

SPECIAL ISSUE

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LEGAL NOTICE NO. 1

PUBLIC FINANCE MANAGEMENT ACT

(No. 18 of 2012)

PUBLIC FINANCE MANAGEMENT (EMBU COUNTY EXECUTIVE CAR AND MORTGAGE LOAN (COMMITTEE MEMBERS) SCHEME FUND) REGULATIONS, 2018

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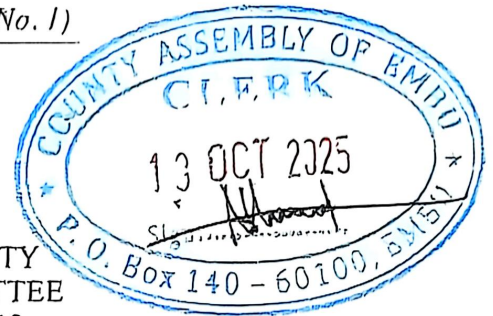
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PUBLIC FINANCE MANAGEMENT ACT

(No. 18 of 2012)

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

PUBLIC FINANCE MANAGEMENT (EMBU COUNTY
EXECUTIVE CAR LOAN (COMMITTEE MEMBERS) SCHEME
FUND) REGULATIONS, 2018

PART I—PRELIMINARY

1. These Regulations may be cited as the Public Finance Management (Embu County Executive Car and Mortgage Loan (Committee Members) Scheme Fund) Regulations, 2018. Citation.

2. In these Regulations, unless the context otherwise requires— Interpretation.

“Committee” means the County Executive Fund Management Committee of Embu;

“Borrower” means a person in receipt of a loan out of the Fund;

“Committee” means the Loans Management Committee established under regulation 6;

“County ” means Embu County;

“Financial year” means the period of twelve months ending on the 30th June in each year;

“Fund” means the Embu County Executive Car Loan and Mortgage (Committee Members) Scheme Fund established under Regulation 3;

“Loan Agreement” means an agreement between the Fund and a member of the scheme;

“Member of the Scheme” means a Member of County Executive;

“Officer administering the Fund” means the Principal Finance Officer of the Embu County Government;

County Executive means the Governor, Deputy Governor, County Executive Committee, and County Secretary.

“Staff” means an employee of the County Government of Embu;

“Valuer” means a person registered as a valuer under the Valuers Act (Cap. 532).

PART II — ESTABLISHMENT OF THE FUND

3. There is established a fund to be known as Embu County Executive Car Loan and Mortgage (Committee Members) Scheme Fund. Establishment of the Fund.

4. The object and purpose of the Fund shall be to provide a loan scheme for the purchase of vehicles and houses by members of the Scheme. Purpose of the Fund.

5. (1) The initial capital of the Fund shall consist of the monies standing to the credit of the account on the date of the coming into operation of these Regulations. Capital of the Fund.

(2) County Executive may appropriate additional monies to the Fund.

PART III — MANAGEMENT COMMITTEE

6.(1) There is established a committee to be known as the Members Car and Mortgage Loan Management Committee, which shall consist of— The Loans Management Committee.

- (a) the County Secretary who shall be the chairperson;
- (b) Chief Officer Finance who shall be the vice chairperson;
- (c) Principal Finance Officer who shall be an *ex-official* member and secretary of the committee;
- (d) County Executive Committee Member for Finance or his/her nominee.
- (e) Four other members from the Executive Committee Members of the County Government

7. The Principal Finance officer shall be the administrator of the Fund Fund administrator

8. The Committee may appoint such staff to attend its meetings as may be deemed necessary. Other staff

9. The meetings of the Committee shall be convened by the chairperson at such times as may be necessary for the discharge of the Committee's functions. Meetings of the Committee.

10. The quorum for a meeting of the Committee shall be the chairperson and any three members. Quorum.

PART IV — ADMINISTRATION OF THE FUND

11. (1) A member of the Scheme who wishes to apply for a loan from the Fund shall make such application to the officer administering the Fund by presenting a form in such manner as the Committee may prescribe. Application for Loan.

(2) The officer administering the Fund shall satisfy himself of the applicant's financial status and capacity to repay the loan applied for in accordance with the laid down requirements and where so satisfied shall forward the application to the Committee for consideration.

(3) The Committee shall consider and may approve the loan applications presented by the officer administering the Fund.

