



PRIVATIZATION COMMISSION

FUNCTIONS AND ORGANIZATION OF THE COMMISSION

a) Background information

Privatization Commission was established under the Privatization Act, 2005. The entity is domiciled in Kenya and does not have branches.

b) Principal Activities

- i. formulate, manage and implement the Privatization Programme;
- ii. make and implement specific proposals for privatization in accordance with the Privatization Programme;
- iii. carry out such other functions as are provided for under this Act; and
- iv. carry out such other functions as the Commission considers advisable to advance the Privatization Programme.

c) Vision

A world class Privatization Agency, innovatively transforming public enterprises for accelerated economic growth.

d) Mission

To unlock the potential of public enterprises through a robust privatization to meet desired national objectives

e) Core Values

- i. **Integrity**
The Commission employs the highest ethical standards demonstrating honesty and fairness in every action taken;
- ii. **Transparency**
The Commission is open in its decisions and actions;
- iii. **Accountability**
The Commission takes full responsibility for its actions that relate to its customers and employees. The Commission takes responsibility for its performance in all its decisions and actions;
- iv. **Professionalism**
The Commission upholds professional ethics in discharging its mandate;
- v. **Fairness**
The Commission acts justly, affords adequate and equal opportunities to all;
- vi. **Inclusiveness**
The Commission involves stakeholders in decision making.

f) Organizational Structure

The Privatization Commission's day-to-day management is under the following key organs:

- i. Commission Members are the supreme decision making organ of the Commission;
- ii. The Executive Director/CEO provides stewardship to the management team; and
- iii. The Management is responsible for the day to day operations of the Commission. In order to execute the mandate of Commission effectively the Commission is structured from the Office of the CEO into various Departments, Divisions, Sections and Units.

To fulfil its strategic objectives and mandate the Commission is structured into five (5) Directorates and two (2) departments reporting directly to the CEO as follows:

- Directorate of Transaction Services;
- Directorate of Institutional Assessment;
- Directorate of Research, Planning and Compliance;
- Directorate of Corporate Services;
- Corporation Secretary and Directorate of Legal Services;
- Department of Internal Audit Services; and
- Department of Supply Chain Management.

The Internal Audit department reports functionally to the Commission and administratively to the ED/CEO.

g) Composition of the Commission Board

In compliance with Regulation 1.1(5) of Mwongozo, the Commission's Board comprises of eleven (11) members possessing a balanced mix of skills, knowledge and experience to enable the Commission achieve its mandate.

Appointments to the Board are carried out pursuant to the Privatization Act. The Chairperson is appointed by the President of the Republic of Kenya while the Members of the Commission are appointed by the Cabinet Secretary, National Treasury following approval by the National Assembly.

h) Commission Board's Functions

The Board's responsibilities are set out in the Commission's Board Charter. The Commission Charter which incorporates internationally accepted best practices in corporate governance, defines the governance parameters within which the Commission exists and operates and sets out specific responsibilities to be discharged by the Commission, its Committees and members collectively as well as certain roles and responsibilities incumbent upon directors as individuals.

The Board's responsibilities include amongst others:

- i. Defining the purpose of the organization, its strategic intent, objectives, and its values and providing oversight of performance against set targets and objectives;
- ii. Providing stewardship of the organization in the discharge of its obligations.

The Commission comprises the following Board Committees with specific terms of reference and operations to guide their operations:

- i. **The Finance and Strategy Committee** assists the Commission Board in discharging its oversight duties with respect to the financial matters of the organization, overall strategic direction of the organization, operational, procurement, performance contracting and organizational health.
- ii. **The Audit Committee** assists in enhancing internal controls in order to improve efficiency, transparency and accountability.
- iii. **The Human Resources and Risk Management Committee (HRRMC)** considers all matters associated with the policies and practices of the organization in relation to its human resources and risk management matters.
- iv. **Privatization Steering Committees (PSCs)** monitor transactions to ensure their integrity. Membership of the Privatization Steering Committees consist of 7-8 members each.

i) Functions of the Executive Director/Chief Executive Officer

The Office of Executive Director is established under section 10 of the Privatization Act, 2005, to oversee the execution of Commission's mandate, directions and policies to ensure a desirable outcome.

j) Functions of the Directorate of Transactions Services

The Transaction Services Directorate (TSD) is established pursuant to Section 4 (b) of the Privatization Act to make and implement specific proposals for privatization in accordance with the Privatization Programme.

k) Functions of the Directorate of Research, Planning and Compliance

The Directorate is responsible for provision and facilitation of research, strategy, compliance, risk management and planning services to the Commission.

l) Functions of the Directorate of Corporate Services

The Directorate is responsible for ensuring optimal utilization of Commission resources, enhancing effective corporate communication of the Commission

and leveraging on technology to achieve its mandate. It also provides services in the functional areas of:

- i. Financial Management and Accounting;
- ii. Human Resources Management and Administration;
- iii. Information and Communication Technology; and
- iv. Corporate Communications.

m) Functions of the Corporation Secretary and Directorate of Legal Services

The Corporation Secretary and Directorate of Legal Services is established pursuant to Section 1.20 of the Mwongozo Code of Governance for State Corporations to provide Board secretariat services and advise the Privatization Commission on legal and governance matters.

n) Functions of the Department of Internal Audit Services

The Department is created pursuant to the Public Finance Management Act, 2012 and the Public Audit Act, 2003 to provide independent, objective assurance and consulting activity aimed at adding value and improving the operations of the Commission.

o) Functions of the Department of Supply Chain Management

Section 47(i) of the Public Procurement and Assets Disposal Act of 2015 requires all public entities to establish a procurement function to provide procurement professional advice to the Chief Executive Officer, and to coordinate all procurement and asset disposal activities in the Commission.