LEGAL NOTICE NO. 2

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 Executive Committee Member for Finance and Planning makes the following Regulations—

PUBLIC FINANCE MANAGEMENT (NYAMIRA COUNTY ASSEMBLY CAR LOAN SCHEME FUND) REGULATIONS, 2019

PART I—PRELIMINARY

1. These Regulations may be cited as the Public Finance Management (Nyamira County Assembly Car Loan Scheme Fund) Regulations, 2019.

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

"Board" means the County Assembly Service Board;

"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;

"Fund" means the County Assembly Car Loan (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 an employee of the County Assembly employed on permanent and pensionable terms, Members of the County Assembly Service Board and the Members of County Assembly pursuant to Article 177 of the Constitution;

"Officer administering the Fund" means the Clerk of the County Assembly;

"Value" means monetary worth of the motor vehicle as valued by a qualified valuer.

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

3. There is established a fund to be known as the County Assembly Car Loan (Members) Scheme Fund.

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

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

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

(a) the Chairperson of the committees who shall be the chairperson;
(b) the Chairperson of the Budget and Appropriations Committee;
(c) three other members of the Assembly appointed by the Board considering gender.
(d) County Assembly Chief Finance Officer
(e) three other members elected by the members of staff

(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-chair person 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) The quorum for a meeting of the Committee shall be the chairperson and any four members.

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

7. (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.

(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.

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 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 two million shillings for Members of the County Assembly, for Employees of the County Assembly, as per the Salaries and Remuneration Commission Circular SRC/ADM/CIR/1/13 Vol III (128) of 2014 and for Members of the County Assembly Service Board within their tenure as per Salaries and Remuneration Commission Circular SRC/ADM/CIR/1/13 Vol III (128) of 2014 read together with SRC/ADM/CIR/1/13/VOL III (130) and SRC/ADM/CIR/1/13/Vol. III (142) as adjusted from time to time.

(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 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 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.

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 paragraph (1) shall be utilized to defray the administrative expenses of the Fund and any other surplus thereby shall be credited into the account of the Fund.

(3) Any administrative expenses shall be approved by the Committee in such terms as the committee may approve.

12. A loan advanced under these Regulations shall be repaid in full over a maximum period of sixty months irrespective of whether the vehicle purchased is new or used. Provided that 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 Member is a Member of the County Assembly, for Employees of the County Assembly as per the Salaries and Remuneration Commission Circular SRC/ADM/CIR/1/13.Vol III (128) of 2014 and for Members of the County Assembly Service Board within their tenure as per the Salaries and Remuneration Commission Circular SRC/ADM/CIR/1/13.Vol III (128) of 2014 read together with
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 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.

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.

17. These regulations repeal and replace The County Assembly of Nyamira Members (Car Loan Scheme Fund) Regulations, 2018.

Made on the 5th September, 2018.

PETER MUGA,
County Executive Committee Member Finance and Economic Planning.