewed and incorporated in the recommended code of ethics for public servants.
Paragraph

492. That:
   (a) The Public Service Commission be more aggressive and determined in handling all disciplinary matters to ensure prompt application of justice to both the affected officer and the Government which acts on behalf of taxpayers.

   (b) And further that in order for the Commission to keep up with rapidly-changing management systems, it should make a comprehensive review of the current disciplinary procedures and possibly borrow a leaf from practices in the private sector.

Ombudsman

518. That the Attorney-General takes the necessary action with minimum delay to ensure that legislation is enacted for granting of financial or legal aid to indigent citizens whose fundamental rights under Chapter V of the Constitution have been violated.

525. That there be established, by an Act of Parliament and without delay, an independent commission to carry out the functions of an Ombudsman and to be known as the Ombudsman Commission.

Public Relations in the Civil Service

533. That Permanent Secretaries urgently establish multi-disciplinary public relations systems which are backed by Public Relations Divisions headed by professionally qualified public relations officers and supported by suitably qualified staff and adequate equipment to enable them effectively undertake the imaging of Government

534. That in every Government department, throughout the country, there should be a conspicuously mounted and clearly labelled "Suggestion Box" for soliciting views from members of the public and civil servants on the performance of a particular Government department. The suggestions received should be analysed daily and acted upon as appropriate.
Paragraph

536. That urgent efforts be made to identify and post suitably qualified Public Relations Officers to the country’s missions abroad, particularly in missions in key countries, to protect and promote Kenya’s image internationally.

539. That:
(a) Adequate financial, human and material resources be allocated to the Ministry of Information and Broadcasting to enable it discharge its mandate.
(b) Special emphasis be placed on recruiting personnel who are well trained and professionally qualified in public relations, communications and information services.

540. That the Ministry of Information and Broadcasting introduces innovative programmes and publications for imaging the Government’s efforts and achievements.

543. That:
(a) The Directorate of Personnel Management establishes a post of Chief Government Spokesman in the Office of the President. The spokesman will package information received from the ministerial public relations systems and undertake the imaging of Government.
(b) The Chief Government Spokesman holds regular press briefings to address critical issues affecting the Government’s image.
Civil Service Pay Policy

549. That:
   (a) Annual salary increments be awarded strictly on the basis of satisfactory work performance and that the current practice of awarding automatic annual increments be discarded.

   (b) The current Public Service Commission regulation governing the removal of officers from the Service be amended to provide a specific provision on the removal of unproductive officers.

550. That salary scales be shortened and that overlapping should be minimized.

551. That the Directorate of Personnel Management develops a scheme of service for the Subordinate Service. The scheme should, among other things, address the question of length of time it takes civil servants in this cadre to progress from one grade to another.

552. That members of the Subordinate Service should be appointed on permanent and pensionable terms of service like other civil servants.

553. That:
   (a) In order to reduce the high staff turn-over, especially at the higher levels, the Government ensures that in granting general salary increases, the higher ranks be considered for higher percentage increases.

   (b) In granting the general salary increases, the Government takes into account the actual cost of living of the lowest paid civil servants.
That recommendations on salary increases be implemented in one instalment in order to avoid erosion in purchasing power of salaries of civil servants, and that where this is not possible, the Government makes upward adjustments in line with the economic changes that will have taken place during the delays in implementation.

That whenever salary reviews are announced by the Government, they cover all grades in the Service.

That the Government loads Civil Service pay packages with more non-taxable allowances instead of awarding salary increases.

The gap in pay between the Civil Service and state corporations be closed with a view to attracting to and retaining in the Civil Service skilled and high level manpower.

That the review of the terms and conditions of service for state corporations be done separately and strictly on the basis of performance and ability to pay under the purview of the permanent pay review board.

That the Government commission a study with a view to:

(a) establishing clearly defined criteria for exempting state corporations from the State Corporations Act; and,

(b) establishing clearly defined criteria to be used in grading and upgrading of state corporations from one category to another.

That the Government implements its intention to narrow the gap in salaries between the Civil Service and the private sector. The Committee is convinced that this measure will stem off the high incidence of staff turn-over from the Civil Service.
Paragraph

575. That:
   (a) The Government establishes a permanent Public Service Pay Review Board to review regularly and at short intervals the terms and conditions of service for the entire Public Service.
   (b) The permanent Public Service Pay Review Board be located in the Directorate of Personnel Management.

580. That in all donor-funded projects, counter-part personnel should be attached to the expatriates to facilitate continuity of the projects.

581. That:
   (a) All evaluation reports on the performance of the expatriate personnel be submitted to the donors through their respective Permanent Secretaries.
   (b) Permanent Secretaries very closely monitor the operations of donor-funded projects and ensure that everything goes as planned.

Recommended Salaries

585. That the membership of the permanent Public Service Pay Review Board comprises respectable personalities who have excellent understanding of the operations of the Public Service but preferably not working in the Service. It is also considered appropriate that part of the membership comes from the private sector for purposes of injecting desirable private sector values in the public sector. The Board should have a small membership of between five and seven and be free to co-opt anybody who would assist in dealing with specific aspects of its work.
594. That:
   (a) The gap between Civil Service salaries at Job Group "K" and above and those in the private sector be kept at no more than 20 per cent for the medium term.
   (b) In the long run the gap should be fully closed.

595. That the following characteristics be adopted in a new salary structure:
   (a) The number of salary points in any Job Group be reduced to an average of seven.
   (b) Overlap of salary points be limited to a maximum of 43 per cent or three salary points as opposed to the current system where this goes beyond 70 per cent.
   (c) In the likely event that stagnation occurs, we believe that this problem will be obviated by continuous review of salaries by the recommended Public Service Pay Review Board.
   (d) Annual increments will not be automatic but will depend on appraisal reports based on a new more objective staff appraisal system.

598. That:
   (a) The recommended salaries be paid in one instalment.
   (b) In order to avoid an adverse effect on the budget deficit, the Government pays the recommended salaries with effect from 1st July, 1997.
Paragraph

(c) That compensation to civil servants for inflation and productivity be made at the rates shown below:

<table>
<thead>
<tr>
<th>Job Groups</th>
<th>Compensation rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;A&quot; to &quot;D&quot;</td>
<td>202 per cent</td>
</tr>
<tr>
<td>&quot;E&quot; to &quot;G&quot;</td>
<td>between 150 - 175 per cent</td>
</tr>
<tr>
<td>&quot;H&quot; to &quot;S&quot;</td>
<td>between 110 - 135 per cent</td>
</tr>
</tbody>
</table>

599. That the salaries indicated in Tables 8 to 11 of this Report be implemented.

Housing and Office Accommodation

606. That the Ministries of Public Works and Housing; Lands and Settlement; Local Government; and, Office of the Attorney-General urgently review the current building and infrastructure development laws and regulations with a view to reducing the cost of housing construction but without compromising standards.

613. That:

(a) the Ministry of Public Works and Housing contracts out the management of housing to an estate management agency to manage Government housing and leasing of houses for the civil servants.

(b) The agency be authorized to rent out Government housing units to civil servants at market price

(c) Where there are no civil servants ready to rent Government houses, the agency be allowed to rent them out on the open market.

(d) The funds generated from rents on Government houses be used not only to defray expenses for managing and
Paragraph

maintaining the houses but also to create a Government Housing Development Fund. Such a fund should be beefed up from other sources such as Government subventions and staff loans from financial institutions in order to boost the stock of Government houses for civil servants.

616. That there be adoption of an automatic house allowance to replace the three methods currently obtaining in the Civil Service, that is, subsidised rent for Government owned or leased house, automatic house allowance for privately rented house and owner-occupier house allowance.

619. In view of the observed differentials in market rents between different areas of the country and in categories and quality of housing, we recommend that automatic house allowance be paid in accordance with the following four categories:

(i) Nairobi
(ii) Mombasa
(iii) Other Municipalities
(iv) Other Areas

620. That automatic house allowance rates in Table 13 of this report be implemented. These rates range from KShs. 1,500 to KShs. 10,400 per month for other areas for Job Group "A" and "S" respectively. For Nairobi, the rates range from KShs. 4,000 to KShs. 40,000 per month for Job Group "A" and "S" respectively.

621. That civil servants within institutions where they are enjoying free water and electricity immediately be required to meet the cost of these facilities.

622. We submit that removal of tax on house allowance will go along way in realising the goal of affording decent housing to civil servant. We, therefore, recommend that house allowance be non-taxable.
That in order to facilitate ownership of houses by civil servants, the Ministry of Finance sets up an autonomous contributory pension scheme through which civil servants will be afforded tenant purchase houses.

Having considered the factors attendant to the necessity of leasing houses by the Government, the Committee recommends that leasing of houses in the Civil Service be restricted to holders of constitutional offices and staff working in essential services as well as for personnel in remote stations and that this be done only when suitable Government quarters are available.

Having considered the submissions on the need to provide adequate housing to staff working in essential services and in remote stations, the Committee recommends that:

(a) The present policy on housing of essential services staff be upheld.

(b) Once the recommended estate management agency is in place, it accords priority to staff working in essential services and remote stations in the allocation of Government houses.

(c) Boards of governors be required to charge market determined rents on the housing units which they run for schools and colleges as a measure of achieving parity with the teachers who are not housed and as income generating activity for their respective schools and colleges.

(d) Funds generated from rents paid for Government owned housing be applied to the management and maintenance of the existing stock of houses and any balances realised be invested in the development of extra stock of Government housing, particularly for essential services and in remote stations. Similarly, boards of governors set up their own
funds which the rents collected would be deposited and used for maintenance of their institutional houses and development of additional housing units.

(e) Due to scarcity of Government land for the development of new houses, Government owned land in residential areas be held and secured in a land bank for the development of additional high density housing units, such as maisonettes and flats, to house personnel involved in the provision of essential services and working in remote stations.

633. We recommend that the Ministry of Public Works and Housing reserves appropriate houses for holders of constitutional offices and that where houses are not available from the Government pool of houses, the Ministry leases them from the open market, provided the office holders pay for them from their house allowances.

636. Considering the need for the Government to retain and secure land for development of housing for personnel in essential services and in remote stations, we recommend that:

(a) The practice of unplanned disposal of Government land ceases forthwith.

(b) Title deeds be issued for all Government land previously retained under the reservation system in the names of the ministries/departments or institutions currently using them.

(c) The Ministry of Lands and Settlement establishes a land bank for the purpose of retaining and securing free Government land in the Republic and that the bank be a repository from which the Government would from time to time alienate land for the development of housing for
personnel in essential services and in remote stations as well as office buildings.

(d) Whenever Government structures are boarded, the plots on which they stand be retained and secured forthwith in the Government Land Bank to await re-development by the Government.

640. That:
   (a) Accounting Officers take urgent measures to implement the recommendations contained in the report of the Projects Rationalization Committee 1993.

   (b) Treasury allocate adequate funds for the completion of the core and high priority stalled housing and office accommodation projects. Furthermore, we wish to underscore the need for total commitment by all stakeholders to the implementation of the Budget Rationalization Programme.

641. That:
   (a) Deliberate efforts be made to discourage leasing of offices by Government.

   (b) Ministries which have been allocated Government plots should be encouraged to plan for the construction of office blocks commensurate with their needs. and that new office blocks be designed in a way that allows for future vertical development.

   (c) Existing office blocks which have sound structural foundations be vertically extended to provide additional office accommodation.

642. That the Government makes deliberate efforts to encourage the use of open office plans in the present offices and that any new
Paragraph

Government offices to be constructed be designed to have open office plans.

644. That:
(a) Government puts in place the necessary measures to establish guest houses at strategic place in the country for use by civil servants travelling on duty.
(b) The Ministry of Lands and Settlement reserves land for Government guest houses.

645. That the Government facilitates the establishment of recreational facilities through the provision of land and physical facilities for use by civil servants.

Other Terms and Conditions of Service

652. That in order to solve the prevailing problems in the health sector, the Government expedites implementation of its own policies.

653. That:
(a) NHIF concentrates on its core business of health insurance and avoid going into other businesses that tie down contributors’ funds in irrelevant areas of investment thus reducing its liquidity and hence ability to increase benefits to contributors.
(b) That if restructuring goes beyond December 1997, then the Government identifies another health insurance provider and package to cover the civil servants comprehensively.

655. That the Government examines the possibility of buying group health insurance cover for all its employees using current allocations for ex-gratia payments and out-patient medical allowances currently paid to civil servants. The insurance cover to be purchased should be comprehensive enough to not only include in-patient and out-patient medical cases for civil servants and their families but also reflect the going cost of health care.
That the Directorate of Personnel Management takes the necessary action to review Section M of the Code of Regulations in order to remove the perceived discrimination against female civil servants.

That as the Government works towards a comprehensive health insurance scheme for its workers, the medical allowances be revised as detailed in the report.

That leave be regarded as a right and every employee be allowed to proceed on their annual leave according to an approved leave roster.

That:
(a) Officers be allowed to spend their annual leave in any place of their choice.

(b) Leave allowance be reinstated and be paid at a rate of one third of an officer’s one month’s basic salary or KShs. 6,000 whichever is greater. This allowance should be paid along with the officer’s salary through the payroll one month before proceeding on leave.

That the present daily rates with respect to accommodation allowance be increased from the present range of Kshs. 100 for Job Groups "D" and KShs. 400 for Job Group "Q" and above to a range of Kshs. 1,000 to KShs. 5,000 respectively:

That the formulation of a daily subsistence allowance system similar to that used by the United Nations agencies be referred to the recommended permanent Public Service Pay Review Board. In the meantime, it is our view that the status quo remains.

That transport allowance paid to Medical and Dental Officers to cover the extra transport expenses they incur while they are on call
should continue and be paid at an enhanced rate of KShs.3,000 per month, up from the current Kshs.1,000 per month.

666. With respect to entertainment allowance, the Committee recommends that the current list of eligible officers be retained. Meanwhile, the Directorate of Personnel Management should develop suitable criteria for determining eligibility for the allowance.

667. That the Directorate of Personnel Management urgently explores the possibility of introducing a flexible system of adjusting subsistence allowance according to the prevailing market rates.

668. That:
   (a) Officers be encouraged to use their own vehicles on official duty by giving them appropriate incentives.

   (b) That the current rates of motor vehicle allowance be pegged to the prevailing Automobile Association of Kenya rates.

669. That:
   (a) Officers using their own vehicles on official duty be required to submit work plans for approval by their superiors. A claim for this allowance should not be approved until the immediate superior has received a field report and certified that the trip was official and was authorised.

