

LEGAL NOTICE NO 1

THE PUBLIC FINANCE MANAGEMENT ACT

(No 18 of 2012)

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

ARRANGEMENT OF REGULATIONS

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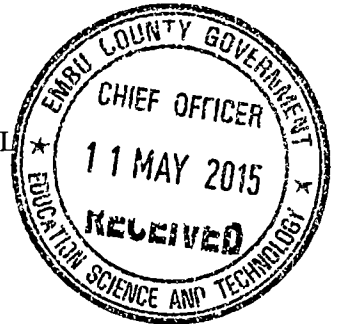
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THE PUBLIC FINANCE MANAGEMENT ACT, 2012

(No 18 of 2012)

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—

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

Capital of the Fund

- (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*

LEGAL NOTICE NO 2

THE PUBLIC FINANCE MANAGEMENT ACT

(No 18 of 2012)

THE PUBLIC FINANCE MANAGEMENT (EMBU COUNTY EDUCATION
SUPPORT FUND) REGULATIONS, 2015

ARRANGEMENT OF REGULATIONS

Regulation

PART I – PRELIMINARY

1—Citation

2—Interpretation

3—Purpose and objectives

4—Application

PART II—ESTABLISHMENT OF EDUCATION SUPPORT FUND

5—Establishment of the Fund

6—Source of the Fund

PART III – EDUCATION FUND COMMITTEE

7—Establishment of the Committee

8—Qualifications of the chairperson and appointed members

9—Term of office

10—Functions of the Committee

11—Vacancy of office

PART IV—APPROPRIATION AND ADMINISTRATION OF THE FUND

12—Appropriation of the Fund

13—Administration of the Fund

14—Qualification for Loans

15—Application for bursaries and scholarships

PART V—FINANCIAL PROVISIONS

16—Bank Account

17—Annual Estimates

18—Accounts and audit reports

19—Winding-up of the Fund

PART IV – MISCELLANEOUS

20—Offences and penalties

21—Guidelines of the Committee

THE PUBLIC FINANCE MANAGEMENT ACT

(No 18 of 2012)

THE PUBLIC FINANCE MANAGEMENT (EMBU COUNTY
EDUCATION SUPPORT FUND) REGULATIONS, 2015

IN EXERCISE of the powers conferred by section 116 of the Public Finance Act, the 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 Education Support Fund) Regulations, 2015 and will take effect upon *gazettement*

Citation and
validity

2 (1) Terms included in these Regulations, unless otherwise stated, have the meanings assigned under the Public Finance Management Act

(2) In addition and unless the context otherwise requires—

“bursary” means a scholarship to attend a secondary, polytechnics,, special schools, college, or university without repayment ,

“Executive member” means the County Executive Committee member responsible for Education,

“County” means Embu County,

“county government” means Embu County government,

“Committee” means the education fund committee established under regulation 7,

‘Chief Officer ’ means the chief officer responsible for Education who shall be the Fund Manager,

“Director” means director responsible for education ,

“HELB” means Higher Education Loans Board as provided for in Higher Education Loans Board Act, CAP 213A,

“Fund” means the Embu County Education Fund established under Regulation 5,

Loan means a sum of money lent to an eligible student by HELB on behalf of the Committee to be repaid with interest,

“Loans fund” means part of the Fund that is appropriated by Committee for loans and administered by HELB,

“Scholarship” means a payment of a sum of money from the Fund to maintain an able student in furthering his/her education

“Student” means a student from Embu County,

3 The purpose of these Regulations is to provide financial support to needy students in the county and without prejudice to the generosity of the foregoing, the main objectives of these Regulations are as follows—

Purpose and
objective of
the
Regulations

- (a) to establish the county education support fund,
- (b) to provide for management and administration of the fund, and
- (c) to operationalize the fund

4 These Regulations apply to the County Government of Embu

Application

PART II—ESTABLISHMENT OF EDUCATION SUPPORT FUND

5 (1) There is established a Fund to be known as Embu County Education Support Fund which shall be managed and administered by the Fund Manager

Establishment
of the Fund

(2) The Fund shall provide funds to be used for—

- (a) granting bursaries,
- (b) awarding scholarships,
- (c) giving loans, and
- (d) any other educational interventions as they may arise

6 The sources of funds for the Fund shall consist of—

Source of
Fund

- (a) monies appropriated from the County Revenue Fund by the County Assembly,
- (b) sums which represent the repayment of the capital and interest of any loan granted by the Committee, and
- (c) any gifts donations, grants and endowments made to the Fund

