

LEGAL NOTICE NO 1

THE PUBLIC FINANCE MANAGEMENT ACT

(No 18 of 2012)

THE PUBLIC FINANCE MANAGEMENT (EMBU COUNTY
YOUTH TRUST) FUND REGULATIONS, 2015

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THE PUBLIC FINANCE MANAGEMENT ACT, 2012

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THE PUBLIC FINANCE MANAGEMENT (EMBU COUNTY YOUTH TRUST) FUND REGULATIONS 2015

IN EXERCISE of the powers conferred by section 116 of the Public Finance Management Act, 2012 the Embu County Executive Committee Member for Finance makes the following Regulations –

PART I—PRELIMINARY

1 These Regulations may be cited as the Public Finance Management (Embu County Youth Trust) Fund Regulations 2015

Citation

2 In these Regulations, unless the context otherwise requires—

Interpretation

"Act" means the Public Finance Management Act, 2012,

" Council" means the Youth Trust Fund Council established under Regulation 6 of these Regulations,

' County" means Embu County

"Executive member' means the County Executive Committee member responsible for youth affairs

Fund" means the Embu County Youth Trust Fund established under Regulation 3 of these Regulations,

Governor" means the Governor of Embu County Government

" public officer' has the meaning assigned to it under Article 260 of the Constitution,

"officer administering the Fund means the director responsible for youth affairs in the County and

youth means youth as defined under Article 260 of the Constitution and who is a resident of the County

PART II—ESTABLISHMENT OF THE FUND

3 There is established a Fund to be known as the Embu County Youth Trust Fund which shall be a revolving fund

Establishment of the Fund

4 The object and purpose of the Fund is to promote the culture of savings and investment amongst the youth and to promote establishment of both new and existing small youth enterprises in the County

Object and purpose of the Fund

5 (1) The Fund shall consist of—

Capital of the Fund

(a) monies allocated and appropriated from the County Revenue Fund by the County Assembly,

- (a) any grants, gifts donations loans or other endowments given to the Fund
- (b) such funds as may vest in or accrue to the Fund in the course of the Council's exercise or performance of its functions under these Regulations, and
- (c) monies from any other lawful sources accruing to the Fund

(2) The monies allocated under sub regulation (1) (a) shall be appropriated every financial year for an initial period of ten years from the date of the coming into operation of these Regulations

(3) The Fund shall be appropriated for purposes of—

- (a) providing access to capital and financing facilities to micro and small enterprises owned by the youth,
- (b) such other operational expenses including allowances of members of the Council, and
- (c) such expenses shall not exceed annual management fee charged

PART III— ESTABLISHMENT OF THE COUNCIL

6 (1) There is established a Council to be known as the Embu County Youth Trust Fund Council, which shall consist of—

Establishment of
the Council

- (a) a non- executive chairperson not being a public officer and being a youth appointed by the Governor,
- (b) the chief officer responsible for youth affairs ,
- (c) the chief officer responsible for finance,
- (d) the Director responsible for youth affairs who shall be an *ex officio* member and secretary to the Council, and
- (e) four residents, one from each sub-County competitively sourced who shall be youths and one of whom be of the opposite gender

(2) The members of the Council under sub regulation (1) (b) and, (c) may attend the meeting in person or through a representative duly nominated in writing

(3) The appointment of the chairperson under sub regulation (1) (a) shall be to a person being a youth—

- (a) satisfying the requirements of Chapter Six of the Constitution,
- (b) holding a minimum of a Bachelor's degree in any of

the following areas—

- (i) economics,
- (ii) finance
- (iii) public administration,
- (iv) commerce,
- (v) business related courses,
- (vi) or statistics

from a university recognized in Kenya, and

(c) has at least three years experience in the relevant area of expertise

(4) The quorum of meetings of the Council shall be the chairperson and five other members

(5) The meetings of the Council shall be convened by the chairperson

7 The chairperson and members appointed under Regulation 6 (1) (a) and (e) shall serve for a term of three years and shall be eligible for re-appointment for one further term subject to such member being a youth

Term of office for members of the Council

8 A member of the Council may cease to hold office if—

Cessation of office holder

(a) he or she resigns upon giving one month's notice in writing to the appointing authority

(b) is removed from office by the appointing authority upon recommendation of the Council to terminate the appointment of a member of the Council on any of the following grounds—

- (i) violation of the Constitution or any other law,
- (ii) gross misconduct, whether in the performance of the member's functions or otherwise,
- (iii) physical or mental incapacity to perform the functions of office or,
- (iv) incompetence or neglect of duty