   (b) That as a permanent long-term measure the Government adopts the system where an officer is allocated and allowed to drive a Government vehicle while on official duty and Government assists in the running and maintenance of the vehicle.
670. With respect to motor cycle allowance, the Committee recommends adjustment in the current rates as follows:

<table>
<thead>
<tr>
<th></th>
<th>Present Rate</th>
<th>Recommended Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>KShs. Per Km.</td>
<td>KShs. Per Km.</td>
</tr>
<tr>
<td>i) Motor Cycles</td>
<td>1.40</td>
<td>5.60</td>
</tr>
<tr>
<td>ii) Motor Scooter</td>
<td>0.80</td>
<td>3.20</td>
</tr>
</tbody>
</table>

The allowance should, however, be claimed against authorised work plans.

671. We recommend review of the present bicycle allowance rates as follows:

<table>
<thead>
<tr>
<th>Area</th>
<th>Present Rate</th>
<th>Recommended Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>KShs. per month</td>
<td>KShs. per month</td>
</tr>
<tr>
<td>Rural</td>
<td>60</td>
<td>300</td>
</tr>
<tr>
<td>Town</td>
<td>50</td>
<td>200</td>
</tr>
</tbody>
</table>

672. That:

(a) Authorised Officers ensure that secret registries in their respective ministries/departments are headed at levels not lower than Executive Officer II.

(b) Where officers at the level of Executive Officer II or above are not available to lead the secret registries and this has to be done at Clerical Officer level, the Clerical Officers be paid security allowance of 25 per cent of their basic salary in place of the current arrangement.

(c) The Directorate of Personnel Management ensures that the cadre of Secret Registry Officers is created without any further delay.
673. That the formula for working out Acting Allowance be varied and the allowance be paid at the rate of 15 per cent of an officer's monthly basic salary for the period when a post is not substantively vacant or a minimum period of six months during which the filling of a vacant post is processed.

674. That Special Duty Allowance be paid at 10 per cent of an officer's basic salary for the period when a post is not substantively vacant or a minimum period of six months during which the filling of a vacant post is processed.

675. That the overtime allowance be reviewed and simplified as follows:

(a) One and half times the hourly rate of pay for each hour of overtime worked during weekdays.

(b) Two times the hourly rate of pay for each hour of overtime worked during weekends and public holidays.

(c) The Directorate of Personnel Management amends the relevant section of the Code of Regulations to comply with the law.

676. That the rate of non-practising allowance payable to medical and dental officers be adjusted and be paid at 30 per cent of an officer's basic salary.

677. That field allowance be adjusted and paid at new rates as follows:
Paragraph

<table>
<thead>
<tr>
<th>Job Group</th>
<th>Current Rate KShs. Per Night</th>
<th>Recommended Rate KShs. Per Night</th>
</tr>
</thead>
<tbody>
<tr>
<td>L and M</td>
<td>75</td>
<td>250</td>
</tr>
<tr>
<td>J and K</td>
<td>65</td>
<td>200</td>
</tr>
<tr>
<td>F and G</td>
<td>40</td>
<td>150</td>
</tr>
<tr>
<td>E and below</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

679. With respect to hardship allowance we recommend that:

(a) The present arrangement be maintained at 30 per cent of an officer's basic salary.

(b) The maximum payable allowance should be increased from KShs. 1,200 to KShs. 3,600 per month for married officers and from KShs. 600 to KShs. 1,800 per month for single officers.

(c) Where a married couple is stationed in a hardship area and both spouses are civil servants, each spouse be paid the allowance on individual basis.

(d) A study to redefine hardship areas and consider suitability of the title be undertaken by the Directorate of Personnel Management.

681. That uniform allowance be pegged at 50 per cent of one month's basic salary to be paid once at the beginning of every financial year.

682. That the present instructors allowance payable at 12 per cent continues. However, we believe that in view of increased salaries we have recommended, the amount payable will be enhanced.
683. That:
(a) The Language Allowance be increased from KShs. 200 to KShs. 500 per month.
(b) The allowance be paid subject to certification of language proficiency and production of proof that the language is regularly used in the course of the officer's official duties.

684. That extraneous duty allowance be extended to include drivers, secretarial and subordinate staff attached to District Commissioners at the current rates listed below.

<table>
<thead>
<tr>
<th>Position</th>
<th>Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Secretaries</td>
<td>KShs. 1,400 per month</td>
</tr>
<tr>
<td>Senior Executive Secretaries</td>
<td>KShs. 1,000 per month</td>
</tr>
<tr>
<td>Personal Secretaries</td>
<td>KShs. 800 per month</td>
</tr>
<tr>
<td>Shorthand Typists</td>
<td>KShs. 500 per month</td>
</tr>
<tr>
<td>Drivers</td>
<td>KShs. 300 per month</td>
</tr>
<tr>
<td>Subordinate Staff</td>
<td>KShs. 300 per month</td>
</tr>
</tbody>
</table>

685. That responsibility allowance be extended to cover District Commissioners, Heads of Department at the headquarters of ministries, provinces and districts as follows:
### Cadre Job Group P and above KShs. p.m. | Job Group N and below KShs. p.m.
---|---
Head of Department:  
(a) Ministry Headquarters | 1,200 | 1,000  
(b) Province | 1,000 | 800  
(c) District | 800 | 500  
District Commissioner | 1,200 | 1,000  

686. That the responsibility allowance rates for teachers in primary schools be adjusted upwards by a factor of three.

687. That:

- (a) Risk allowances be called Occupational Hazard Allowance;
- (b) The Directorate of Personnel Management develops objective criteria for determining eligibility to payment of Occupational Hazard Allowance.
- (c) The allowance be extended to cover all those officers whose jobs expose them to occupational/health hazards once the eligibility criteria are established;
Paragraph

688. That:

(d) Authorised Officers be required to justify to the Directorate of Personnel Management the cadres that deserve consideration and approval.

(e) The allowance be paid at 20 per cent of an officer's monthly basic salary.

(a) The deposit for purchase of a new vehicle be reduced from 40 per cent to 30 per cent of the purchase price.

(b) The amount of loan advance should be increased from one and a half to four times an officer's annual basic salary or the maximum loanable advance for the job group whichever is the higher.

(c) The maximum loan repayment period should be 72 months.

(d) An upward adjustment be made to the maximum loan advance for purchase of motor vehicles as follows:

Job Groups "L" and above  KShs. 800,000
Job Groups "J" and "K"  KShs. 600,000
Job Groups "H" and below  KShs. 400,000

(e) The amount for major overhaul of a motor vehicle be increased to a minimum of KShs.. 15,000 and a maximum of KShs. 50,000 based on the approved estimates of the recommended repairs.
689. That the maximum loan advance for purchase of motor-cycles be increased to KShs. 150,000 and the maximum repayment period be extended from 36 to 48 months.

690. That the advance for the purchase of bicycles be increased to KShs.5,000 and that the period of repayment remains at 24 months.

691. That the maximum advance for the purchase of refrigerators be increased to KShs. 36,000, the repayment period be extended to 36 months and the advance be availed and extended to all civil servants since the item has now become a necessity.

697. With respect to the Kenya Civil Servants Welfare Association, we are of the clear view that it is in the interests of Civil Servants to reactivate the Association and we encourage them to do so.

Superannuation

701. That the current compulsory retirement age be raised from 55 years to 60 years.

702. That the scheme of retirement for officers in Job Group "H" and above on reaching 40 years of age be discontinued upon its expiry on 30th June, 1997.

703. That the Government declares all established posts in the Civil Service pensionable to enable the officers in the Subordinate Staff Service to receive pension when they retire from the Service in circumstances entitling them to pension.

704. We received considerable evidence to the effect that time is ripe for the Government to introduce a contributory pension scheme for its employees. We concur with these views and accordingly recommend that the Ministry of Finance commissions an actuary to develop a contributory pensions scheme for implementation.
Paragraph

705. That the Ministry of Finance takes the necessary measures to have the formula used for computing pensions revised from 1/480 to 1/360 in order to enhance retirement benefits for civil servants.

706. That the Ministry of Finance takes appropriate measures to have the Pensions Act amended in order to allow retiring civil servants to commute up to three-quarters of their pensionable emoluments.

707. That the Ministry of Finance ensures that the Widow’s and Children’s Pensions Act, Cap.195 is amended to cover all serving pensionable officers.

708. That in addition to making annual returns to contributors, the Director of Pensions in consultation with the Minister for Finance, and in conjunction with the Widows and Children’s Pension Scheme board of trustees, invests contributors’ money in viable enterprises, such as Government securities or immovable assets.

709. That the Ministry of Finance ensures that the Dependent’s Pension Act is amended so as to allow the dependants to draw pension for ten years after a pensioner’s death instead of the current five years.

710. We are of the view that medical expenses associated with injury should be fully catered for under a group health cover as recommended under paragraph 646 of Chapter 19 on Other Terms and Conditions of Service.

711. That whenever there is a general salary revision for serving civil servants, the level of increase awarded to those in the Civil Service be applied equally to pensioners.

712. That the last pensionable emoluments earned after promotion during the last three years of service immediately preceding retirement should be used in computing pension.
713. That the Directorate of Personnel Management urgently commissions a study, under the auspices of the Civil Service Reform Programme, to review the organisation structure and operations of the Pensions Department, to identify bottlenecks in the management of the department and to make appropriate recommendations on how its operations could be improved.

714. That the plan by the Pensions Department to deploy pensions officers in ministries/departments and in the field be implemented without delay.

715. The Committee learnt that the Pensions Department uses the services of actuaries from time to time to advise it on matters relating to pensions. We learnt further that this is a specialised area in which there are hardly any qualified Kenyans. It may be useful for the study recommended in this Report to determine the need for Kenyans to be trained in this area.

716. That the Government continues to extend recognition to senior citizens by inviting them to State functions and according them commensurate status as they enjoyed while they were in the Service.

717 That:
   (a) The Government considers establishing modalities for according privileges to senior citizens, such as Identification Cards to enable them get automatic concessions when receiving services from the Government.
   (b) Prospective retirees be prepared psychologically to view retirement as a new way of life which ought to be faced with confidence and the will to succeed.

719. We received representations that whereas the National Social Security Fund has investments in excess of KShs. 50 billion, its members had no shares in these investments. We strongly
recommend that since the National Social Security Fund makes its investments using contributors' funds, the contributors be allowed to have shares in the funds' investments and receive dividends at the end of each year of business.

The Administrative Service

726. That the Directorate of Personnel Management expedites analysis and approval of the scheme of service for Chiefs and Assistant Chiefs for implementation within six months.

727. That the Government continues to appoint qualified female officers to senior administrative positions both in the field and at the ministry headquarters.

729. That the Office of the Attorney General hastens the process of reviewing and updating the Chief's Authority Act.

732. That officers of the Provincial Administration, who ought to be well trained and enlightened on national goals and aspirations be appointed on merit.

733. That the functions of the Provincial Administration should be rationalised to ensure effective and efficient delivery of services to the public.

734. That there be a continuous programme of training officers in the Administrative Service to enable them manage new challenges.

741. That:
(a) The prioritisation of expenditure of the District Cash Fund be done by the District Executive Committee with the full participation of sectoral representatives.

(b) The minutes of the District Executive Committee be sent to
Paragraph

(b) The minutes of the District Executive Committee be sent to all Accounting Officers and to the Paymaster General, alongside monthly expenditure returns.

(c) That meetings of District Development Committees be held regularly.

Education and the Teaching Service

748. That:
(a) The existing partnership between the Government and stakeholders be strengthened to facilitate the provision of quality pre-primary education which will attract more children and encourage the public to contribute more towards its development.

(b) That the Government increases the establishment of pre-primary school units in public primary schools. This would have a double effect of facilitating smooth transition from pre-primary to primary school level.

750. That:
(a) The Ministry of Education designs sustainable strategies to boost participation and completion rates to 100 per cent in the whole country, hence achieving universal primary education.

(b) The Ministry of Education rationalises the curriculum offered at primary school level with a view to reducing the number of subjects offered in order to cut down on the curriculum load and sustain in children interest in education.

751. That enhanced efforts be made to assist the children in non-formal schools with trained teachers together with the proper curriculum and regular supervision services.
Paragraph

752. That all levies charged in secondary schools be rationalised as a matter of urgency to ensure that the education offered is affordable to most households.

753. That the Ministry of Education formulates policy guidelines on ways and means of upgrading day secondary schools to institutions that offer high quality education.

754. That:
   (a) The Ministry of Education ensures that existing partnership between the Government and private universities are strengthened to facilitate the creation of more opportunities for university education.
   (b) Local universities take the lead in planning for the country’s manpower development in close co-operation with other training institutions and the industrial sector.

755. That the Ministry of Education ensures implementation of the policy on textbooks and clearly guides school communities on the one essential textbook for each subject and on important reference books to be maintained in school libraries. This will obviate the practice of schools giving too many titles to the parents which makes education much more expensive and not necessarily more qualitative.

757. That:
   (a) The Ministry of Education reviews teacher recruitment procedures at all levels to ensure that those selected for this noble career do not only have the required academic qualifications but also the personal attributes that go towards making a competent teacher. (b) the Ministry of Education considers introducing primary diploma teacher education courses to enhance the quality of teaching at primary level and attract students with high qualifications.
758. That:
   (a) The Ministry of Education ensures close co-ordination between public universities and itself and the Teachers Service Commission.
   (b) The Ministry of Education sensitises school committees on the need to provide the required facilities for technical subjects in view of the need for technical skills as a foundation for technological advancement.

759. That the Teachers Service Commission employs all teachers in the pre-primary units. This will ensure that children in this formative period of development have enough professionally qualified and trained teachers.

760. That the Ministry of Education:
   (a) Conducts in-service courses to improve the teachers' competence and confidence in teaching.
   (b) Conducts in-service courses in managerial skills for all headteachers.

761. That:
   (a) The Ministry of Education reviews staffing norms in all schools with a view to enabling teachers handle subjects they are best qualified to teach. This will inculcate in them positive attitudes towards the subjects they teach hence better performance.
   (b) The Ministry of Education reviews the teacher-student ratio at primary and secondary school levels to give the teacher the ideal number of students and make education student-centred.
Paragraph

762. That:
   (a) The Ministry of Education ensures that all teacher trainers are exposed to staff development programmes to enhance their competence.

   (b) The Ministry Education reviews the minimum entry point for teacher trainers with a view to attracting and retaining experienced and competent teachers.

763. That:
   (a) The Ministry of Education introduces Special Education as an important component of teacher education curriculum to give all teachers the basic skills required to help students with special learning needs to be more productive.

   (b) The Ministry of Education ensures without further delay the implementation of the accepted policy on the development of specially gifted and talented children/persons stated in the Sessional Paper No. 6 of 1988.

