LEGAL NOTICE No 2

THE PUBLIC FINANCE MANAGEMENT ACT

(No 18 of 2012)

THE NAKURU COUNTY ASSEMBLY CAR LOAN AND GRANT
(MEMBERS) SCHEME FUND REGULATIONS 2021

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THE 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—  

THE NAKURU COUNTY ASSEMBLY CAR LOAN AND GRANT (MEMBERS) SCHEME FUND REGULATIONS 2021  

PART I—PRELIMINARY  

1 These Regulations may be cited as the Public Finance County Assembly of Nakuru County Car Loan and grant (Members) Scheme Fund Regulations 2021  

2 In these Regulations unless the context otherwise requires—  

"Board" means the County Assembly Service Board of Nakuru  

"borrower" means a person in receipt of a loan out of the Fund  

"Committee means the Loans Management Committee established under regulation 6.  

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

"Grant’ means a benefit advanced by the County Government of Nakuru to a member of the County Assembly for a specified purpose as may be advised by the Salaries and Remuneration Commission  

"Fund means the County Assembly Car Loan and Grant (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 Assembly and includes a member of staff of the County Assembly Service,  

"officer administering the Fund means the Clerk of the County Assembly  

"staff means an employee of the County Assembly Service Board,  

"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 the County Assembly of Nakuru Car Loan and grant (Members) Scheme Fund  

4 The object and purpose of the Fund shall be to provide a loan and/or grant scheme for the purchase of vehicles by members of the Scheme  

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

(2) County Assembly may appropriate additional monies to the Fund as may be advised by the Salaries and Remuneration Commission of Kenya

PART III—THE LOANS MANAGEMENT COMMITTEE

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

(a) Leader of majority party who shall be the chairperson
(b) the leader of minority party
(c) the chairperson of the Labour and Social Welfare Committee of the Assembly
(d) Three other Members of the Assembly appointed by the Assembly on the basis of their gender, and who are not chairpersons of any of the Assembly’s Committees
(e) County Executive Committee Member for Finance or his/her nominee

(2) The officer administering the Fund shall be an ex-officio member of the Committee and the secretary to the Committee

(3) The Committee may appoint such other staff to attend its meetings

(4) The meetings of the Committee shall be convened by the chairperson or in the absence of the chairperson, the vice chairperson or a member designated by the chairperson and shall be convened at such times as may be necessary for the discharge of the Committee’s functions

(5) Notwithstanding the foregoing members adding up to fifty per centum of the composition of the Committee may requisitse the chairperson in writing to convene a meeting within seven days from the date of the notice

(6) In the event that the Chairperson does not convene a requisite meeting within seven (7) days after being served with the notice the members may hold the meeting on such time as they appoint and they shall elect an alternative chairperson to preside over the meeting

(7) The quorum for a meeting of the Committee shall be the chairperson and any three members

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

(9) The members shall be paid such allowances and disbursements for expenses as may be approved by the Board

7 (1) A member of the Scheme who wishes to apply for a loan or grant 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.

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

(4) A member of the scheme except a staff member shall be at liberty to apply for a car grant.

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

9 (1) A loan approved under Regulation 7 shall be released from the Fund in such manner taking into account the security of the funds as may be prescribed by the Committee.

(2) The log book of a vehicle subject to a loan from the Fund shall be issued jointly between the Board 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.

10 (1) The loan or grant 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 set by the Salaries and Remuneration Commission.

(2) For the purpose of these Regulations, the value of a new vehicle shall be as quoted on the invoice from the supplier whereas the value of a used vehicle, in which case it shall not be more than fifteen (15) years 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 Board.

(3) Notwithstanding the provisions of sub regulation (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.

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

(2) The interest charged under sub regulation (1) shall be utilized to defray the administrative expenses of the Fund and any other surplus and shall be credited into the account of the Fund.

(3) Administrative cost of the fund shall be a maximum of 3% of the approved budget of the Fund.

(4) For avoidance of doubt a grant shall not attract any form of
interest or penalty

12 A loan advanced under these Regulations shall be repaid in full over a maximum period of forty eight months irrespective of whether the vehicle purchased is new or used, and the repayment period of the loan shall not exceed the last month of the end of the term of the Member of the scheme where the is a Member of the County assembly

13 (1) A member of the Scheme shall comprehensively insure any vehicle purchased through the Scheme with an approved insurer by the Board

(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 subsequently annual premiums shall be paid by the member of the Scheme

(3) A member of the Scheme who is unable to pay the subsequent annual premiums referred to in sub regulation (2) may apply to the fund for a loan which shall be repaid within a period of one 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

14 (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

(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 9

15 (1) The officer administering the Fund shall—

(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 Board 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

(4) Any account operated by the Fund for the purpose of loan disbursement shall be approved by the Committee

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

Made on the 15th January 2021

PETER KETYENYA
County Executive Committee Member
Finance and Economic Planning