PART III— ESTABLISMENT OF THE EDUCATION FUND COMMITTEE

7 (1) There is established a Committee to be known as the Education Fund Committee

Establishment
of the
Committee

(2) The committee shall comprise of—

- (a) Chairperson appointed by the Governor,
- (b) chief Officer responsible for education who will be the secretary and shall be an *ex officio* member,
- (c) chief Officer responsible for Finance or his representative

- (d) county Director of Education or his representative who shall be an *ex officio* member,
- (e) four persons appointed by Executive Committee member one from each sub county taking into consideration of gender balance of the committee
- (f) one member representing persons with disabilities

8 A person is qualified for appointment as a Chairperson or as a member of the committee if that person is—

Qualifications
of the
chairperson
and members

- (a) is a resident of Embu County,
- (b) meets the requirements of Chapter Six of the constitution of Kenya,
- (c) in the case of the Chairperson, is a holder of at least a bachelor's degree from a university recognized in Kenya and with a working experience in either education sector, administration or business of five years, and
- (d) in the case of members appointed under regulation 7(2)
 - (g) is a holder of at least Kenya Certificate of secondary education or its equivalent

9 The Chairperson and members appointed under regulation 7 (2) (g) shall be appointed for a term of three years and shall be eligible for re-appointment for one further term

Term of office

10 (1) The Functions of the committee shall be—

Functions of
the committee

- (a) to formulate policies for regulating the disbursement and management of bursaries scholarships and loans,
- (b) to advise the Executive member on bursary disbursements scholarship awarding and loans,
- (c) to grant bursaries and scholarships
- (d) approve the list of beneficiaries to be granted loans as provided for in regulation 14,
- (e) to provide oversight and supervisory role in giving loans to students from the funds outsourced to the HELB by the County,
- (f) to receive any gifts, donations grants or endowments made to the Fund and to make legitimate disbursements there from
- (g) to determine the maximum amount to be awarded to the eligible student to be granted as bursaries scholarships and loans in a particular year, and

- (h) to receive and consider appeals for aggrieved applicant
- (i) to perform any other functions for implementation of these regulations

(2) To transact any business, two thirds of the members must be present

(3) The Committee shall hold at least three meetings and maximum of six meetings in a year

11 (1) A member of the committee shall cease to be in office if— Vacancy of office

- (a) he or she resigns in writing to the appointing authority through the secretary giving a one month notice
- (b) the appointing authority is satisfied that such a member is by reason of his or her physical or mental infirmity unable to execute the functions of his or her office
- (c) the member violates the Constitution or any other law
- (d) there is gross misconduct, whether in the performance of the member's functions or otherwise,
- (e) there is incompetence or neglect of duty,
- (f) the member is adjudged bankrupt, or
- (g) the member dies

(2) Where the office of a member becomes vacant under subregulation (1) the Secretary shall forthwith notify the appointing authority for appropriate action

(3) Committee members shall draw allowances as advised by the Salaries and Remuneration Commission from time to time

PART IV—APPROPRIATION AND ADMINISTRATION OF THE FUND

12 (1) In appropriation of the Fund the committee shall take into account— Appropriation of the Fund

- (a) gender equity,
- (b) regional balance,
- (c) population,
- (d) poverty index,
- (e) minority groups and
- (f) persons with disabilities

(2) The committee in appropriating the funds shall ensure that—

- (a) seventy per centum of the annual allocation from the county government to the Fund is expended in disbursing bursaries on agreed formula to each ward,
 - (b) six per centum on scholarships,
 - (c) eighteen per centum on loans,
 - (d) three per centum on administrative cost of the Committee, and three per centum on administrative cost for Ward Education Support Fund Committees
- (3) The Executive member shall appoint Ward Education Support Fund Committees
- (4) The Ward Education Support Fund Committee shall comprise of the chairperson and six other members taking into account the gender balance
- (5) The term of office shall be three years renewable for a further one more term

Administration
of the Fund

13 (1) The Fund Manager shall be the officer administering the Fund

(2) The Fund Manager shall—

- (a) supervise the running, control and administration of the Fund
- (b) 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,
- (c) 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 may from time to time direct in accordance with the Public Finance Management Act,
- (d) furnish such additional information as may be required for the purpose of examination and audit by the Auditor-General,
- (e) supervise all legal documentation and disbursement of funds, and
- (f) not later than fifteen days after the end of each quarter, submit the quarterly report to the County Treasury and a copy to the Controller of Budget

(3) The Executive Member responsible for finance shall cause to be entered into a Memorandum of Understanding between the County government and HELB for purposes of administering the loans from the Fund

(4) The committee shall appropriate the Loans Fund and HELB shall specifically administer on behalf of the Fund Manager, funds appropriated for loans