764. That the Ministry of Education addresses seriously the conditions under which teachers work with a view to laying effective strategies to involve school communities in the improvement of the welfare of teachers.

765. That the Ministry of Education intensifies intervention measures to encourage the participation of female students in science/technical courses at secondary and tertiary levels.

768. That:
   (a) Following the enhanced management of education at provincial level, the Ministry of Education rationalises all levies charged in public primary and secondary schools in each province as a matter of urgency with a view to
reducing the cost of education and making it affordable to most households.

(b) The Education Boards sensitise school communities on the need to provide adequate physical facilities and equipment required to realise quality education.

770. That the Ministry of Education reviews the status of the Teachers Service Commission with a view to facilitating its regrading and enhancement of its Secretariat’s remuneration package to attract competent and qualified professionals.

771. That the Chairman, Deputy Chairman, Secretary and Commissioners of Teachers Service Commission be paid new salaries as shown in Conversion Tables TSC 1, TSC 2 and TSC 3.

772. That the Teachers Service Commission establishes an appropriate machinery to ensure that any person teaching in any public or private school is registered with the Commission.

773. That the appointment of Teachers Service Commission agents be formalised by issuing them with letters outlining the delegated functions.

774. That the Teachers Service Commission decentralizes its services to the field.

The Local Government Service

781. That the Office of the Attorney-General and Ministry of Local Government urgently review the Local Government Act, Cap. 265, with a view to introducing comprehensive amendments to allow the law to cope with the desired development and the needs of the Local Government Service.

793. That the minimum qualification for persons seeking election to local councils be raised to Form Four level of education to enable
Paragraph

the elected and nominated councillors follow and participate intelligently in council deliberations.

797. That local authorities rent out their houses, other buildings and facilities at market rates in line with the recommendations made in Chapter 18 on Housing and Office Accommodation of this report.

798. That local authorities co-ordinate their infrastructural programmes with those of the Government to enable them to access technical support.

799. That there be close co-ordination between the Physical Planning Department in the Ministry of Lands and Settlement and local authorities to facilitate short and long-term orderly development of urban areas and rural centres as provided in the Physical Planning Act, 1996. The planning and location of such developments should be environment friendly.

800. That the imbalance between allocations for personal emoluments and those for operations and maintenance be addressed without delay.

801. That the Government considers the Omamo Report for urgent implementation as appropriate.

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

817. That the co-ordinative role and status of the Permanent Secretary, Secretary to the Cabinet and Head of the Public Service be reaffirmed without any ambiguities as to the proper chain of command. In view of this, and in consideration of the arguments presented in this report, the designation of the Office of the Permanent Secretary, Secretary to the Cabinet and Head of the Public Service be changed to Chief Secretary.
818. That:
(a) The post of Principal Administrative Secretary/Assistant Secretary to the Cabinet be redesignated to Permanent Secretary.
(b) That as far as the Cabinet function is concerned, the post of Assistant Secretary to the Cabinet be redesignated as "Deputy Secretary to the Cabinet" and that the holder be sworn-in as such. These recommendations, together with those affecting other supporting staff of the office of the Permanent Secretary, Secretary to the Cabinet and Head of the Public Service are summarised in Chapter 24 - Office of the Permanent Secretary, Secretary to the Cabinet and Head of the Public Service.

822. The remuneration package and other privileges for the Permanent Secretary, Secretary to the Cabinet and Head of the Public Service are detailed in Chapter 24 of this Report.

Permanent Secretaries
835. That the introduction of a new management approach whereby, in future, the appointment and remuneration of Permanent Secretaries would be on the basis of performance contracts.

838. That Permanent Secretaries be required to produce and disseminate to the entire ministerial staff a booklet summarising the mission and objectives of their respective ministries, their work programmes and action plans indicating the order of priorities and setting specific targets of the results to be achieved.

839. That:
(a) Under the new system, the Government scouts around the labour market with a view to identifying from it suitably qualified persons who can serve as Permanent Secretaries.
(b) There be a mix of Permanent Secretaries from the private sector as well as from the public service to enhance and institutionalise capacity building in the Civil Service.

840. That in designing work programmes, plans and targets, Permanent Secretaries give due consideration to the geographical dispersion of the activities to be undertaken. Work programmes and plans will also indicate the targets to be met and deadlines for completion. As far as is possible, the targets should be set in terms of numerical indicators, cost-effectiveness and quality standards of operational and financial performance.

841. That in preparing the proposed work programmes and plans, which should be done within the framework of the Public Investment Programme, the Programme Review and Forward Budget and the annual Estimates of Expenditure and Revenue, care be taken by Permanent Secretaries to match the programmed activities and projects with the available financial, human and physical resources.

843. That the Head of the Public Service strives to hold consultative meetings of Permanent Secretaries at least once every month. This will enhance co-ordinated implementation of agreed Government policies and strategies and will reduce the need for numerous individual consultations and release the Head of the Public Service to attend to other critical needs of the Government.

846. That:
(a) The Treasury enters into continuous and sustained dialogue with Permanent Secretaries on budgetary matters affecting their respective ministries in the interests of timely implementation of policies and programmes.

(b) Once approved, budgetary allocations of ministries be made a condition of the performance contract and only be varied
by mutual agreement between the Treasury and the Permanent Secretary.

(c) Once received, Exchequer requisitions be processed and, subject only to mutually agreed ceilings, the issues be released to Permanent Secretaries within seven days of the application being received to avoid critical ministerial programmes being starved of funds.

847. That:
   (a) The Treasury transforms and expands the current Budget Steering Committee, which is chaired by the Permanent Secretary to the Treasury, to include all Permanent Secretaries.

   (b) The Budgetary Steering Committee meets regularly at least once every quarter for the purpose stated above.

848. That in order to enhance inter-sectoral co-operation and avoid working at cross-purposes,
   (a) Permanent Secretaries put in place measures necessary to facilitate regular high level ministerial consultative meetings to discuss and agree on how to handle cross-cutting issues affecting their respective ministries. Representation in the meetings should be at Permanent Secretary level or, if delegation is necessary, it should be at not lower than the level of Principal Administrative Secretary or Director of Administration.

   (b) Where projects are multi-sectoral in nature, appropriate national steering committees of the Permanent Secretaries concerned be constituted to guide project managers and co-ordinators and field officers on the areas that require complementary and inter-disciplinary approaches. The national steering committees should meet regularly on quarterly basis to receive progress reports on project
implementation and to sort out any operational problems which may arise.

852. That:
(a) Functions of Principal Administrative Secretary be established in all ministries to co-ordinate and have general supervision over administrative matters. The Principal Administrative Secretary will be the principal assistant to the Permanent Secretary in the management of ministerial functions and will deputise for him as and when the need arises.

(b) The functions of principal finance officers and those of development co-ordination in ministries be held at Deputy Secretary level.

854. That:
(a) Permanent Secretaries be appointed on fixed performance contract terms of service with clearly stated job descriptions, set targets and evaluation criteria against which the performance of their ministries will be gauged and evaluated.

(b) Performance evaluation of ministries be undertaken regularly on six monthly basis by the Office of the President. This will enable the Government assess the suitability of a Permanent Secretary for continued retention.

856. That the post of Permanent Secretary be delinked from the normal Civil Service grading structure by creating a separate remuneration package which will relate closely to the remuneration paid to counterparts in the private sector. This will enable Government attract suitably qualified persons from the labour market to be Permanent Secretaries and will harmonise their salaries with those of appointees from the public service.
Paragraph

857. That:
(a) The salary of Permanent Secretaries be in a new salary scale to be known as Scale "PS" as detailed in Conversion Table for Scale "PS"

(b) The other allowances and privileges are detailed in Chapter 25 on Permanent Secretaries.

858. That the Private Secretary and Comptroller of State House continues to get the same salary, allowances and other fringe benefits as those recommended for Permanent Secretaries.

Public Service Commission

862. That the Government establishes clear and appropriate criteria for appointing members of the Public service Commission with a view to injecting professionalism in the Commission.

866. That:
(a) The vacant positions for Commissioners of the Commission be filled and the respective functional panels be increased as appropriate including one to handle recruitment of foreign service personnel, which should have experts on foreign service matters such as ex-Ambassadors.

(b) The Commission computerises its records and network with the Directorate of Personnel Management to ensure prompt accessibility of personnel data from the Directorate on issues like staff appraisal, skills inventory and complement control.

(c) Delegated powers to authorised officers be extended to officers in Job Group "K" and below as opposed to the current practice of Job Group "H" and below.
(d) The Ministries/departments ensure that personnel matters are properly researched and cases well made before forwarding them to the Commission for decision.

(e) The Commission considers recruitment of legal officers to assist in legal matters affecting the Commission in the course of conducting its functions, particularly with regard to discipline matters.

(f) In order to minimise the adverse effects arising from conflicts between councillors and chief officers in local authorities, and in the interest of service delivery, the Government employs the Chief Officers and seconds them to local authorities for deployment.

867. That new and more efficient working relationships between ministries, Directorate of Personnel Management and Public Service Commission will have to be adopted. An urgent study be undertaken through the ongoing civil Service Reform Programme within the next six months.

871. That:
(a) The Public Service Commission handles recruitment, promotion and disciplinary matters professionally and in order of merit devoid of nepotism, ethnic and political considerations.

(b) Performance-related promotions be considered as opposed to the current practice of basing them mainly on seniority irrespective of work performance.
(c) The practice of transferring officers who have failed elsewhere (either in the Civil Service or state corporations) to other professions in the Service be discouraged.

872. That:
(a) The authorised officers ensure that the powers delegated to them by the Public Service Commission are administered professionally and in order of merit devoid of extraneous considerations.
(b) That the Public Service Commission ensures that the powers delegated to authorised officers are properly exercised.

874. That:
(a) The tenure of office for members of the Public Service Commission be raised from three years to five years to enable them discharge their duties effectively.
(b) That the retirement age for Members of the Public Service Commission be pre-determined.

876. That:
(a) The Public Service Commission jealously guards its independence as provided for in the Constitution.
(b) The Commission ensures that its performance and decisions are beyond reproach.

879. That due consideration be given by the Government to pay overtime allowance or honoraria, as the case may be, to officers in the Secretariat of the Public Service Commission who are called upon to work outside the normal working hours.

881. That:
(a) The Chairman, Deputy Chairman, Secretary and Commissioners of the Public Service Commission be paid
new salaries under the new salary scales as indicated in Conversion Tables PSC 1, PSC 2 and PSC 3.

(b) The Chairman, Deputy Chairman and Secretary of Public Service Commission be entitled to the same allowances and fringe benefits recommended for Permanent Secretaries.

Offices of the Controller and Auditor-General and Auditor-General (Corporations)

891. We concur with the proposal that the existing schemes of service for audit personnel in the Civil Service be revised as a matter of urgency with a view to making them more relevant and attractive.

896. That the accounting system in the local authorities be reviewed and simplified.

897. That the Government amends the Local Government Act with a view to separating political from executive powers, and thereby simplifying the operations of the local authorities.

901. That the Exchequer and Audit Department be funded directly by Parliament through Consolidated Fund Services.

905. That the financing and staffing of the office of the Controller and Auditor-General be delinked from the rest of the Civil Service. In arriving at this recommendation, we have taken into account the fact that the work of external auditors is sensitive and specialised. We are convinced that external auditors need independence of action and job security. By having auditors recruited, promoted and disciplined alongside the rest of the Service, there is a danger of exposing them to reprisals by aggrieved parties.

913. That the office of the Auditor-General (Corporations) be delinked from the Ministry of Finance.
917. That:

(a) The office of the Controller and Auditor-General and that of the Auditor-General (Corporations) be merged.

(b) The Government creates three new departments under the office of the Controller and Auditor General, namely, Directorate of Audit (Civil Service) to audit the Civil Service; Directorate of Audit (Local Authorities) to audit local authorities; and, Directorate of Audit (State Corporations) to audit state corporations.

(c) Each of the above three departments be headed by a Director of Audit.

(d) Once the offices of Controller and Auditor-General and the Auditor-General (Corporations) have been merged, the offices of the Directors in charge of the three departments be established as constitutional offices with independence and security of tenure similar to that of Controller and Auditor-General.

918. That the Government establishes an Audit Service Commission to handle all staffing matters affecting the enlarged office of the Controller and Auditor-General.

919. That the Controller and Auditor-General and his three Directors of audit be paid new salaries under the new salary scales as indicated in Conversion tables CAG 1 and CAG 2.

920. That the Controller and Auditor-General and the three Directors of Audit under his office be entitled to the same allowances and other fringe benefits recommended for Permanent Secretaries.

921. That a new Scheme of Service embracing audit examiners and auditors in the proposed departments of Directorate of Audit (Civil Service), Directorate of Audit (Local Authorities) and Directorate
Paragraph

of Audit (State Corporations) be issued by the Directorate of Personnel Management.

National Assembly

925. That Special Compensatory Allowance continues to be paid at the existing rate of 20 per cent of annual basic salary.

928. That the staff of the National Assembly be paid a parliamentary service allowance at the following rates and that this allowance ceases when one is transferred:

<table>
<thead>
<tr>
<th>Job Group</th>
<th>Percentage of Annual Basic Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;A&quot; to &quot;D&quot;</td>
<td>30</td>
</tr>
<tr>
<td>&quot;E&quot; to &quot;G&quot;</td>
<td>25</td>
</tr>
<tr>
<td>&quot;H&quot; to &quot;K&quot;</td>
<td>20</td>
</tr>
<tr>
<td>&quot;L&quot; to &quot;N&quot;</td>
<td>15</td>
</tr>
<tr>
<td>&quot;P&quot; to &quot;Q&quot;</td>
<td>10</td>
</tr>
<tr>
<td>&quot;R&quot; and above</td>
<td>5</td>
</tr>
</tbody>
</table>

929. That a post of Senior Deputy Clerk of the National Assembly be created and graded at Job Group "R".

931. That a Legal Unit be established in the National Assembly and that a post of Speaker's Counsel, be created in the National Assembly and graded at Job Group "S".

932. That the National Assembly considers the possibility of contracting out its catering services to the Kenya Utalii College and thereafter abolishing posts in the Catering Unit.

934. That:
   (a) The Directorate of Personnel Management provides better career prospects to facilitate attraction and retention of qualified Librarians and Library Assistants.
(b) The Scheme of Service for Librarians and Library Assistants be reviewed by the Directorate with a view to providing better career prospects to Librarians and Library Assistants.

935. That:

(a) The operations and records of the National Assembly be computerised.

(b) The Authorised Officer of the National Assembly ensures that all the existing vacancies in the Computer Unit are filled to facilitate computerisation of operations and records of the Computer Unit.

