LEGAL NOTICE NO 5

THE PUBLIC FINANCE MANAGEMENT ACT

(No 18 of 2012)

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IN EXERCISE of the powers conferred by section 116 of the Public Finance Management Act, 2012 the County Executive Committee Member for Finance and Economic Planning makes the following Regulations—

THE PUBLIC FINANCE MANAGEMENT (KIAMBU COUNTY ASSEMBLY CAR LOAN SCHEME FUND) REGULATIONS, 2014

PART I—PRELIMINARY

1 These Regulations may be cited as the Public Finance Management (Kiambu County Assembly Car Loan Scheme Fund) Regulations 2014

2 In these Regulations, unless the context otherwise requires—

"Board" means the County Assembly Service Board

"Check off system" means where a system where salary of a Staff or a County Assembly Member is deducted every month by the officer administering the Fund or the Payroll Manager for the payment of the Loan granted under these regulations

"Committee" means the Loans Management Committee established under Regulation 7,

"County Assembly" means the County Assembly of Kiambu,

"financial year" means the period of twelve months ending on the 30th June of each year

"Fund" means the Kiambu County Assembly Car Loan Scheme Fund established under Regulation 3,

"Loan Agreement" means an agreement between the Fund and the borrower

"Officer administering the Fund" means Clerk of the County Assembly of Kiambu,

"valuer" means a person registered as a valuer under the Valuers Act (Cap 532),
3 (1) There is established a County Assembly Car Loan Scheme Fund

(2) The Fund shall be maintained in a separate account opened in accordance with the Public Finance Management Act, 2012

4 The object and purpose of the Fund is to provide loans to Members of the County Assembly for the purchase of vehicles

5 (1) The initial capital of the Fund shall be such amount as may be appropriated by the County Assembly

(2) The County Assembly may appropriate more monies to the Fund from time to time as need arise

6 (1) A person shall be eligible for a loan from the Fund if he or she is a Member of the County Assembly and not more than three quarters of his or her salary is committed in serving another loan

(2) A member of the County Assembly shall be eligible for a loan from the Fund once in each Assembly term

7 (1) There is established a Car Loan Management Committee which shall consist of the County Assembly Service Board—

(2) The Officer administering the Fund shall be an ex-official Member and a Secretary to the Committee

(3) The Meetings of the Committee shall be convened by the Chairperson and in his or her absence a member designated by him

(4) The meeting of the committee shall be convened at such times as may be necessary for the discharge of its functions but not more than once every month

8 (1) The functions of the Committee shall be to—

(a) receive and analyze reports from the officer administering the Fund,

(b) approve loan application forms,

(c) advise on any additional funds that may be required for the fund,

(d) prescribe any security for the loan

8 A person may apply for a loan to the officer administering the Fund
9 The Fund shall be administered by the Clerk of the County Assembly

10 A loan obtained under these Regulations shall be used for the purchase of a motor vehicle for personal or official use by the applicant

11 (1) A loan approved under regulation 8 shall be released from the Fund to the applicant taking into account the security of the fund

(2) The log book of a vehicle subject to a loan from the fund shall be kept in the custody of the officer administering the Fund until the Loan is repaid in full

12 The Loan amount that the Applicant may receive from the Fund shall be the value of the vehicle that he or she proposes to purchase subject to the maximum amount of Kenya Shillings two million

13 The interest chargeable on a loan shall be three percentum per annum on a monthly reducing balance

14 (1) A loan granted to a member of the County Assembly shall be fully repaid at the end of the term of the Assembly provided that the repayment period of the loan shall not exceed the last three months of the term of the Member of the County Assembly

(2) The repayment of the Loan shall be through check-off system

15 A member of the Scheme shall take a comprehensive insurance cover for the vehicle purchased through a loan from the Fund with a reputable insurance company

(2) The loan discharge certificates shall release the member of the scheme from any further financial obligation in respect of the loan and shall act as sufficient authority to remove the Caveat on the vehicle pursuant to Regulation 12

16 The officer administering the fund shall—

(a) Supervise and control the administration of the Fund,

(b) Keep all legal documents relating to the Fund,

(c) Cause to be kept books of account and other books and records in relation to the fund,

(d) Prepare sign and transmit to the auditor general in respect of each financial year and within three months
after the end thereof, a statement of accounts relating to the Fund, specifying the income of the Fund and showing the expenditure incurred from the Fund in such details as may be required in accordance with the Public Finance Management Act,

(e) Furnish such additional information as maybe required for the purpose of examination and audit by the auditor general,

(f) Designate and appoint such staff as maybe necessary to assist him or her in the administration of the Fund,

(g) Carry out such inspections as maybe necessary to verify any information submitted by loan applicant,

(h) Prepare and submit quarterly reports on the Fund to the Committee

17 The Fund shall be audited by the Auditor General

18 The Board may, in consultation with the County Executive Committee Member in charge of finance, appoint a financial institution to administer the fund on behalf of the Committee

(2) Subject to these Regulations, the Committee in consultation with the County Executive Committee Member in charge of finance may issue guidelines for the proper management and administration of the Fund

Dated the 13th May 2014

MARY NGULI,
County Executive Committee Member for Finance and Economic Planning