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### REPUBLIC OF KENYA

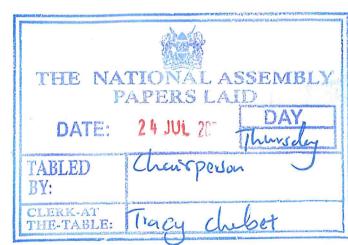
### THE NATIONAL ASSEMBLY

# THIRTEENTH PARLIAMENT | FOURTH SESSION (2025)

## COMMITTEE ON DELEGATED LEGISLATION

REPORT ON THE CONSIDERATION OF THE PUBLIC FINANCE MANAGEMENT (PUBLIC OFFICERS MEDICAL FUND) REGULATIONS, 2024 (LEGAL NOTICE NO. 195 OF 2024)

JULY 2025



The Directorate of Audit, Appropriations & General Purpose Committees

The National Assembly

Parliament Buildings

NAIROBI



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# ABBREVIATIONS AND ACCRONYMS

CEO

Chief Executive Officer

GoK

Government of Kenya

LN

Legal Notice

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#### **CHAIRPERSON'S FORWARD**

The Public Finance Management (Public Officers Medical Fund) Regulations, 2024 were made vide *LN. No. 195 of 2024* pursuant to powers conferred on the Cabinet Secretary for the National Treasury and Planning under section 24(4) of the Public Finance Management Act, 2012 hence, is a statutory instrument within the meaning of section 2 of the Statutory Instruments Act (2023).

The Regulations were published in the Gazette on 6<sup>th</sup> December, 2024, and received by the Clerk of the National Assembly on 20<sup>th</sup> December, 2024. They were tabled before the House on 27<sup>th</sup> May, 2025, being within the statutory timelines contemplated under section 11(1) of the Statutory Instruments Act and committed to the Committee on Delegated Legislation for consideration.

The purpose of this Statutory Instrument is to establish a fund to be known as the **Public Officers Medical Fund** which will ensure that Civil Servants continue receiving Medical benefits as part of their remunerations even after exhausting the comprehensive range of quality health services from the Social Health Authority.

Pursuant to section 16 of the Statutory Instruments Act, 2013 which requires the Committee to confer with the regulation-making authorities before making its decision, the Committee held a meeting with the National Treasury and Economic Planning on Wednesday, 16<sup>th</sup> July, 2025 to deliberate on the Regulations.

Having examined the Public Finance Management (Public Officers Medical Fund) Regulations, 2024 against the Constitution, the Statutory Instruments Act, 2013, the Public Finance Management Act, 2012, and the Interpretation and General Provisions Act (Cap 2), the Committee resolved to recommend that the House APPROVES the Public Finance Management (Public Officers Medical Fund) Regulations, 2024(L.N. No. 195 of 2024).

I wish to most sincerely thank the Speaker and the Office of the Clerk of the National Assembly for the invaluable support accorded to the Committee in the discharge of its mandate. I also wish to thank the Committee Membership and the Secretariat for their diligence during the consideration of these Regulations.

On behalf of the Members of the Committee on Delegated Legislation and pursuant to Standing Order 210, it is my pleasure and duty to present to the House, the Committee's Report on the Consideration of the Public Finance Management (Public Officers Medical Fund) Regulations, 2024 (LN. No. 195 of 2024).

HON. CHEPKONG'A KIPRONO SAMUEL, CBS, MP.