937. That:

(a) The Authorised officer in the National Assembly advertises all the existing vacancies in the Hansard Unit, Library Unit, Computer Unit and Personnel Unit.

(b) Officers be given specialised training in their areas of operation.

939. That the Directorate of Personnel Management urgently carries out a organisational study of the structure of the National Assembly with a view to determining its ideal staff establishment.

941. That the Accounting Officer in the National Assembly ensures the provision of institutional houses for the Speaker and the Clerk of the National Assembly.

942. That:

(a) The Clerk of the National Assembly be paid a new salary under the new Salary Scale "CNA" as reflected in the Conversion Table CNA.
(b) The Clerk, National Assembly be entitled to the same allowances and fringe benefits recommended for Permanent Secretaries.

Office of the Attorney-General

950. That the Directorate of Personnel Management ensures that all the allowances currently granted to the professional staff of the Judiciary, and the rates at which they are payable, are applied, ipso facto, to the professional staff of the State Law Office.

953. This Committee is of the strong view that a decision ought to be made and enforced by the Government as to whether the determination of remuneration for the State Law Office should continue to be linked to that of the Judiciary or that of the Civil Service, or whether that Office should be left to reap benefits from both worlds. A possible solution to this problem would be for the Government to decide that the setting and reviewing of remuneration for both the Judiciary and the State Law Office and, indeed for all other public service organisations, shall fall under the purview of the permanent Public Service Pay Review Board whose creation we have recommended in Chapter 16 on Civil Service Pay Policy. If that be the case, then the Government should move with haste to establish the proposed Board so that it can deal with the above matter which appears to be outside our jurisdiction and competence.

959. That the Authorised Officer in the State Law Office liaises with the Directorate of Personnel Management and embarks on preparation of a scheme of service for para-legals without delay. The Council of Legal Education should also embark on preparation of a training programme for para-legals without delay. The two programmes should result in the creation of para-legals who should be given a remuneration package commensurate with their semi-professional status. Thereafter, it will be necessary for arrangements to be made for this category of staff to remain either in the State Law
Office or be deployed in the legal units of ministries which have such units.

960. That the Government considers:

(a) Paying duty allowance to support staff deployed in the State Law Office. The level of such allowance to be determined by the Directorate of Personnel Management depending on the "para-legal" nature of the member of staff concerned. The allowance to cease in the event of the transfer of staff enjoying such interim benefit out of the State Law Office to "non-legal" ministries.

(b) Introducing crash in-service training programme for support staff in the State Law Office for purposes of qualifying to join the scheme of service for para-legals and encouraging, by appropriate means, serving members of staff to enrol for the programme.

962. That:

(a) The Authorised Officer in the State Law Office liaises with the Directorate of Personnel Management for the establishment of the post of Deputy Director of Public Prosecutions. Determination of the number of posts at this level should, however, be done through job analysis and evaluation.

(b) The post of Assistant Deputy Public Prosecutor be redesignated to Assistant Director of Public Prosecutions.

963. That the Public Prosecutions Department be redesignated to Directorate of Prosecutions. Appropriate representations will have to be made to the Directorate of Personnel Management in this regard.
964. That the Attorney-General takes appropriate measures to bring into force without further delay section 32 of the Advocates Act, Cap. 16.

968. That the Authorised Officer in the State Law Office liaises with the Directorate of Personnel Management to establish the grade of State Law Counsel III as at training grade.

969. That the Authorised Officer in the State Law Office liaises with the Directorate of Personnel Management to redesignate the title "State Counsel" to "State Attorney."

970. In Kenya there is a fused Bar and upon qualifying, the Kenyan advocate can do solicitor's as well as barrister’s work. There are, therefore, no solicitors in Kenya. That makes the title "Solicitor-General" just as anomalous as, if not more anomalous than, the title State Counsel subject matter of the preceding paragraph. It occurs to us that this anomaly should be addressed also.

971. That:
   (a) The Accounting Officer in the State Law Office takes the necessary measures to secure adequate funding for purchase of law books for the Office.

   (b) The necessary arrangements, including funding, be made for the National Law Reporting Council to start its work.

974. That the Authorised Officer liaises with the Directorate of Personnel Management for job analysis and evaluation with a view to determining the need for and level of an expanded establishment.

977. That we find nothing objectionable in the Attorney-General's proposal for redesignation of the position of Assistant Deputy
Paragraph

Public Prosecutor to Assistant Deputy Chief State Counsel or Assistant Deputy Chief State Attorney.

978. That:

(a) The Attorney-General takes the necessary action to have the number of full time Commissioners increased by three. The Attorney-General also proposed that one of the Commissioners be appointed Chairman, with co-ordinating responsibilities.

(b) The Attorney-General takes the necessary measures to have the Advocates Act, Cap. 16, amended to provide for the position of Chairman of the Complaints Commission.

(c) The Authorised Officer in the State Law Office thereafter liaises with the Directorate of Personnel Management to have the post of Chairman established.

979. That suitable arrangements be made between the State Law Office and the Law Society of Kenya for apportionment of costs and fines arising from the disciplinary process.

980. That:

(a) The Kenya School of Law establishes and implements its own scheme of service for professional and administrative staff.

(b) The Accounting Officer in the State Law Office takes appropriate measures to ensure the provision of sufficient funds for the development of infrastructure and other facilities to enable the Kenya School of Law undertake post-graduate training of lawyers, continuing legal education programmes and the training of para-legals.
Paragraph

(c) In the spirit of cost-sharing, fees be charged by the School to all students.

982. That the Attorney-General takes the necessary action to have the Law Reform Act, Cap. 3 amended to:

(a) Provide for the establishment of the Law Reform Commission as an autonomous institution.

(b) Provide for appointment of more Commissioners.

(c) Provide for extension of the tenure of Commissioners from three to five years.

(d) Grant the Commission statutory authority to establish committees and delegate to them such of its functions as it may deem fit.

984. That the Accounting Officer in the State Law Office takes the necessary action to secure adequate financial provision for the early construction of the proposed office block.

The Foreign Service

993. That the rates approved in January 1997 continue to apply to the Foreign Service and that the case for review of the foreign service allowance be referred to the recommended permanent Public Service Pay Review Board with sufficient justification for consideration. In the event of delay in the establishment of the recommended permanent Public Service Pay Review Board, the Ministry of Foreign Affairs and International Co-operation may make out a case for enhancement of foreign service allowance to the Directorate of Personnel Management for consideration.

995. That:

(a) The proposal to review the outfit allowance be made to the recommended permanent Public Service Pay Review Board
Paragraph

with sufficient justification for consideration. Further, we observe that the Chief of Protocol need not be accorded an outfit allowance.

(b) That the Chief of Protocol be given a responsibility allowance of Kshs.10,000 per month. It is our view that the responsibility allowance is more relevant to the task of the Chief of Protocol than the outfit allowance.

997. That:

(a) In the long-run the foreign staff returning from tour of duty abroad be afforded accommodation in the proposed guest houses.

(b) That the current three days hotel accommodation period be increased to 15 days to allow the officers enough time to settle and seek suitable accommodation.

(c) The returning officers be further eligible for one month’s salary being transfer allowance for normal resettlement. In addition to payment of one month’s basic salary, cases of those relocated from civil strife zones should be handled on their own merit.

1001. That the Foreign Service continues to source for officers at any rank from the Civil Service, provided the officers identified have the qualities, training, disposition and potential that the Foreign Service requires in a diplomat.

1002. That the Diplomacy Programme be expanded and strengthened to take care of the increased personnel needs and to cater for the expansion and sophistication in the role and duties of the diplomatic staff which currently require improved negotiating skills in such diverse areas as loans, technical agreements and trade.
1004. That:
   (a) The case for enhancement privileges of certain privileges, such as passages for the family education supplement and insurance cover be presented to the recommended permanent Public Service Pay Review Board for thorough scrutiny and consideration.
   (b) The Government takes commensurate cover to cater for civil servants while on duty outside the country.

1006. That:
   (a) The Government strives to own pool houses for Kenya’s missions abroad.
   (b) The current charges for utility are grossly inadequate and in the spirit of cost sharing the charges be raised from a range of KShs. 50 to KShs. 200 per month to a new range of between KShs. 500 to KShs. 2,000 per month.

1007. That:
   (a) That after the officers have been appropriately housed, the cost to the Government of housing each officer, be consequently accounted and reflected as remuneration to the beneficiary.
   (b) That the Government systematically acquires offices for Kenya’s missions abroad.

1008. That the status of local missions be subject to the existing Civil Service Regulations as they apply to the local staff within the Ministry of Foreign Affairs and International Co-operation.

1010. That deliberate efforts be made towards funding foreign service lobbying efforts through the existing budgetary items. However, we observe that this country is endowed with experts in various sectors of the economy and the Foreign Service should endeavour
to identify relevant Kenyan expertise and appropriately seek to access their services whenever required.

1011. That:

(a) Officers seconded to missions abroad be given requisite induction and briefing prior to taking up their overseas assignments.

(b) Mission heads be adequately trained in modern management skills.

1012. That the Ministry of Foreign Affairs and International Co-operation strengthens its research division and make deliberate efforts to educate the population and line ministries on its role in linking local to global socio economic relations.

1013. That a Foreign Service Board be established within the Public Service Commission to operate as a specialised body to cater for the diplomatic service. We believe that such arrangement will serve the interests of the Foreign Service without adversely impinging on the uniformity of the Civil Service and the wider interests of Government.

Public Scientific and Technological Research Institutes

1020. That:

(a) The Ministry of Research, Technical Training and Technology establishes a structured system to facilitate the usage of research institutions by the private sector.

(b) Such a system facilitates funding of research work by the private sector.

(c) Once the research findings are out, they be released to users immediately.
1023. That a study be urgently undertaken to re-examine the entire spectrum of researchers in the public service (universities included) and their role in the new challenge that now faces the nation's research and development institutions in our industrialisation process.

1024. That:

(a) The Ministry of Research, Technical Training and Technology liaises with the Directorate of Personnel Management to work out modalities to match the terms and conditions of service for research officers in the public research institutions with those obtaining in the public universities.

(b) In matching the terms and conditions of service, recommendations of the Committee to Review the Terms and Conditions of Service for Members of Staff of the National Universities chaired by Mr. E. Mwakio be taken into account once accepted by the Government.

Civil Aviation and Meteorological Services

1034. That:

(a) As a short-term measure, the salaries and allowances we have recommended for the mainstream Civil Service be paid to Civil Aviation and Meteorological Services Staff.

(b) Those allowances identified by the Directorate of Personnel Management study as peculiar and compensatory to the staff of the Civil Aviation sector be paid to them as per Table 18.

(c) As a long-term measure, the Civil Aviation service be delinked from the mainstream Civil Service and
be merged with the Kenya Airports Authority to form one authority under the umbrella name of Kenya Civil Aviation and Airports Authority. In this model, both the Civil Aviation Service and the Kenya Airports Service will each retain professional and technical identity but in the operations both will be co-ordinated by a Director General guided, on policy issues, by a Board of Directors.

(d) In order to give the new authority effective guidance and provide satisfactory service to its clients, the composition of the new umbrella board be as follows:

1. Permanent Secretary, Ministry of Transport and Communications
2. Permanent Secretary Provincial Administration and Internal Security, Office of the President
3. Permanent Secretary, Ministry of Tourism and Wildlife
4. Director, International Air Transport Association
5. Chief Executive, Civil Aviation Board
6. Representative, Kenya Air Operators Association
7. Representative of International Civil Aviation Organisation
8. Commander, Kenya Air Force
9. The Director, Kenya Meteorological Department
10. Three other members representing special interest groups, such as Kenya External Trade Authority & Kenya National Chamber of Commerce & Industry
11. Director-General of the Kenya Civil Aviation and Airports Authority who will also provide the Secretariat to the Board.

That the Secretariat of the Civil Aviation Board be manned by professional air transport officers and that a scheme of service be drawn up for them to facilitate advancement in the career, boost their morale and attract and retain qualified officers.

That:

(a) There be parity of treatment between staff of the Meteorological Department and those of the Directorate of Civil Aviation with regard to terms and conditions of service.

(b) The Institute for Meteorological Training and Research be separated from the Department of Meteorology and made an autonomous parastatal organisation answerable to the Ministry of Transport and Communications

(c) Upon the establishment of the proposed Kenya Civil Aviation and Airports Authority, staff of the Meteorological Department who provide meteorological data for aviation purposes be seconded to the authority.
Appendix I

KENYAN EQUIVALENT OF OMBUDSMAN

1. Proposed Name
   The "Ombudsman Commission" herein referred to as the Commission.

2. Composition
   (1) The Commission shall be composed of a Chairman, a Deputy Chairman and three other Members.

   (2) If the Chairman is unable to exercise the powers and functions of his office for any reason, then the Deputy Chairman or, in his absence, any Member appointed by the other Members shall exercise such powers and functions until the Chairman is able to resume his duties or a new Chairman is appointed in his place.

3. Prerogative of Appointment
   (1) The Chairman, Deputy Chairman and Members shall be appointed by the President.

   (2) The staff of the Commission shall be appointed by the Ombudsman Commission.

4. Qualifications and Conditions for Appointment
   (1) A person shall not qualify for appointment as Chairman or Member of the Commission unless-

       (a) he is or has been a Judge in Kenya or in a court having unlimited jurisdiction in civil or criminal matters in a Commonwealth country; or

       (b) he is qualified to practise as a legal practitioner and has practised as such, or held a judicial office after so qualifying in Kenya, or in a Commonwealth country, for an aggregate period of not less than ten years; or
he has proved to be a person of high integrity with distinguished service in the public life of Kenya and is capable of discharging the powers and functions of his office with the utmost impartiality.

(2) On appointment as Chairman or Member of the Commission, a person shall cease to -

(a) perform the functions of any other public office; or

(b) hold any other paid office or employment; or

(c) be a director, consultant or advisor of any corporate body or partnership.

(3) Before assuming office, a person appointed as Chairman or Member of the Commission shall declare, in writing to the President, any financial, commercial or other private interests that may conflict with his public duties and, likewise, declare any such interests acquired during the term of office.

5. **Tenure of Office**

The Chairman or Member of the Commission -

(a) shall have security of tenure similar to that of Judges;

(b) shall vacate his office at the expiration of three years from the date of his appointment but may be eligible for reappointment for one further term not exceeding three years; or

(c) shall vacate his office on attainment of the age of seventy-four years or at the end of his term of office after attaining that age; or

(d) may resign his appointment by giving not less than three months' notice in writing to the Chairman in the case of a Member and to the President in the case of the Chairman.
6. **Terms of Service**

Salaries, allowances and other terms of service of the Chairman and Members of the Commission shall be -

(a) such as may be fixed by Parliament and being not less favourable than those of Judges of Appeal in the case of the Chairman and Judges of the High Court in the case of Members;

(b) charged to the Consolidated Fund.