(2) Whenever the office of a member becomes vacant before the expiry of the term provided in Regulation 7 the appointing authority may appoint another person to be a member and that other person shall hold office only for the unexpired term of office of the person who vacated such office

9 (1) The functions of the Council shall be—

Functions of the Council

(a) to supervise the administration of the Fund

(b) to consider applications for loans in accordance with

- the existing terms and conditions of borrowing,
- (c) to advise the Executive member on the programmes, relating to youth affairs and development,
 - (d) to co-ordinate funded youth activities,
 - (e) to evaluate funded and to be funded youth programmes,
 - (f) assist and encourage organizations interested in youth development in the initiation of youth training and development programmes, and
 - (g) such other lawful functions as may be conferred by these Regulations or any other law

(2) The Executive member may give to the Council such general or specific directions with respect to the discharge of its functions as he or she may consider necessary in furtherance of the objectives of the Fund and the Council shall give effect to such directions

PART IV—FINANCIAL PROVISIONS

10 Notwithstanding Regulation 9(1), the Executive Member for finance may if he considers it appropriate to do so appoint a financial institution to administer the Fund on behalf of the Council

Appointment of a financial institution

11 (1) The Director responsible for youth affairs in the County shall open a bank account in the name of Embu County Youth Trust Fund Account

Bank account

(2) The bank account shall be operated by a minimum of two signatories, of whom the Director responsible for youth affairs shall be a mandatory signatory

(3) The Executive member may designate any other additional signatory to the bank account

12 A youth or a group of youths who wish to apply for a loan from the Fund shall make such application to the officer administering the Fund in such manner as the Council may prescribe

Application for loan

13 (1) An application for a loan under these Regulations shall be accompanied by the documents and security and collateral as the Council may determine

Requirements for Application for loan

(2) An application for the funds shall be accompanied by a signed guarantee form executed by the borrower and in case of a group, executed by each member of the group individually committing to repay the loan requested

14 The maximum loan to be granted under these Regulations to a youth or a group of youths shall not exceed a sum of one million Kenya shillings

Maximum loan disbursement

15 A loan granted under these Regulations shall be fully repaid at the end of the term not exceeding three years

Repayment of loan

16 (1) The management fee charged on a loan shall be five per centum per annum paid one off

Management fee

(2) The executive member responsible for finance shall negotiate with the financial institution appointed under Regulation 10 on the applicable interest subject to a maximum interest rate of ten per centum per annum

(3) The management fee or interest charged under paragraphs (1) and (2) of this Regulation shall be met by the borrower

17 (1) The Director responsible for youth affairs in the County shall be the officer administering the Fund

Administration of the Fund

(2) The officer administering the Fund shall—

- (a) supervise the day-to-day running control and administration of the Fund
- (b) utilize the money accruing thereto to defray operating expenses and may impose any reasonable restriction or other requirements concerning such use
- (c) cause to be kept books of accounts and other books and records in relation to the Fund and for all loans financed from 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, prepared and signed by him or her specifying the income of the Fund and showing the expenditure incurred from the Fund, in such details as the Executive Member responsible for Finance may from time to time direct in accordance with the Public Finance Management Act,
- (e) furnish such additional information as may be required for the purpose of examination and audit by the Auditor-General,
- (f) supervise all legal documentation and disbursement of funds, and
- (g) designate and appoint such staff with approval of the Council as may be necessary to assist him/her in the

administration of the Fund and may require such staff to carry out such inspections as may be necessary to verify any information submitted under these Regulations

(3) Every statement of account prepared under this regulation shall include details of the balances between the assets and liabilities of the Fund and shall indicate the financial status of the Fund as at the end of the financial year concerned

PART V—MISCELLANEOUS

18 The responsibilities of the financial institution, if any, appointed under these Regulations shall be—

Responsibilities of
financial
institution

- (a) to operate individual accounts for each borrower, which shall provide details of recoveries of the loan,
- (b) to seek security or collateral on loans from the Fund to protect the interests of the Fund and act as custodian of such securities or collaterals,
- (c) to disburse approved loans to successful borrowers, after the necessary documentation is completed,
- (d) to pay all outgoings and issue demand notices where necessary to borrowers through the officer administering the Fund, and
- (e) upon repayment of the loan, interest and other expenses which may be outstanding, release the security documents to the borrower

19 (1) These Regulations shall be supplemented by such terms as may, from time to time be detailed in the application form supplied by the Council and in the contract between the financial institution and the executive member for finance

Council
guidelines

(2) Subject to these Regulations, the Council shall issue guidelines on such other matters as may be necessary for the proper management and administration of the Fund

Dated the 20th January 2015

J N NJAGI,
*County Executive Committee
Member for Finance*