#### 1.0 PREFACE

# 1.1 Establishment and Mandate of the Committee

- 1. The Select Committee on Delegated Legislation is established under *Standing Order No.* 210 of the National Assembly Standing Orders and is mandated to consider statutory instruments submitted to Parliament for consideration. The Committee is expected to consider in respect of any statutory instrument, whether it is in accord with the provisions of the Constitution, the Act pursuant to which it is made or other relevant written laws.
- 2. The Committee is mandated to consider in respect of any statutory instrument, whether it:
  - is in accordance with the provisions of the Constitution, the Act pursuant to which it is made or other relevant written laws;
  - b) infringes on fundamental rights and freedoms of the public;
  - c) contains a matter which in the opinion of the Committee should more properly be dealt with in an Act of Parliament;
  - d) contains imposition of taxation;
  - e) directly or indirectly bars the jurisdiction of the Courts;
  - f) gives retrospective effect to any of the provisions in respect to which the Constitution or the Act does not expressly give any such power;
  - g) involves expenditure from the Consolidated Fund or other public revenues;
  - is defective in its drafting or for any reason the form or purport of the statutory instrument calls for any elucidation;
  - i) appears to make some unusual or unexpected use of the powers conferred by the Constitution or the Act pursuant to which it is made;
  - j) appears to have had unjustifiable delay in its publication or laying before Parliament;
  - k) makes rights, liberties or obligations unduly dependent upon non-reviewable decisions;
  - makes rights, liberties or obligations unduly dependent insufficiently defined administrative powers;
  - m) inappropriately delegates legislative powers;
  - n) imposes a fine, imprisonment or other penalty without express authority having been provided for in the enabling legislation;
  - o) appears for any reason to infringe on the rule of law;
  - p) inadequately subjects the exercise of legislative power to Parliamentary scrutiny; and
  - q) accords to any other reason that the Committee considers fit to examine.

# 1.2 Committee Membership

3. The Committee membership comprises –

Chairperson

Hon. Chepkong'a Kiprono Samuel, CBS, M.P.

Ainabkoi Constituency

**UDA** 

Vice-Chairperson

Hon. Githinji Robert Gichimu, M.P.

Gichugu Constituency

<u>UDA</u>

### **Committee Members**

Hon. Mbui Robert, CBS, M.P

Hon. (Maj) (Rtd) Dekow Barrow Mohamed,

M.P

Kathiani Constituency

Garrisa Township Constituency

**UDA** 

Katniani Constituency

WDM-Kenya

Hon. Julius Lekakeny Ole Sunkuli, EGH,

Hon. Kamene Joyce, M.P

EBS, M.P.

Kilgoris Constituency

KANU

Machakos County

WDM-Kenya

Hon. Dr. Onchoke, Mamwacha Charles,

M.P.

Bonchari Constitueny

**UPA** 

Hon. Dr. Kimaiyo, Gideon Kipkoech, M.P.

Keiyo South Constituency

<u>UDA</u>

Hon. Waithaka, John Machua, M.P.

Kiambu Constituency

**UDA** 

Hon. Chebor, Paul Kibet, M.P

Rongai Constituency

<u>UDA</u>

Hon, Yakub Adow Kuno, M.P.

Hon. (Maj) (Rtd) Abdullahi, Bashir Sheikh,

M.P.

Mandera North Constituency

**UDM** 

Bura Constituency

**UPIA** 

Hon. Odoyo, Jared Okello, M.P.

Nyando Constituency

Hon. Mwirigi John Paul, M.P.

Igembe South Constituency

### **UDA**

Hon. Chepkorir Linet, M.P.
Bomet County
<u>UDA</u>

Hon. Oluoch, Anthony Tom M.P.
Mathare Constituency
ODM

Hon. Mwale, Nicholas S. Tindi M.P.
Butere Constituency
ODM

Hon. Mugabe Innocent Maino, M.P.
Likuyani Constituency
ODM

## **ODM**

Hon. Munyoro Joseph Kamau, M.P
Kigumo Constituency
UDA

Hon. Lenguris Pauline, M.P.
Samburu County
<u>UDA</u>

Hon Mnyazi Amina Laura, MP.