7. **Functions and Responsibilities**

(1) The Commission shall be responsible for investigation of action taken or omission by any employee, on behalf of the authorities listed in sub-paragraph (2) below, in the exercise of administrative functions in any case where it is alleged that any other person has suffered injustice in consequence of that action or omission and it does not appear that there is any remedy reasonably available by way of proceedings in a court of law.

(2) The following authorities or institutions shall be subject to investigation by the Commission:

(a) any service or force maintained by the state other than Defence Forces in the actual discharge of their functions;

(b) any local authority as defined in the Local Government Act;

(c) any hospital, clinic, educational or training institution;

(d) any parastatal or subsidiary thereof;

(e) any co-operative society; and

(f) any public utility.
8. **Authorities and Actions Exempted from Investigations**

The Commission shall not investigate-

(a) any action taken by the President and his personal staff; or

(b) any matter which is pending before court or involving relations or dealings between the Kenya Government and any other, government or international body;

(b) any action in respect of which the person aggrieved -

(i) has or had a right of appeal, reference or review to or before a tribunal established under an Act of Parliament; or

(ii) has had remedy by way of proceedings in a court of law;

Provided that the Commission may conduct an investigation notwithstanding that the person aggrieved has or had such remedy if it is satisfied that, in the particular circumstances, it is or was not reasonable to expect such person to resort or have resorted to such remedy.

9. **Discretionary Powers**

(1) The Commission may refuse to investigate or discontinue investigation of any complaint if it is satisfied that -

(a) the matter is frivolous, vexatious or trivial or where it considers that the person aggrieved has no sufficient interest in the subject matter of the complaint; or

(b) it is not authorised, in terms of the law establishing it, to carry out the investigation; or

(c) on the basis of the evidence it has received, it is not authorised to carry out the investigation any further.
(2) In determining whether to initiate, continue or discontinue an investigation, the Commission shall bear in mind the provisions of the law establishing it and act at its own discretion.

(3) If the Commission refuses to investigate or discontinues an investigation, it shall, in writing, inform the complainant of any remedy that appears to be available to him.

10. Initiation of Investigation

(1) Any person, as defined in paragraph 11, may make a complaint to the Commission requesting it to investigate any action or omission of any service or force, institution, authority or body listed in sub-paragraph 7 (2).

(2) Notwithstanding the provisions of sub-paragraph (1) above, the following shall not be entitled to make a complaint to the Commission-

(a) any local authority or body constituted for carrying out duties on behalf of the Public Service or Local Authorities; or

(b) any organisation controlled or owned by the state; or

(c) any organisation whose governing body is appointed by the President or a Government Minister; or

(d) any organisation whose revenue consists wholly or mainly of moneys provided by Parliament.

(3) When a person by whom a complaint might have been made has died or is for any reason unable to act for himself, the complaint may be made by his personal representative or by a member of his family or such other person as the Commission considers suitable to represent him; but except as aforesaid, a complaint shall not be entertained unless made by the person aggrieved himself.
11. **Persons Entitled to Lodge Complaints**
   A complaint shall not be entertained unless the person aggrieved -

   (a) in the case of an individual, is a citizen of or normally resident in Kenya or, if dead, was a citizen of or normally resident in Kenya at the time of his death; or

   (b) in any other case, carries on business or other legitimate activity in Kenya.

12. **Limitation Period for Complaints**
   A complaint shall not be entertained unless it is made within twelve months from the date on which the person aggrieved first had notice of the act or omission complained of unless the Commission considers that there are special reasons which make it proper for the period to be extended.

13. **Manner of Making a Complaint**
   (a) The Commission shall, by notice in the Gazette, set out the form in which complaints should be made, the information required and the documents, if any, that should be attached to the complaint.

   (b) The Commission shall not refuse to consider a complaint solely on the grounds that the complaint is not in a proper form or not accompanied by the required documents.

   (c) The staff of the Commission shall assist a complainant and advise him on the requirements of the Commission and, if he is illiterate or not able to present his complaint, shall write out his complaint on his behalf and assist him in obtaining any documents required to substantiate his complaint.

14. **Manner of Conducting Investigations**
   (1) It is envisaged that in the initial stages, the offices of the Commission will be located centrally in Nairobi and that
the Commission will operate in circuit with at least two members dealing with a particular complaint.

(2) When an investigation is held -

(a) the proceedings shall be conducted in private and in accordance with the procedure which the Commission may consider appropriate in the circumstances of each case;

(b) the principal officer of any authority or body concerned and any other person who is alleged to have taken or authorised the action or to have been responsible for the omission in question shall be afforded an opportunity to comment on any allegations made to the Commission;

(c) the Commission may permit any person involved in the proceedings to be represented by a legal practitioner or otherwise and to obtain information from such person, in such a manner and to make such inquiries as it deems fit;

(d) the Commission may require a Minister or Assistant Minister or member of any authority or body concerned or any other person who, in the opinion of the Commission, is able to furnish information or produce documents relevant to the investigation, to furnish any such information or produce any such documents;

(e) the Commission shall, subject to the provisions of sub-paragraph (f) below, have the same powers as commissioners under the Commissions of Inquiry Act, Cap. 102 in respect of the summoning and examination of witnesses;

(f) no obligation to maintain secrecy and no other restriction upon the disclosure of information
obtained by or furnished to persons employed by the State and which is imposed by any law shall apply to the disclosure of information for the purposes of investigations and the State shall not be entitled, in relation to any such investigation, to any such privilege in respect of the production of documents or the giving of evidence as is allowed in law in legal proceedings; provided that no person shall be required or authorised by virtue of this paragraph to furnish any information or answer any question or produce any document relating to the proceedings of the Cabinet or any committee thereof comprised wholly or partly of Ministers of Government and, for the purpose of this priviso, a certificate issued by the Secretary to the Cabinet certifying that any information, question or document so relates, shall be conclusive.

(3) If the relevant Minister gives notice to the Commission with respect to any document or information that, in his opinion, the disclosure of that document or information would be contrary to the public interest in relation to defence, external relations or internal security or to the economic interests of the State, the Commission or any member of its staff shall not communicate any such document or information to any other person for any purpose otherwise than with the authority of such Minister concerned subject to such conditions as he may impose.

(4) The Chairman or a Member or any staff member of the Commission to whom it is disclosed any information obtained or furnished to any person employed by the State, subject to an obligation referred to in sub-paragraph 14 (2) (f), shall not communicate such information to any person outside the office of the Commission for any purpose except -

(i) for the purpose of investigation;
(ii) for the purpose of any proceedings for an offence of perjury alleged to have been committed in the course of an investigation or for the purpose of an inquiry with a view to taking such proceedings.

15. Proceedings after Investigation

(1) If, after conducting an investigation, the Commission is of the opinion that the action or omission which was the subject matter of the investigation was contrary to law, based wholly or partly on a mistake of law or fact, unreasonably delayed or otherwise unjust or manifestly unreasonable, and that -

(a) the matter should be given further consideration; or

(b) an omission should be rectified; or

(c) the decision should be cancelled, reversed or varied; or

(d) any practice on which the act, omission, decision or recommendation was based should be considered; or

(e) reasons should have been given for the decision; or

(f) any law on which the act, omission, decision or recommendation was based should be reconsidered; or

(g) any other steps should be taken,

the Commission shall report its opinion, together with its reasons therefor, to the Permanent Secretary to the Office of the President or principal officer or any authority or body concerned and make such recommendations as it thinks desirable and shall also send a copy of its report to the Minister concerned.
(2) The Commission may request the Permanent Secretary to the Office of the President or the principal officer, as the case may be, to notify it, within a specific time, of the steps, if any, that it is proposed to take to give effect to its recommendations.

16. Submission of Reports
(1) If, after conducting an investigation, it appears to the Commission that injustice has been done to the person aggrieved in consequence of maladministration and that, despite its recommendations, no action has been taken to remedy the situation within reasonable time, it shall submit to the President a report on the case.

(2) The Commission shall annually lay before the National Assembly a general report on the performance of its functions and may, from time to time, lay before the National Assembly other reports with respect to those functions as it deems fit.

17. Immunity against Defamation
For the purpose of the law of defamation, any of the following publications shall be absolutely privileged-

(a) the publication of any matter by the Commission;

(b) the publication, by any member of the National Assembly in communicating with the Commission or its staff, of any matter relating to any report made by the Commission;

(c) the publication of a report of the Commission to a person aggrieved or publication of such report by that person to any other person; and

(d) the publication of any complaint to the Commission or a member of its staff provided that the publication of such complaint by any other person other than the Commission or a member of its staff
to any other person shall not be protected or privileged.
Appendix II

ORGANISATION OF THE GOVERNMENT MAY, 1997

1. Office of the President.
2. Office of the Vice-President and Ministry of Planning and National Development.
5. Ministry of Foreign Affairs and International Co-operation.
6. Ministry of Education.
7. Ministry of Land Reclamation, Regional and Water Development
9. Ministry of Environment and Natural Resources.
17. Ministry of Labour and Manpower Development.
18. Ministry of Information and Broadcasting.
19. Ministry of Culture and Social Services.
23. Office of the Attorney-General
26. Exchequer and Audit Department.
27. Auditor-General (Corporations) Department.
Appendix III

LIST OF MINISTERS INTERVIEWED

Hon. Prof. George Saitoti, E.G.H., M.P  H.E. The Vice-President and Minister for Planning and National Development

Hon. Darius Mbelu, E.G.H., M.P  Minister for Agriculture, Livestock Development and Marketing

Hon. Musalia Mudavadi, E.G.H., M.P.  Minister for Finance
Hon. Joseph J. Kamotho, E.G.H., M.P.  Minister for Education

Hon. Joshua Angatia, E.G.H., M.P  Minister for Commerce and Industry

Hon. Philip J.W. Masinde, E.G.H., M.P  Minister for Labour and Manpower Development

Hon. Amos Wako, E.G.H., E.B.S., M.P.  Attorney-General

MINISTRIES/DEPARTMENTS WHICH SUBMITTED MEMORANDA AND OFFICIALS WHO WERE INTERVIEWED

1. OFFICE OF THE PRESIDENT

1.1 CABINET OFFICE

Mr. F. M. Kuindwa, E.G.H., E.B.S.,  Permanent Secretary/ Secretary to the Cabinet and Head of the Public Service

Mr. C. A. Mbaka  Principal Administrative Secretary
1.2 DIRECTORATE OF PERSONNEL MANAGEMENT

Mr. A. K. Sawe
Mr. J. E. O. Ongwae,
Mr. E. O. Oganga
Mr. Oduogi Mionwa
Mr. G. M. Nzioka
Mr. B. E. Akwara
Mr. J. O. Manyala
Mr. E. A. Wanyama
Mr. M. A. Nyamunga
Mr. H. N. Ogega
Mr. J. O. Nyasio
Mr. J. O. Orwa

Permanent Secretary/Director
Programme Director, CSRS
Deputy Director
Deputy Secretary
Deputy Programme Director, CSRS
Ag. Deputy Secretary
Senior Asst. Director
Senior Asst. Director
Senior Asst. Director
Assistant Director
Senior Programme Officer

1.3 PROVINCIAL ADMINISTRATION AND INTERNAL SECURITY

Mr. W. K. K. Kimalat
Mr. G. M. Gicheru
Mr. J. E. Ekirapa
Mr. H. A. Odongo
Mr. L. M. Mwaliki
Mr. Arap Sogomo
Mr. W. P. Godo

Permanent Secretary
Deputy Secretary
Deputy Secretary
Deputy Principal
Immigration Officer
Principal Personnel Officer
Government Chemist
Registrar of Persons

1.4 DEPARTMENT OF STATE CORPORATIONS, RELIEF AND REHABILITATION

Mr. B. F. Makau
Maj. Gen. R. Chelagat
Mr. F. W. Lekolool
Maj. M. Langat

Permanent Secretary
Director of Programmes
Co-ordinator, Famine Relief Operations
Director, National Youth Service
Mr. G. Mate
Mr. P. Ondiek
Mr. C. B. Ochieng
Mrs. Nyagisere
Mr. Z. N. Silatei
Mr. R. E. Ndubai
Mr. V. K. Lelei

Deputy Director of Programmes
Deputy Director of Programmes
Snr. Principal Asst. Inspector
Under Secretary
D/ED, NGO’s Bureau Department
Principal Asst. Inspector
Deputy National Project Co-ordinator

2. OFFICE OF THE VICE-PRESDENT AND MINISTRY OF PLANNING AND NATIONAL DEVELOPMENT

Mr. Edwin Osundwa Permanent Secretary
Mr. David Nalo Principal Economist

3. MINISTRY OF AGRICULTURE, LIVESTOCK DEVELOPMENT AND MARKETING

Prof. Karega Mutahi Permanent Secretary
Mrs. Rachel Arunga Deputy Secretary
Mr. Joseph S. Kabubi Snr. Principal Personnel Officer

4. MINISTRY OF FINANCE

Mr. S. S. Lesirma Permanent Secretary
Mr. J. K. Kinyua Financial Secretary
Mr. E. N. Birichi Director of Budget
Mrs. N. W. Njukia Director of Pensions
Dr. R. M. Ngugi Assistant Director of Pensions
Mr. E. M. Mwaniki Assistant Director of Pensions
Mr. D. K. Kiroko Chief Accountant

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5. MINISTRY OF FOREIGN AFFAIRS AND INTERNATIONAL CO-OPERATION

Mr. P. K. Leparleen
H.E. Amb. Ms M.D. Odinga
Amb. G. H. O. Josiah
Miss R. A. Odera

6. MINISTRY OF EDUCATION

Mrs. E. Masiga
Mr. S. Kyungu
Mr. I. Farah
Mr. J. B. R. Muthuma

7. MINISTRY OF LAND RECLAMATION, REGIONAL AND WATER DEVELOPMENT

Mr. E. K. Mwongera
Mr. Wachira Gitahi
Mr. D. M. Stower
Mr. W. A. Onono
Mr. Situma Mwichabe
Mr. J. C. Kilach

8. MINISTRY OF ENERGY

Mr. C. N. Mutitu
Mr. Githungu Meta
Mr. W. Ndindiri
Mr. S. Muruah

Mr. O. W. Ndirangu
Mr. D. R. Riaroh,
Mr. D. K. Theuri
Mr. J. M. Mecheo,
5. MIMISTRY OF TRANSPORT AND COMMUNICATIONS