(4) If the Committee approves the application, the applicant shall enter into a hire purchase agreement in such form as the Committee may prescribe.

12. A loan obtained under these Regulations shall be utilized for the purchase of a motor vehicle and houses for personal or official use by the applicant. Utilization of Loan monies.

13. (1) A loan approved under Regulation 11 shall be released from the Fund in such manner, taking into account the security of the funds, as may be prescribed by the Committee.

Conditions
disbursement
funds. for
of

(2) The log-book of a vehicle and title deed where the house shall be situated subject to a loan from the Fund shall be issued jointly between the County Government of Embu and the member of the Scheme and shall be kept in the custody of the officer administering the Fund until the loan is repaid in full by the member of the Scheme.

14. (1) The loan amount that a member of the Scheme may receive shall be the value of the vehicle that the member of the Scheme proposes to purchase subject to the maximum amount of five million shillings for County Executive Committee Members and fifty millions and thirty five million for Governor and Deputy Governor respectively.

Loan amount.

(2) For the purpose of these Regulations, the value of a new vehicle and a house shall be as quoted on the invoice from the supplier whereas the value of a used vehicle shall be as determined by a report from the body known as the Automobile Association of Kenya, or the Government department dealing with such matters or any such valuer as may be approved by the Committee.

(3) Notwithstanding the provisions of paragraph (1), there may be advanced from the Fund to a member of the Scheme an additional loan not exceeding ten per cent of the value of the vehicle purchased by the member of the Scheme to cater for an overhaul of the engine of the vehicle.

15. (1) A loan granted to a member of the Scheme under these Regulations shall carry an interest rate of three per cent per annum paid upfront.

Interest rate.

(2) The interest charged under paragraph (1) shall be utilized to defray the administrative expenses of the Fund.

16. A loan advanced under these Regulations shall be repaid in full over a maximum period of forty eight months irrespective of whether the vehicle or the house purchased is new or used:

Repayment of loan.

Provided that the repayment period of the loan shall not exceed the last three months of the end of the term of the Member of the scheme.

17. (1) A member of the Scheme shall comprehensively insure any vehicle or house purchased through the Scheme with an insurer approved by the Committee.

Insurance.

(2) Where a member of the Scheme is unable to raise the funds required for the initial insurance premium, such funds may be advanced from the Fund subject to an approved limit, but the member of the Scheme shall pay subsequently annual premiums.

(3) A member of the Scheme who is unable to pay the subsequent annual premiums referred to in paragraph (2) may apply to the Fund for a loan which shall be repaid within a period of one year (1) year.

(4) Every loan granted under these Regulations shall be insured for the benefit of the member of the Scheme and the premium in respect thereof shall be debited to the account of the member of the Fund.

18. (1) Upon full payment of the loan, a signed loan discharge certificate and a duly signed transfer form in such forms as may be prescribed by the committee shall be issued to the member of the Scheme and a copy thereof shall be forwarded to the Registrar of Motor Vehicles and registrar of lands respectively

Loan discharge.

(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 and the house pursuant to Regulation 13.

19. (1) The officer administering the Fund shall—

Administration of the Fund.

- (a) supervise and control the administration of the Fund;
- (b) utilize the interest 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 (3) months after the end thereof, a statement of accounts relating to the Fund, prepared and signed by him specifying the income of the Fund and showing the expenditure incurred from the Fund, in such details as the Committee 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; and
- (f) designate and appoint such staff as may be necessary to assist him 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.

(2) 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.

(3) All monies of the Fund shall be paid into an account operated by the officer administering the Fund.

20. The Committee may, if it considers it appropriate to do so, appoint a financial institution to administer the Fund on behalf of the Committee.

Appointment of mortgage institution.

PART V—MISCELLANEOUS

21. (1) Any person who contravenes any provision of these regulations, notice, or order made under any of them, which no penalty has been prescribed in any other law, commits an offence under these Regulations and shall upon conviction be liable to a fine not exceeding one million shillings or to imprisonment for a term not exceeding one year, or to both.

*General Offences
and penalties.*

22. (1) These Regulations shall be supplemented by such terms as may, from time to time, be detailed in the application form supplied by the Committee.

*Guidelines of the
Committee.*

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

Made on the 24th January, 2018.

JOHN N. NJAGI,
County Executive Member Finance and Planning.