Malindi Constituency

ODM

### 1.3 Committee Secretariat

4. The secretariat facilitating the Committee comprises –

Ms. Esther Nginyo Senior Clerk Assistant (Team Leader)

Mr. Dima Dima
Deputy Director-DLS

Mr. Brian Langwech Clerk Assistant III

Ms. Isabella Mwembi Clerk Assistant III

Mr. Silvanus Makau *Clerk Assistant III* 

Ms. Angela Musau Legal Counsel II

Mr. Peter Barasa Legal Counsel II

Mr. Daniel Ominde Research Officer III

Mr. Noah Chemweno Serjeant at Arms

Mr. Valerian Pascal Hansard Reporter III

Ms. Rahab Chepkilim *Audio Officer* 

# 2.0 CONSIDERATION OF THE PUBLIC FINANCE MANAGEMENT (PUBLIC OFFICERS MEDICAL FUND) REGULATIONS, 2024 (L.N. NO. 195 OF 2024)

#### 2.1 Introduction

- 5. The Public Finance Management (Public Officers Medical Fund) Regulations, 2024 (*LN. No. 195 of 2024*) were made pursuant to the powers conferred on the Cabinet Secretary for the National Treasury and Planning under section 24(4) of the Public Finance Management Act, 2012 (*No. 18 of 2012*) hence, is a statutory instrument within the meaning of section 2 of the Statutory Instruments Act Cap 2A.
- 6. The Regulations were published in the Gazette on 6<sup>th</sup> December, 2024, and received by the Clerk of the National Assembly on 20<sup>th</sup> December, 2024 and was tabled before the House on 27<sup>th</sup> May, 2025, being within the statutory timelines contemplated under section 11(1) of the Statutory Instruments Act. They were subsequently transmitted to the Committee on Delegated Legislation for consideration.
- 7. Pursuant to section 16 of the Statutory Instruments Act Cap 2A which requires the Committee to confer with the regulation-making authorities before making its decision, the Committee held a meeting with the National Treasury and Economic Planning on Wednesday, 16<sup>th</sup> July, 2025 to deliberate on the Regulations.

# 2.2 Object and Purpose of the Regulations

- 8. The purpose of this Statutory Instrument is to establish a fund to be known as the Public Officers Medical Fund, which will ensure that Civil Servants continue receiving medical benefits as part of their remuneration even after exhausting the comprehensive range of quality health services from the Social Health Authority.
- 9. Further, and in particular, the Fund shall be used to:
  - a. Finance the provision of a medical scheme for public officers; and
  - b. Facilitate expenses approved by the Administrator of the Fund to promote the objects for which the Fund was established

# 2.3 Policy Context and Rationale for the Public Finance Management (Public Officers Medical Fund) Regulations, 2024 (LN. No. 195 of 2024)

10. The Government of Kenya introduced a comprehensive Medical Insurance Scheme for civil servants and disciplined services and their eligible dependents, named the Comprehensive Medical Insurance Scheme for Civil Servants & Disciplined Services (the Scheme). The scheme was rolled out with effect from 1<sup>st</sup> January, 2012 and has been in operation until the establishment of the Social Health Authority.

- 11. The Scheme started with basic coverage of a principal member and three (3) dependents and after four years, it was enhanced to a principal member and six (6) dependents. The benefits package was also improved and currently includes outpatient, inpatient, and specialized services, dental, optical, annual medical checkups for member and spouse, road ambulance, emergency air rescue services, overseas treatment, group life and last expense cover.
- 12. Social Health Authority facilitates access for all Kenyan residents to a comprehensive range of quality health services. These services include integrated preventive, promotive, curative, rehabilitative, and palliative health services at level 4, 5, and 6 health facilities.
- 13. For civil servants to continue receiving medical benefits as part of their remunerations, a Fund is proposed to enable civil servants first to receive the comprehensive range of quality health services from the Social Health Authority and, once this is exhausted, proceed with the limits prövided for under the comprehensive medical insurance scheme for civil servants and disciplined services (renamed Public Officers Medical Scheme).
- 14. The proposed Public Officers Medical Scheme include civil servants and any other participating group of public officers. Funds recovered from their medical benefits will be channeled to the Fund established to support the Scheme. Civil servants and all other participating public servants of the proposed Public Officers Medical Scheme shall continue contributing to the Social Health Authority through payroll deductions.