Mr. W. P. Mayaka
Mr. J. K. Wachira
Mrs. V. Maina

Mr. G. Mbuthia
Mr. D.R. Maingi

Mr. S. Mujera
Mr. L.B. Omwadho

Mr. J. G. Mbugua
Ms. Wangari Githii

Snr Assistant Secretary
Public Relations Officer

9. MINISTRY OF ENVIRONMENT AND NATURAL RESOURCES

Mr. W. P. Mayaka
Mr. J. K. Wachira
Mrs. V. Maina

Mr. G. Mbuthia
Mr. D.R. Maingi

Mr. S. Mujera
Mr. L.B. Omwadho

Permanent Secretary
Chief Geologist
Snr Principal Personnel Officer
Principal Economist
Asst. Chief Conservator of Forests
Assistant Director
Under Secretary

10. MINISTRY OF COMMERCE AND INDUSTRY

Mr. S. K. Murage
Mr. B. J. Kibati
Mr. J. M. Mwangangi
Mrs. W. Kitonga

Mrs. Margaret Githinji
Mr. M. N. Wambora
Eng. J. M. Masila
Mr. L. Ndeeri
Mrs. N. J. Kinyany
Mrs. E. N. Gachango

Permanent Secretary
Deputy Secretary
Director of Industries
Director of External Trade
Director of Internal Trade
Snr. Principal Personnel Officer

11. MINISTRY OF TRANSPORT AND COMMUNICATIONS

Mr. S. K. Murage
Mr. B. J. Kibati
Mr. J. M. Mwangangi
Mrs. W. Kitonga

Mr. J. G. Mbugua
Ms. Wangari Githii

Snr Assistant Secretary
Public Relations Officer

12. MINISTRY OF TOURISM AND WILDLIFE

Mr. S. M. Mbova
Mr. K. P. A. Langat

Permanent Secretary
Deputy Secretary
Mr. S. M. Anabwani
Mr. J. J. Mwai
Ms. M. N. Munuhe
Mr. E. K. Mwaura
Mr. P. W. Gachare
Mr. B. W. Oduor
Mr. A. W. K. Busaka
Miss A. W. Guchu

Deputy Secretary
Deputy Secretary
Deputy Secretary
Deputy Chief Economist
Snr. Principal Personnel Officer
Deputy Director - Fisheries
Asst. Director of Tourism
Snr. Asst. Secretary

13. MINISTRY OF HEALTH

Mr. M. Kaittany
Mr. K. M. Kigen
Mrs. M. M. Kuria
Dr. T. Gakuru

Mrs. M. W. Ngure
Mr. W. O. Deya

Dr. C. K. Mailu
Dr. J. O. Gesami

Permanent Secretary
Deputy Secretary
Deputy Secretary
Deputy Director of Medical Services
Ag. Chief Nursing Officer
Snr Principal Personnel Officer
Head/HEROS
Head/C & R Services

14. MINISTRY OF LOCAL GOVERNMENT

Mr. R. K. A. Siele
Mr. D. N. K. Kibondo

Ms. M. W. Thairu
Mr. C. K. Kariuki
Mr. P. K. Macharia

Permanent Secretary
Snr. Principal Personnel Officer
S.P.S.C
D.C.F.O.
Snr. Personnel Officer

15. MINISTRY OF HOME AFFAIRS AND NATIONAL HERITAGE

Mr. Moses A. Obudo
Mr. J. N. Thairu

Permanent Secretary
Deputy Secretary
<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. P. Lopokoiyit</td>
<td>Commissioner of Prisons</td>
</tr>
<tr>
<td>Mr. Ole Kwalah</td>
<td>Director, Children Services</td>
</tr>
<tr>
<td>Mr. C. A. Shikanga</td>
<td>Director, Betting Control and Licencing Board</td>
</tr>
<tr>
<td>Mr. M. Musemi</td>
<td>Director, National Archives</td>
</tr>
<tr>
<td>Mr. K. Gitau</td>
<td>Director, Probation and After Care Services</td>
</tr>
<tr>
<td>Mr. C. N. Kaseya</td>
<td>Chief Personnel Officer</td>
</tr>
<tr>
<td>Mr. N. K. Waweru</td>
<td>Snr Assistant Secretary</td>
</tr>
<tr>
<td>Mr. Ahmed Yasin</td>
<td>National Museums Secretary of Kenya</td>
</tr>
<tr>
<td>Mr. Samuel Njoroge</td>
<td>National Museums Secretary of Kenya</td>
</tr>
<tr>
<td>Mr. J. K. Sang</td>
<td>Permanent Secretary (Retired)</td>
</tr>
<tr>
<td>Mr. H. Mutuma Kathurima</td>
<td>Permanent Secretary</td>
</tr>
<tr>
<td>Mr. W. Gacanja</td>
<td>Commissioner of Lands</td>
</tr>
<tr>
<td>Mr. J. B. Mwaniki</td>
<td>Chief Valuer</td>
</tr>
<tr>
<td>Mr. P. M. Kagwe</td>
<td>Senior Principal Personnel Officer</td>
</tr>
</tbody>
</table>

16. MINISTRY OF LABOUR AND MANPOWER DEVELOPMENT

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. J. T. N. Sabari</td>
<td>Permanent Secretary</td>
</tr>
<tr>
<td>Mr. H. F. M. Mwavinde</td>
<td>Commissioner of Labour</td>
</tr>
<tr>
<td>Mr. B. E. Oduor-Otieno</td>
<td>Director, National Employment Bureau</td>
</tr>
<tr>
<td>Mr. Y. O. Audo</td>
<td>Director, Manpower Development</td>
</tr>
<tr>
<td>Mr. M. Orwoba</td>
<td>Senior Economist</td>
</tr>
</tbody>
</table>

18. MINISTRY OF INFORMATION AND BROADCASTING

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. S. Z. Ambuka</td>
<td>Permanent Secretary</td>
</tr>
<tr>
<td>Mr. J. K. Akenga</td>
<td>Director of Information</td>
</tr>
<tr>
<td>Mr. R. K. Ndirangyu</td>
<td>Deputy Principal (KIMC)</td>
</tr>
</tbody>
</table>
19. MINISTRY OF CULTURE AND SOCIAL SERVICES

Mr. F. D. Nyaga
Mr. D. G. Hunda

Mr. F. S. O. Awuor
Mr. Boniface Mganga
Mr. G. G. N. Kamau
Mrs. F. R. B. Oeri

Mr. F. M. Ndirangu
Mr. James Tirop
Mr. D. R. M. Mwangi

Mr. C. S. Nzioka
Mr. J. M. Wangora

Mr. P. N. Momanyi

Principal Personnel Officer
Economist

Permanent Secretary
Deputy Secretary
Director of Culture
Commissioner of Social Services
Deputy Secretary
Ag. Commissioner of Sports
Senior Principal Personnel Officer
Deputy Director, Adult Education
Asst. Director, Adult Education
Chief Supplies Officer

20. MINISTRY OF CO-OPERATIVE DEVELOPMENT

Mr. P. E. Mwaisaka
Mr. A. W. Chacha
Mr. F. S. Rono

Permanent Secretary
Deputy Secretary
Senior Personnel Officer

21. MINISTRY OF PUBLIC WORKS AND HOUSING

Eng. A. M. H. Sharawe
Eng. S. M. Kiguru
Eng. S. T. Akute
Mr. N. J. Ondijo
Mr. P. O Sika

Mr. E. S. Gitonga
Mr. D. W. Mugambi

Permanent Secretary
Engineer-in-Chief
Chief Engineer
Deputy Secretary
Ag. Principal Supt. Architect
Snr. Principal Personnel Officer
Public Relations Officer
22. MINISTRY OF RESEARCH, TECHNICAL TRAINING AND TECHNOLOGY

Mr. Wamatu Njoroge  Permanent Secretary
Mr. B. J. O. Makosewe  Deputy Secretary
Mr. Samuel M. Njoroge  Principal Personnel Officer

23. OFFICE OF THE ATTORNEY-GENERAL

Hon. Amos Wako  Attorney-General
Mr. Justice A. Ringera  Solicitor-General
Mr. Omondi Mbago  Registrar-General
Mr. B. B. C. Kang’ela  Principal Administrative Secretary
Mr. Akich Okola  Deputy Solicitor-General
Mr. Julius Kandie  Deputy Solicitor-General
Mr. P. J. Kamau  Administrator General

24. PUBLIC SERVICE COMMISSION OF KENYA

Mr. A. M. Miriti  Deputy Chairman
Mr. J. S. Polong  Commission Secretary
Mr. S. K. Kinuthia  Deputy Secretary

25. EXCHEQUER AND AUDIT DEPARTMENT

Mr. D. G. Njoroge  Controller and Auditor-General

26. AUDITOR-GENERAL (CORPORATIONS) DEPARTMENT

Mr. W. K. Kemei  Auditor-General (Corporations)
STATE CORPORATIONS WHICH SUBMITTED MEMORANDA AND OFFICIALS INTERVIEWED

Central Bank of Kenya
Kenya Revenue Authority
Teachers Service Commission
Kenya Posts & Telecommunications Corporation
Kenya Power and Lighting Company
Kenya Authority Airports
Kenya Airways
National Social Security Fund
Kenya Railways Corporations
Kenya Ports Authority
National Hospital Insurance Fund

Mr. M. Cheserem, Governor
Dr. Y. Nzibo, Commissioner-General
Mr. J. Kang'ali, Secretary
Mrs. S. Kinyua, Senior Principal Personnel Officer
Mr. J. Mutai, Managing Director
Mr. S. Gichuru, Managing Director
Mr. Peter K. Langat, Managing Director,
Mr. Leonard Moss, Ag. Managing Director,
Personnel Administration
Mr. David Namu, General Manager
Mr. S. W. Muindi, Managing Trustee
Prof. J. K. Musuva, Executive Chairman (Former)
Mr. V. Wakayanda, Personnel Manager
Mr. E. K. Chepkwony, Director (Former)

LIST OF PERSONS WHO WERE INTERVIEWED/SUBMITTED MEMORANDA FROM NON-GOVERNMENTAL ORGANISATIONS

Mr. J. S. Nyamato
National Chairman, Kenya Civil Servants Welfare Association
Mr. G. W. Akumu,
Mr. S. N. Ndubi
Mr. J. J. Mugalla
Mr. B. M. Munyao,
Mr. Kassim Owango,
Mr. R. O. Ogana,
Mr. Z. K. Kahura
Mr. Walter Kamau,
Mr. R. N Omusi,
Mr. P. M. Wamae,
Rev. Mutava Musyimi
Hon. Ahmed Khalif MP.
Mr. Bakari A. Chemaswet,
Mr. Abdul Hamid Scatch,
Mr. Ali Haji Yusuf M.K. Murigu
Mr. Hussein Shariff Omar,
Representative, Kenya Civil Servants Welfare Association
Representative, Kenya Civil Servants Welfare Association
Secretary General, C.O.T.U
Deputy Secretary/General, C.O.T.U
National Chairman, Kenya National Chamber of Commerce & Industry
Chief Executive, Kenya National Chamber of Commerce & Industry
Chief Executive, Kenya Association of Manufacturers
Executive Officer, Kenya Association of Manufacturers
Senior Trade Officer, Kenya National Chamber of Commerce & Industry
Chairman, Law Society of Kenya
General Secretary, National Council of Churches of Kenya
Secretary General, Supreme Council of Kenya Muslims
Vice Chairman, West Province Supreme Council of Kenya Muslims.
Director General, Supreme Council of Kenya Muslims
Vice Chairman, Nairobi Province Supreme Council of Kenya Muslims
Organising Secretary, Supreme Council of Kenya Muslims
Mr. Mohammed Suleiman Munyu, Director of Religion, Supreme Council of Kenya Muslims
Mr. Said Athman, Advisor, Supreme Council of Kenya Muslims
Mr. Yusuf Murabwa, Executive Officer, Supreme Council of Kenya Muslims
Mr. Abdulrahman M. Wandati, Young Muslim Association, Supreme Council of Kenya Muslims
Fr Michael C. Ruwa, Secretary General, The Kenya Catholic Secretariat
Mr. J. J. Ngatiari National Chairman, Kenya Secondary School Heads Association
Mrs C. Waweru Vice-Chairperson, Kenya Colleges Principals Association
Miss P. Were Secretary, Kenya Colleges Principals Association
Mr. J. Kinyua Treasurer, Kenya Colleges Principals Association
Mrs C. Nakitare, Member, Colleges Principals Association
Mr. Nguru M. Wachira Chairman, Institute of Certified Public Accountants of Kenya
Mr. Mwangi Ngumo, Executive Director, Kenya Institute of Management
Eng. E. Maina Kirinyaga Construction Company

PROVINCES WHICH SUBMITTED MEMORANDA AND PERSONS INTERVIEWED

EASTERN PROVINCE

T. K. Sirma Provincial Commissioner
A. Kiamboi Personal Asst. to P.C.
J. S. Mosiany
Chelimo Cheboi
Kaburu Baund
Mrs. E. Muchai

A. R. M. Kisabuli

G. M. Kahugu

P. M. Wamuti

J. M. Kavurudi

N. Kamudia
P. Muthuri Njiri
D. G. Ndiritu
B. J. Kioma
Ntonjera M.
D. K. Waithaka

J. N. Kinyanjui
D. W. Chege

Charles M. Muthini
Mrs. M. P. Marangu
Mr. J. M. Mutina
J. M. Mugo

M. J. Mgondi

A. O. Akungo

E. Ogeno Muga

Jones Kieti

J. I. Odongo

District Commissioner
District Commissioner
Senior Principal Magistrate
Provincial Director of Livestock Production
Provincial Registrar of Persons
Provincial Occupational Health & Safety Services
Provincial Weights & Measures Officer
Provincial Director of Education
Provincial Geologist
Provincial Water Engineer
Provincial Forest officer
Provincial Sports Officer
Provincial Planning Officer
Provincial Director of Agriculture
Provincial Forest Officer
Provincial Local Government Officer
Provincial Music Officer
Provincial Probation officer
Provincial Auditor
Provincial Cultural Officer
Provincial Co-operative Officer
Provincial Physical Planning Officer
Ag. Provincial Director of Culture & Social Services
Deputy Provincial Lands Adjudication Officer
Deputy Provincial Probation Officer
Dr. D. Mugo Githu
Solomon N. Ndambuki
G. N. Okatu
M. Laddy
S. J. Mutini
A. M. Nakitari
E. G. Gachewah
E. K. Kariuki
J. W. Kariuki
P. O. Odongo
D. A. Nga’nga
Muriuki Muriera
Samuel Murage
Reuben Murugu
J. K. Kariuki (Mrs)
B. Simba
H. M. Keongo
Bosire Monari
S. N. Kirago
Jeremiah Njuguna
L. K. Chebet
S. Kimemo
S. C. Arap Too
Tom J. Birayi