(5) HELB shall charge the direct entry to undergraduate students an interest rate of four per centum per annum which is payable one year after graduation

(6) HELB shall charge the post graduate and continuing Education students an interest rate of twelve per centum per annum which is payable immediately after disbursement of the loan

(6) The interest charged on the loan shall form part of the administration fees for the funds, payable to HELB

(7) For the purpose of implementing these Regulations all monies appropriated for loans and administered by HELB on behalf of the Fund Manager shall be transferred from the Fund account into the HELB account with approval of the Committee

14 (1) Notwithstanding any other provision of these Regulations HELB shall award for purpose of implementing these Regulations, loans to both undergraduates and post-graduates students in public and private universities in Kenya who for any reasons cannot access National Government HELB kitty or access insufficient funds that are not enough to see them through their studies

Qualification
for Loans

(2) In awarding loans to students every student wishing to be considered for the grant of a higher education loan shall make an application in the prescribed form provided by HELB through the committee

(3) HELB shall identify all the students who qualify to be awarded loans and submit a report of all applications in order of need and awarded amounts to the committee which shall scrutinize the list and approve the beneficiaries to be awarded loans

(4) The committee may approve or reject the name or names of applicants submitted to it by HELB to be awarded loans

(5) In case the committee rejects a name or names of applicants submitted by HELB, it shall within fourteen days after receipt of the list of beneficiaries send the list back to HELB with reasons for rejection and HELB will go ahead and award loans to all names that have been approved and act on reasons and recommendation of the committee on a name or names rejected

(6) HELB shall after receiving the approval report from the committee proceed to disburse and manage the Loans Fund over the four years period the beneficiary is in university or the minimum expected period of post graduate programme using the most efficient way and thereafter recover the same on behalf of the committee

(7) In administering the Loans Fund on behalf of the committee HELB shall take into account provisions of these Regulations and other relevant laws

15 (1) Every student wishing to be considered for the grant of bursary or scholarship shall make an application to the committee in a prescribed form

Application
for bursaries
and
scholarships

(2) The committee may accept or reject any application for a bursary or scholarship

(3) If the committee accepts the application it shall award the bursary or scholarship that it considers necessary depending on the agreed criteria

(4) Where the committee has resolved to award a bursary or scholarship to any eligible student, the committee shall notify the applicant in writing and require him or her within a specified period not exceeding two months to comply with any conditions precedent

(5) The list of all successful beneficiaries shall be publicized in *County Gazette* and notice boards

PART V— FINANCIAL PROVISIONS

16 (1) The Fund Manager shall open a bank account for the Fund in the name of Embu County Education Support Fund Account

Bank Account

(2) The bank account maintained in accordance with sub regulation (1) shall have three signatories who shall be—

- (a) the fund manager being a mandatory signatory,
- (b) chairperson of the committee, and
- (c) chief Officer responsible for Finance

17 (1) The Fund Manager shall cause to be prepared an estimate of its income and expenditure as specified in the budget cycle for approval

Annual
Estimates

(2) The annual estimates shall make provisions for all the estimates of expenditure of the committee for the financial year and shall provide for—

- (a) the grant of bursaries and scholarships to eligible students,
- (b) loan amount to eligible students to be forwarded to HELB for administration, and
- (c) the cost of administration of the committee and Ward Education Committees

18 The Fund Manager shall—

Accounts and
Audit reports

- (a) cause to be kept all the proper books and records of accounts of income, expenditure assets, audits liabilities of the Committee and Ward Education Committees at the end of each financial year,
- (b) not later than three months after the end of each financial year, submit financial statements relating to accounts referred to in paragraph (a) above, to the Auditor-General
- (c) prepare a quarterly financial statement and the report which shall contain information on the financial and non-financial performance of the fund,
- (d) not later than fifteen days after the end of each quarter, submit the quarterly report to the County Treasury and a copy to the Controller of Budget

19 On the winding up of the Fund, after enactment of a legislation on Education Support Fund—

Winding-up of
the Fund

- (a) the administrator of the Fund shall pay any amount remaining in the Fund into the County Exchequer Account, and
- (b) the County Executive Committee member for Finance shall with the approval of the county assembly, pay any deficit in the Fund from the County Exchequer Account

PART VI—MISCELLANEOUS

20 Any person who contravenes any provision of these regulations notice or order made under it commits an offence under these Regulations and shall upon conviction except where any other penalty is provided, 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
penalty

21 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

Guidelines of
committee

Dated the 20th January, 2015

J N NJAGI

County Executive Committee Member for Finance