# 2.4 Summary of the Public Finance Management (Public Officers Medical Fund) Regulations, 2024 (LN. No. 195 of 2024)

- 15. The Regulations are in five (5) parts: Part I is on preliminary provisions; Part II is on the establishment of the Fund; Part III is on the administration and management of the Fund; Part IV is on financial provisions and Part V is on miscellaneous provisions.
- 16. **Regulations 1 and 2** are preliminary provisions which include the citation and interpretation while regulation 3 provides for the objects of the Regulations.
- 17. Regulation 4 establishes the Fund while Regulation 5 provides for the purpose of the Fund
- 18. Regulation 6 provides for the sources of the Funds
- 19. **Regulation** 7 provides for the initial capital of the Fund which shall be the amount appropriated by the National Assembly in the Financial year 2024/2025
- 20. Regulation 8 provides for the payments out of the Fund.
- 21. Regulation 9 provides for retention of funds.
- 22. Regulation 10 provides for the Board of the Fund.

- 23. **Regulation 11** establishes the committee which shall advise the Board on administration and management of the Fund and outlines the composition of the committee.
- 24. **Regulation 12** provides for the Administrator of the Fund who shall be the Chief Executive Officer of the Social Health Authority.
- 25. Regulation 13 provides for the secretariat of the Fund.
- 26. **Regulation 14** provides for contracting.
- 27. **Regulation 15** provides that the financial year of the Fund shall be the period of twelve months commencing on the first July in each year and ending on the thirtieth of June.
- 28. Regulation 16 provides for Bank accounts of the Fund.
- 29. Regulation 17 provides for overdrawn accounts.
- 30. **Regulation 18** provides for expenditure and commitments of the Fund.
- 31. **Regulation 19** provides for the withdrawal from the Fund
- 32. Regulation 20 provides for the annual estimates
- 33. Regulation 21 and 22 provides for the annual reports and records of the Fund
- 34. Regulation 23 provides for the Financial and procurement regulation
- 35. Regulation 24 provides for administrative expenses
- 36. **Regulation 24 and 25** provides for the review of the performance of the fund and winding up of the Fund

### 2.5 Scrutiny of the Instrument

- 37. The Committee examined the Public Finance Management (Public Officers Medical Fund) Regulations, 2024 against the Constitution, the Interpretation and General Provisions Act (Cap 2), the Public Finance Management Act, 2012 (No. 18 of 2012) and the Statutory Instruments Act Cap 2A
- 38. The scrutiny was undertaken following the tabling of the Regulations before the House on 27<sup>th</sup> May, 2025 and their subsequent referral to the Committee on Delegated Legislation. The Committee held a meeting with the National Treasury and Economic Planning on Wednesday, 16<sup>th</sup> July, 2025 at Room 21, 5<sup>th</sup> Floor, Bunge Tower, Parliament Buildings to deliberate on the Regulations.

#### 3.0 COMMITTEE OBSERVATIONS

39. Having examined the Public Finance Management (Public Officers Medical Fund) Regulations, 2024 (LN. No. 195 of 2024) against the Constitution, the Public Finance Management Act, 2012 (No. 18 of 2012) and the Statutory Instruments Act (Cap 2A), the Interpretation and General Provisions Act (Cap 2), the Committee observed **THAT**: -

# 3.1 Statutory Timelines

40. The Regulations were published in the gazette on 6<sup>th</sup> December, 2024 vide Legal Notice No. 195 of 2024, submitted to the Clerk of the National Assembly on 20<sup>th</sup> December, 2024 and laid on the table of the House on 27<sup>th</sup> May, 2025 being within the requisite statutory timelines under section 11(1) of the Statutory Instruments Act (Cap 2A).