Deputy Provincial Agricultural Officer
Deputy Provincial Adult Education Officer.
Deputy Provincial Internal Auditor
District Security Intelligence Officer
District Adult Education Officer.
District Personnel Officer
District Accountant
District Works Officer
District Surveyor
District Information Officer
District Personnel Officer
District Agricultural Officer
District Registrar of Marriages
District Surveyor
District Physical Planning Officer
District Industrial Development Officer
District/D.T. & O
Deputy/District Education Officer
Deputy District Veterinary Officer
Assistant District Forest Officer
District Trade Development Officer.
Superintendent of Geology
Senior Land Adjudication Survey Officer
County Clerk
Edward Kubai Tobess
A. V. Mulewa
Jane Muyonga
Maurice B. Otunga
Eng. K. M. Kithyo
James Salasin
J. M. Mwangi
A. G. Karia
Z. N. Murage
J. I. Nyaga
J. Mugauri Oindo

Office of the
President/Directorate of
Personnel Management
Statistician
Probation Officer
Administrative Officer
Public Works Officer
Probation Officer
Probation Officer
Administrative Officer I
Public Health Technician
Fisheries Officer
Ministry of Lands &
Settlement

CENTRAL PROVINCE

Z. Ogongo
A. A. Adan

J. G. Makwai
F. K. A. Sigei
D. M. Mutemi
M. M. Maina
W. P. Chepkwony
D. M. Oyosi

Cllr. Grace Wanyeki

A. Ndungu

Charles Oduor
J. N. Njugu
John Gichure
Charles Muchemi
Matmas M. Mukindi
J. M. Nduati

Provincial Commissioner
Personal Asst. to Provincial
Commissioner
District Commissioner
District Commissioner
District Commissioner
District Commissioner
District Commissioner
Ag. District Commissioner

Chairlady Maendeleo ya
Wanawake Organisation
Provincial Director of Trade
Industry
Provincial Probation Officer
Provincial Labour Officer
Provincial Planning Officer
Provincial Personnel Officer
Provincial Works Officer
Provincial Inspector of
Schools
F. Z. T. Muthoni
Dr. S. M. W. Kwene
J. T. Mwai
G. H. Ironjo
F. T. Ndiritu
Jesee M. Muriche
W. G. Macharia
C. M. Maingi
C. N. Wahinya
Munyi Gichonjo
D. J. Ndiritu
E. M. Njeru
W. W. Njau
E. K. Macharia
R. O. Ochido
M. J. Wambeu
C. W. Gatana
W. Nyasing‘a
Waithaka Kakungu
Lucie N. Wangai
J. W. Kimare
J. G. Kabichi
J. M. Waweru
Origa Ogutu
John M. Mutwiki
E. M. Maina

Provincial Director of Livestock
Provincial Director of Veterinary
Provincial Social Officer
Provincial Local Government Officer
Provincial Auditor
Provincial Technical Training Officer
Provincial Physical Planning Officer
Provincial Registrar of Persons
Provincial Weights & Measures Officer
Provincial Information Officer
Provincial Accountant
Provincial Office Superintendent
Deputy Provincial Director of Education
Deputy Provincial Surveyor
District Labour Officer
District Agricultural Officer
District Officer Municipality
Senior Superintendent of Police
Senior Education Officer
Information Officer
Executive Assistant
Executive Assistant
Administrative Officer I
Administrative Officer II
Asst. C.D.T
Provincial Commissioners Office
J. M. Wambugu
J. W. Wambugu
J. W. Gikiri
R. K. Mathangu
J. Mungaruki
J. Njeru
S. K. Karabu
J. W. Nthiga

Mrs Gadwell Gichoho
M. M. Kamau
Bernard K. Njogu
Karithi Gichu
Bernard K. Njanake
Renterson M. Gitachi
Tito M. Mwanda
Erastus M. Mumbi
Elijah Macharia
Dr. Kamara

RIFT VALLEY PROVINCE

Paul Yatich
J. C. Munguti
Johnstone N. Onyancha

W. M. Kairanya
Albert Osuri

R. L. Matano
A. O.'Odubo

Provincial Commissioners Office
Provincial Commissioners Office
Provincial Commissioners Office
Provincial Commissioners Office
Provincial Local Government’s Office
District Commissioners Office
Office of the President
Ministry of Public Works & Housing Secretary
S.A.O. P.D.A’s Office
P.O. Box 1343 Nyeri
P.O. Box 1343 Nyeri
P.O. Box 475 Nyeri
P.O. Box 475 Nyeri
P.O. Box 475 Nyeri
P.O. Box 138 Nyeri
P.O. Box 138 Nyeri

Deputy Provincial Commissioner
Personal Asst. to PC
Provincial Director of Social Services
Provincial Medical Officer
Provincial Weights & Measures Officer
Provincial Prisons Commander
Provincial Cultural Officer
Murithi
B. N. Cheruiyot

Dorothy Kameren
C. K. Ntubiri
George Ogalo
S. G. Karicho
Mike K. Gichuki

Samuel Nthenge
J. C. Langat

J. D. Warsame

Wafula Wasula

Heeran M. Mutukku

Mary Miano
W. S. A. Onga’yo
A. O. Nyakiba
Noel M. Watuma
Luka Kiptanui
A. J. Barno
Paul K. Ngeno
Lornah A. Odero
M. M. Mohamed
R. L. Letimalo
B. A. Tuma
M. M. Kundu

Joseph Korir
Stephen Njuguna
Francis Maliti
John M. Kisyula
Hezron A. Opamo
David N. Ngugi
Kagombe Njuguna

Provincial Cultural Officer
Provincial Office Superintendent
Provincial Probation Officer
Provincial Archivist
Provincial Geologist
Provincial Personnel Officer
Provincial Occupational & Safety Officer
Provincial Statistical Officer
Ag. Provincial Director of Livestock Production
Deputy Provincial Police Officer
Deputy Provincial Information Officer
Deputy Provincial Forest Officer
Deputy Provincial Information Officer
District Education Officer
District Personnel Officer
District Personnel Officer
District Information Officer
Inspector of Schools
Deputy Principal
District Officer
District Officer I
District Officer I
District Officer I
Senior. Accountant (District Treasury)
Lecturer, KITI, NKU
Lecturer, KITI, NKU
Lecturer, KITI, NKU
Lecturer, KITI, NKU
Lecturer, KITI, NKU
Lecturer, KITI, NKU

Lecturer, KITI, NKU
Trade Development Officer
Administrative Officer
Personnel Officer
Information Officer
Inspector
Personal Asst/Provincial Director of Veterinary Services.
Technician
PLM
Senior Assessor
Accounts Assistant
Motor Vehicle Mechanic
D.P. Probation Office
Provincial Education Office
Audit Inspectorate
Laboratory Technician III
Inspector
Inspector
Personnel/Assistant
PDO
Fisheries Officer
Fish Scout
Executive Officer
Executive Officer
Executive officer
Executive Officer
Executive Officer
Executive Officer
Fisheries Officer I
Senior Clerical Officer
Senior Clerical Officer
Senior Clerical Officer
Senior Driver
Artisan
Office of the President
Clerical Officer
Clerical Officer
Margaret Muthoni  
Charles O. Onduko  
Richard M. Karume  
Bernard Opanga  
Philip Mwangi  
C. Kamau  
Edward T. Maindi  
Peter Oyamo Oduor  
James M. Kimani  
Birshar Abdi  
Alfred K. Kemboi  
Oluoch B. N.  
Peter O. Omuranda  
A. O. Madara  
Raphael K. Matikina  
R. K. Arap Koros  
D. K. Sigei  
Loise N. Ngugi  
Sosten K. Keino  
Josaphat N. Kutwa  
G. K. Abayo  
P. Kigen  
G. K. Abayo  
John T. Ngetich  
William L. Nyabera  
Malachi Otieno  
Bernard M. Andabwa  
John K. Kingori  
Samwel N. Atieno  
Gorety A. Mbogo  
Timothy Ipaje Eroo  
R. R. Kirui  
B. N. Oluoch  

Clerical Officer  
Clerical Officer  
Clerical Officer  
Clerical Officer  
Clerical Officer  
Driver  
Driver  
Driver  
Driver  
Driver  
Driver  
Min. Finance  
Min. L.R.R & W.D  
Min. L.R.R & W.D  
Min. A.L.D. & M.  
Provincial Director of Education Office  
Provincial Director of Education Office  
Training Levy Inspectorate Office  
Prov. Technical Training Office  
Min. L.R.R & W.D  
Min. A.L.D & M.  
District Commissioner’s Office  
Min. A.L.D. & M.  
Provincial Director of Education Office  
Senior Subordinate Staff  
Senior Subordinate Staff  
Senior Subordinate Staff  
Senior Subordinate Staff  
Subordinate Staff II  
Subordinate Staff  
Subordinate Staff  
P.O.Box 530 Nakuru  
P.O.Box 322 Nakuru
WESTERN PROVINCE

Kinuthia Mbugua

P. O. Raburu
A. K. Kirui
D. M. Mwangi
V. N. Adrea
D. A. Ojijo Ogwel

E. C. Moluche

J. O. Musaa

A. P. Kaei

S. K. Sinei
Bernard A. Lumiti
B. J. Ndeda Khan

D. N. Maungu
Jack Olwenda

Lucy W. Maina (Mrs)

Frederick Lagat

Andrew Bogonko
Alloys J. Anguko
P. K. Wanyoike
Dr. I. B. Amira
Charles B. Kamiri

Henry Were
H. C. Tamba

F. S. Murekefu (Mrs)

Personal Assistant to Provincial Commissioner
District Commissioner
District Commissioner
District Commissioner
Ag. District Commissioner
Provincial Director of Trade and Industry
Provincial Director of Livestock Production
Prov. Director of Veterinary Services
Provincial Prisons Commandant
Provincial Forest Office
Provincial Works Officer
Provincial Physical Planning Officer
Provincial Works Officer
Provincial Inspector of Schools

Provincial Director of Social Services
Provincial Hides and Skins Officer
Director of Sports
Provincial Personnel officer
Provincial Surveyor
Provincial Medical Officer
Provincial Information Officer
Provincial Accounts Inspector
Provincial Office Superintendent
Provincial Dairy Officer
W. K. Karanu
L. A. Lugadiri
P. M. Wanjala
P. Karanja
M. O. Arasa
D. W. Wanjala
Levi W. Mamutola
Alfred F. O. Machuki
S. K. Maiyo
George W. Kamau
Paul Njogu
A. C. Khasiani
Dennis C. Mberera
S. K. Munene
F. W. Angaya
S. B. Muhindi
C. L. Pwoni
C. O. Iteba
S. O. Bolo
Dick Onga’re
Lynette W. Kibisu
F. F. O. Ogude
Miriam Elegwa
R. K. Kangogo
Henry Mareri
Wanajunia J. E. L.
Wambugu Nyamu
J. A. O. Olale
S. N. Nderito
Provincial Livestock Extension Co-ordinator
Provincial Statistical Officer
Provincial Livestock & Marketing Officer
Prov. Local Government Officer
Prov. Technical Training Officer
Ag. Provincial Director of Agriculture
Ag. Provincial Probation Officer
Principal WECO
Deputy Provincial Registrar of Persons
Deputy Provincial Planning Officer
Officer In Charge of Prisons
Deputy Principal DAE
District Probation Officer
District Development Officer
District Trade Development Officer
District Agricultural Officer
District Personnel Officer
District Personnel Officer
District Personnel officer
Personnel Officer
Agricultural Officer I
Accountant
Records Officer
Probation Officer
Finance Officer
AOI/Lecturer
AOI/Lecturer
Land Surveyor
Officer In Charge of Rent Housing

622
J. J. Murundu
Wesonga T. E. O.
S. B. Nyangena

J. S. Musonye

A. S. Masai
M. K. Odindo

G. A. Kamwara
Esther Muthoni
Cliff Osano
Immaculate Ogeng’o
Ibrahim O. Chabuga
Caleb Musambayi
Stephen Ogada
Isaya Kwandeka
Viole Afandi
Beatries Ajema
J. K. Likhumwa
Catherine Dindi
Gideon Oira
A. Kosindo
Grace Jumah
Hanningtone Anzaya
Alfred Shikuku

Surveyor
District Personnel Office
Provincial Weights and Measures Office
Provincial Weights and Measures Office
CARTO II
Provincial Commissioner’s Office
PATO
CARTO II
Draughtsman
Secretary
Senior Clerical Officer
Senior Clerical Officer
Higher Clerical Officer
Higher Clerical Officer
Higher Clerical Officer
F. S.
Driver II
Clerical Officer
Clerical Officer
Clerical Officer
Subordinate Staff I
Subordinate Staff
Ministry of Lands & Settlement

NYANZA PROVINCE

Joseph Kaguthi
Samuel Oreta
Mr. W. M. Olelegei
Kajumbi Kabondo
K. M. Wamai
H. Wamubeyi
Mr. Kibera
S. O. Ouko
L. M. Onyonyi

Provincial Commissioner
Personal Asst. to PC
District Commissioner
District Commissioner
District Commissioner
District Commissioner
District Commissioner
Ag. District Commissioner
Ag. District Commissioner
R. M. Mutitu  
Dr. W. O. Omamo  
Prof. O. O. Okelo  
J. Odaga  
A. K. Waweru  
S. N. Shah  
Galib Tejpar  

R. A. Homubadha (Mrs)  
A. J. Okoth  
Vinicent Jumbi  

Shem Thuo  
Dr. R. Muga  
Eng. Matagaro  
J. Cheluget  

Rosemary Wachira  
F. M. Mangeli  
W. Y. Ashimosi  

E. A. Adongo  
Dr. J. H. Onyango  

M. M. Omondi  
Josiam A. Akoyo  
H. O. Maragia  
Peter Obado  
Dishon L. Walo  
Johnson Osienyo  
P. M. Kuranya  
J. A. Halwenge  
R. A. Onyuka  
Nyambura Mutugi  
Oliver Givito  
Josia A. Aroyo  
T. U. Musoma  

Mr. M. Oguya  

Chief Magistrate  
Chairman KANU Muhoroni  
Chairman Kisumu Foundation  
Consultant  
Banker  
Director United Millers Ltd.  
Chairman/Director Sahara Dev.  
Area Manager (AFC)  
AG Corporation (Former)  
MD Basic Investment Services  
D/PIO  
Provincial Medical Officer  
Provincial Water Engineer  
Provincial Director of Agriculture  
Provincial Physical Planner  
Provincial Personnel Officer  
Provincial Information Officer  
Provincial Forestry Officer  
Provincial Director of Veterinary Services  
Provincial Co-ordinator ID/Card  
Ag. PDL Production  
Deputy Provincial Geologist  
Ag. Director of Audit  
Personnel Officer  
Superintendent  
SP/Administration Police  
P. O. of Explosives  
Senior Principal  
PLA & S. Officer  
Pacho P. Land Values  
Pacho P. Land Values  
Provincial Weights & Measures  
Administrative Officer
COAST PROVINCE

Peter Kiilu
E. M. Irungu
P. O. Olando
Kariuki Ndune
S. B. Keter

D. M. Jilani
J. E. R. Oduo
C. W. Gichirí
H. Tsuma
George O. Ogolla
Fridah Mwangi
J. W. Muhoró
Martin M. Heya
L. K. Biwot

Richard Sanga
Mwalalo J. N.

