Abstract

This study is sought to establish the impact of regulation and supervision on the activities of Kenyan banks with emphasis on the roles of the Central Bank of Kenya. It will evaluate the roles and contributions of CBK to the Kenya Banking Sector. Extensive field survey and library research will be carried out and data collected will be subjected to thorough analysis. The analysis will show that the supervisory and regulatory framework of the Central Bank of Kenya if it is sufficient to guarantee effective banking practices in Kenya. Other findings from the study will include the need to increase the maximum cash deposits due to the effect of inflation and the persistent fall in the value of the Kenyan shilling, the need to disclose transactions continuously to ensure financial prudence through regular supervision and monitoring of the financial health of local banks with the aid of the ’CAMEL’ ratings and other supervisory framework. If there will be a need to increase the awareness of banking activities within the general populace through a deliberate integration process aimed at demystifying certain inherent perceptions of the public with respect to. Moreover, the public, investors and depositors should be fully aware of the activities of CBK in liquidating and revocation of banks’ licenses due to the ineffectiveness of the enlightenment programmes used in carrying out the awareness. A questionnaire and telephone based research will be adopted for the study and the data collated will be tested using the Z- Statistic analysis and will be supported by fundamental evidence from the database of the regulatory authorities. The study targeting 500 employees of Central Bank. Finally, the study will offer suggestions as to how the problems so identified will be improved.