### 3.2 Consultations/Public Participation

- 41. Articles 10 and 118 of the Constitution and section 5 of the Statutory Instruments Act require that the regulation-making authority conducts public participation and sufficient consultation with the stakeholders and persons likely to be affected by the regulations.
- 42. In attempt to demonstrate the extent of public participation, the Task force responsible for preparation and development of the Regulations, held targeted consultations with key stakeholders and their input taken into account before finalization of these Regulations. These included The National Treasury and Economic Planning, Office of the President, Kenya Medical Practitioners Pharmacists Dentists Union (KMPDU), Kenya Association of Retired Officers (KARO) and the Union of Kenya Civil Servants (UKCS)
- 43. In line with the provisions of Section 5 of the Statutory Instruments Act (Cap 2A), the National Treasury and Economic planning together with the state department for public service undertook public participation before publication of these Regulations.
- 44. The mode of public participation included invitation of key stakeholders via an advertisement posted on the National Treasury website and published in the *My Gov* section on 12<sup>th</sup> November, 2024. Written submissions on the Regulations were sent to psnt@treasury.go.ke and jona.wala@treasury.go.ke.

### 3.3 Regulatory Impact Statement

45. The Committee was satisfied with the explanation and the demonstration that an impact assessment need not to have been prepared for the statutory instrument as it falls within the exceptions provided under Section 9 of the Statutory Instruments Act (Cap 2A).

### 4.0 COMMITTEE RECOMMENDATIONS

46. Having examined the Public Finance Management (Public Officers Medical Fund) Regulations, 2024 (LN. No. 195 of 2024) in accordance with the Constitution, the Statutory Instruments Act (No. 23 of 2013), the Public Finance Management Act, 2012 (No. 18 of 2012), the Interpretation and General Provisions Act (Cap 2), the Committee recommends that the House APPROVES the Public Finance Management (Public Officers Medical Fund) Regulations, 2024 (LN. No. 195 of 2024) in accordance with section 24(4) the Public Finance Management Act (No. 18 of 2012).

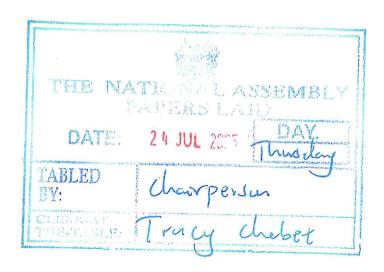
Signed ...

Date 24/07/025

THE HON. CHEPKONG'A SAMUEL KIPRONO, CBS, MP

(CHAIRPERSON)

COMMITTEE ON DELEGATED LEGISLATION





# COMMITTEE ON DELEGATED LEGISLATION MEMBERS ADOPTION LIST

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Date 22/07/2025	Venue RUNGE TOWER ST FLOOR RM 21
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No.	NAME	SIGNATURE
1.	The Hon. Chepkonga Kiprono Samuel, CBS, M.P, Chairperson	1Shmm
2.	The Hon. Githinji, Robert Gichimu, M.P. Vice-Chairperson	Phung.
3.	The Hon. Mbui, Robert, CBS, M.P.	
4.	The Hon. Sunkuli Julius Lekakeny, EGH,EBS,MP	BLMS.
5.	The Hon. Maj. (Rtd) Abdullahi Bashir Sheikh, M.P.	
6.	The Hon. Mwirigi, John Paul, M.P.	
7.	The Hon. Kamene, Joyce, M.P.	
8.	The Hon. Mwale, Nicholas S. Tindi, M.P.	,
9.	The Hon. Odoyo, Jared Okello, M.P.	Jan,
10.	Hon. Anthony Oluoch, M.P.	Auro
11.	Hon. Waithaka, John Machua, M.P.	Machus
12.	The Hon. Maj. (Rtd.) Dekow Barrow Mohamed, M.P.	6.1
13.	The Hon. Munyoro, Joseph Kamau, M.P.	de la
14.	The Hon, (Dr.) Kimaiyo, Gideon Kipkoech, M.P.	
15.	The Hon. Chepkorir, Linet, M.P.	<del>1</del>

No.	NAME	SIGNATURE
16.	The Hon. Chebor, Paul, M.P.	Mythe list
17.	The Hon. Lenguris, Pauline, M.P.	Alexa)
18.	The Hon. (Dr.) Mamwacha Onchoke Charles, M.P.	Commen
19.	The Hon. Yakub, Adow Kuno, M.P.	
20.	The Hon. Mnyazi, Amina Laura, M.P.	100
21.	The Hon. Mugabe, Innocent Maino, M.P.	