Rachel M. J. Dawai
George Warui
V. S. Khaoya

R. M. Mwalughó

E. A. Asungu
K. S. Mwanyumba

E. L. Kisame

G. Simba
Johnson W. Kariuki
Samwel J. Charo
P. Mwakilemba

Provincial Commissioner
Personal Asst. to PC
District Commissioner
Provincial Director of Tourism
Provincial Director of Trade and Industry
Provincial Director of Livestock Production
Provincial Surveyor
Provincial Personnel Officer
Prov. Tech. Training Officer
Provincial Sports Officer
Provincial Children's Officer
Provincial Meteorologist
Provincial Geologist
Provincial Water Engineer

Provincial Information Officer
Provincial App. Tech. Officer
Provincial Music Officer
Provincial Signals Officer
Provincial Land Adjudication and Settlement Officer
Provincial Weights & Measures Officer
Provincial Archivist
Ag. Provincial Co-operative Officer
Snr. Principal Mombasa Polytechnic
Principal M.I.T.C
Ag. Asst. Director Fisheries
Ag. Provincial Accountant
Ag. P.H.S.O.
Dr. P. M. Mwanyumba
Itumo R. Muindi
Sam Kitenge
P. A. Moturi
Lucy M. Mwini
George N. Kitonga
B. A. Odede (Mrs)

David Osoro Omwoyo
D. Njorgu

I. Mureithi
J. R. Mahehu
L. C. Omukolo
J. E. Adungosi
S. J. Tei
Samwel M. Githaiga
G. N. Karanja
S. P. Kabagi

R. M. Ndune

L. M. Nganga (Mrs)
C. Aganyo
I. N. Njagi (Mrs)
R. A. Owino (Mrs)

NORTH EASTERN

S. N. Rakuomi

R. Nyakundi
Eng. G. N. Muthigani
Dok M. M.
J. M. Ngayai
J. K. Gikera
F. O. Donde
B. W. A. Odhiambo

District Veterinary Officer
District Forestry Officer
District Cooperative Officer
District Works Officer
District Cultural Officer
District Employment Officer
Ag. District Personnel Officer
Ag. District Labour Officer
Ag. District Agricultural Officer Mombasa
D.F.I.O
S.E.O.
Deputy Government Chemist
Provincial Medical Officer’s
DATO Mombasa
Principal Lecturer HD/MD
M.P.O
for Provincial Director of Agriculture
Ag. Deputy Government
Coast Agency.
Senior Personnel Officer
Personnel Officer
Personnel Officer

Deputy Provincial Commissioner
Senior Resident Magistrate
Provincial Works Officer
Provincial Surveyor
Provincial Building Surveyor
Provincial Accountant
Provincial Water Engineer
Prov. Director of Agriculture

626
<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert S. K. Mbugua</td>
<td>Provincial Environment Officer</td>
</tr>
<tr>
<td>M. S. Tallam</td>
<td>Provincial Registrar of persons</td>
</tr>
<tr>
<td>D. O. Ongechi</td>
<td>Provincial Personnel Officer</td>
</tr>
<tr>
<td>F. M. Mbiti</td>
<td>Provincial Statistical Officer</td>
</tr>
<tr>
<td>P. K. V. Mboli</td>
<td>Provincial Medical Officer</td>
</tr>
<tr>
<td>Mr. Munyua</td>
<td>Provincial Police Officer</td>
</tr>
<tr>
<td>G. M. Waithaka</td>
<td>Provincial Statistical Officer</td>
</tr>
<tr>
<td>J. N. Masika</td>
<td>Provincial Office Superintendent</td>
</tr>
<tr>
<td>P. M. Mbui</td>
<td>Provincial Physical Planning Officer</td>
</tr>
<tr>
<td>S. K. Mburugu</td>
<td>Provincial Lands Officer</td>
</tr>
<tr>
<td>A. A. N. Stambul</td>
<td>Provincial Director of Sports</td>
</tr>
<tr>
<td>M. A. Boya</td>
<td>Provincial Water Engineer</td>
</tr>
<tr>
<td>J. Okoth</td>
<td>Provincial Criminal Investigations Officer</td>
</tr>
<tr>
<td>Hussein A. K. Nure</td>
<td>Deputy Provincial Director of Education</td>
</tr>
<tr>
<td>D. M. King’oo</td>
<td>Deputy Provincial Prisons Commander</td>
</tr>
<tr>
<td>Pius Mochama</td>
<td>Deputy Provincial Security Intelligence Officer</td>
</tr>
<tr>
<td>K. K. Nyatundo</td>
<td>Deputy Provincial Planning Officer</td>
</tr>
<tr>
<td>J. K. Songok</td>
<td>District Information Officer</td>
</tr>
<tr>
<td>S. N. Mwaniki</td>
<td>District Cooperative Officer</td>
</tr>
<tr>
<td>J. W. Muoki</td>
<td>Deputy District Personnel Officer</td>
</tr>
<tr>
<td>P. M. Muia</td>
<td>Deputy Personnel Officer/T.S.C</td>
</tr>
<tr>
<td>Ireri J. N. N.</td>
<td>District Social Development Officer</td>
</tr>
<tr>
<td>S. O. Odoro</td>
<td>District Security Intelligence Officer</td>
</tr>
</tbody>
</table>
F. W. Wafula
Kiema J. W.
M. O. Otieno
Habel A. Shiloti
L. O. Waluoho
Ahmed M. Abdi

NAIROBI PROVINCE

Mr. Jamlic Baruga
C.N. Mwangi (Mrs)
H.K. Oriero
H.N. Kenani (Mrs)
E.M. Murage
C.J. Mutei

John O. Onsati
Ceaser W. Kiragu
Michael P. Kagi
Dr. F.K. Marete

Mary Mbau
J. C. Ndirangu
Benjamin Lemlem
Peter Mooke
M. W. Mugo (Mrs)
Snr. Chief Muriuki
Kennedy Ongwae

Ahmed M. Koor
Njoroge Ndirangu

District Security Intelligence Officer’s Office
for Provincial Forest Officer
for District Water Engineer
Editor Habari
Provincial Commissioner’s Office
Provincial Adult Education Office

Personnel Assistant
Provincial Labour Officer
Provincial Fisheries Officer
Provincial Trade Officer
Provincial Surveyor Nairobi
Provincial Director of Culture & Social Services
Provincial Technical Training Officer
Deputy Provincial Health Officer
Deputy/Provincial A.E.O
Provincial Director of Veterinary Services.
Ag. Provincial Probation Officer.
District Environment Officer
District Officer
District Officer
District Agricultural Officer
Office of the President
Administration Officer
Provincial Commissioners’ Office
Assistant Chief
Administrative Officer I
Andanje B.
R. M. Jabane
T. K. Kyale

Ministry of Culture & Social Services
Provincial Commissioner’s Office
Provincial Director of Education’s Office

INDIVIDUALS WHO SUBMITTED MEMORANDA

Mercy Wangari Wachira
Ezekiel Kamau Kariuki
Ronald E. Marani
Patrick K. Kiprono
Francis G. Njoroge
& Thomas K. Makori
Noel Ibrahim Genega

Concerned Civil Servant
Mr. E. G. Kiboi
J. G. Kiruthi
S. I. Kiragu
N. N. Kamatu
C. M. Murage
F. Gichovi

Calistus N. Mukamani
J. M. Mwai
Makori M. Omanyo
Philip W. Gachare
Dr. Henry K. Rono (Phd)
Wilson Opiyo Ombajo
J. M. Mokua

Storeman I
P. O. Box 619 Limuru
Civil Servant
P. O. Box 261 Kericho
P. O. Box 2667 Nyeri
Ministry of Public Works, Nakuru
P. O. Box 54457
District Water Office
District Water Office
District Water Office
District Water Office
District Water Office

Ministry of Public Works & Housing
Vice-Chairman Kenya National
Kenya Agricultural Research Institute
Senior Principal Personnel officer
Director, Computer Centre
Kenyatta University
Chairman District Youth Development Committee
Ag. Provincial Director of Veterinary Services
J. C. Langat  
Tom Cornel Mkalam  
Nyanga’u Mobibo  
Joseph N. Onyango  
Technical Staff  
Johnson T. Omulama  
G. Kaaria  
Francis Oloo  
Frank Luyenji  
J. O. Aimba  
M. W. Mbai  
Annonymous  
Ochillo Oyugi  
Maitima S. M’mukindia  
Fredrick Lagat  
Patrick M. Olwanda  
P. T. S. Nyakundi  
Tom Owino Obara  
John K. Kiguru  
C. S. Ongaro  
Civil Servant  
Linus Muraguri  
Benson R. Kamuchere  
Stanslaus Khasiani  
Samson Mwangi  
Joseph C. Njoroge  
Erick Onyango Owino  
James Kamau  
P. Oduogi Mionwa, M.P.A.  
J. K. Kwambai

Ag. Provincial Director of Livestock Production  
Ministry of Agriculture Livestock Development and Marketing  
P.O. Box 95040 Mombasa  
P.O. Box 18150 Nairobi  
Prisons Department  
P.O. Box 54789 Nairobi  
Ministry of Local Govt.  
Chief Zoologist  
Social Welfare Officer  
Probation & AfterCare Service  
Eldoret  
D.C’s Office Mt. Elgon  
Provincial Water Office  
Hides & Improvement Officer  
Ministry of Culture & Social Services  
P.O. Box 4097 Kisumu  
Civil Servants Welfare Association  
Department of Social Services  
P.O. Box 236 Siaya  
P.O. Box 30547 Nairobi  
Senior Finger-Print Officer  
Finger-Print Officer I  
Finger-Print Officer II  
Finger-Print Officer II  
Finger Print Officer II  
P.O. Box 550 Homa Bay  
Deputy Secretary  
Ministry of Energy
R. M. Gichora  
Samuel W. Wanyonyi  
I. T. Rotich  
Alex Mwaura  
Samson Njoroge  
Peter Muchiri  
Daniel Kanyagia  
Thomas Gathogo  
Dan Owiti  
Simon A. Najoli  
M. Kitolo  
Dr. Mugambi J.T.M.  

Civil Servant  
Principal Curriculum Developer  
Department of Veterinary Services  
Thogoto Teachers College  
Thogoto Teachers College  
Thogoto Teachers College  
Thogoto Teachers College  
Association of Kenya Medical Laboratory Scientific Officers  
Clerical Officer  
District Development Office  
Veterinary Services Department  

LIST OF RESOURCE PERSONNEL  

1. Mr. C. W. Wangia  

2. Mr. J. K. Wahi  

3. Mr. S. P. Njau  

4. Mrs. M. M. Mungai  

5. Mr. N. K. O. Otuke  

6. Mr. J. S. Kiguta  

Deputy Chief Economist - Ministry of Labour and Manpower Development  
Senior Principal Personnel Officer - Office of the Vice-President and Ministry of Planning and National Development  
Senior Assistant Director - Directorate of Personnel Management  
Assistant Director of Education - Ministry of Education  
Principal Personnel Officer - Department of Defence, Office of the President  
Principal Personnel Officer - Teachers Service Commission
7. Mr. A. K. M. Kilele  
Principal Economist - Office of the Vice-President and Ministry of Planning and National Development

8. Mr. B. K. Khasiani
Under Secretary - Ministry of Education

9. Mrs. G. A. Otieno  
Assistant Director - Directorate of Personnel Management

10. Mr. J. A. Abubakar
Senior Economist - Office of the Vice-President and Ministry of Planning and National Development

SUPPORT STAFF

Mr. C. W. Wamalwa  
Executive Officer - Office of the President

Mrs. J. A. Lubanga  
Senior Personal Secretary - Ministry of Land Reclamation, Regional and Water Development

Miss E. W. Wachira  
Shorthand Typist - Office of the President

Miss R. O. Ondier  
Shorthand Typist - Office of the President

Miss J. N. Hosea  
Shorthand Typist - Office of the President

Mrs. M. E. Akwela  
Shorthand Typist - Directorate of Personnel Management - Office of the President

Mr. S. M. Mathenge  
Computer Operations Officer - Office of the President

Mr. E. K. Boit  
Ag. Accounts Assistant - Office of the President

Mr. H. M. Mutuma  
Ag. Supplies Assistant - Office of the President
Mr. W. R. Munyasa
Senior Statistical Assistant - Ministry of Labour and Manpower Development (left on 12/3/97)

Miss M. J. Mbalo
Senior Clerical Officer - Kenya Industrial Research Development Institute (KIRDI)

Mr. J. M. Kimacia
Senior Clerical Officer - Office of the President (left on 10/3/97)

Cpl. R. Chelule
Administration Police Corporal/Security - Office of the President

APC. R. W. Mwangemi
Administration Police Constable/Security - Office of the President

Cpl. P. N. Mainga
Administration Police Corporal - Office of the President

Mr. C. Mochama
Driver - Office of the President

Mr. E. K. Machura
Driver - Directorate of Personnel Management - Office of the President

Mr. M. Ndangu
Driver - Ministry of Public Works & Housing

Mr. H. L. Libutsa
Driver - Ministry of Agriculture, Livestock Development and Marketing

Mr. M. O. Onyuo
Driver - Office of the President

Sgt. J. Gateru
Administration Police Sergeant/Driver - Office of the President (left on 27/2/97)

Mr. S. Ohoto
Driver - Attorney General's Chambers
Miss E. Kabiru
Miss R. Machio
Mr. K. Kamwaki
Miss J. W. Kimotho

Messenger - Office of the President
Messenger - Attorney General’s Chambers
Messenger - Office of the President
Messenger - Office of the President