

## **Kitui County Subsidiary Legislation, 2026**

### **LEGAL NOTICE No..**

### **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 Executive Committee Member for Finance, in accordance with Circular Ref. No. SRC/CGOVT/3/61 dated 30th September, 2014 and SRC/TS/29(31) dated 31 August 2022 makes the following Regulations—

### **THE PUBLIC FINANCE MANAGEMENT (KITUI COUNTY EXECUTIVE CAR LOAN (MEMBERS) SCHEME FUND) REGULATIONS, 2026**

#### **Citation**

1. These regulations may be cited as the Public Finance Management (Kitui County Executive Car Loan (Members) Scheme Fund) Regulations, 2026.

#### **Interpretation**

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

“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 Executive Mortgage (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 Committee;

“Officer administering the Fund” means the fund administrator appointed by the County Executive Committee Member for Finance;

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

#### **Establishment of the Fund**

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

#### **Object and purpose of the fund**

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

#### **Capital of the Fund**

5. (1) The initial capital of the scheme 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.

### **The Loans Management Committee**

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

- (a) the Chief Finance Officer who will be the Chairperson;
- (b) the Head of Supply Chain Management;
- (c) the Head of Human Resource Management;
- (d) County Public Works Officer; and
- (e) County Chief Mechanical Engineer.

(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 invite into its meetings such officer or officers as may be necessary given the agenda of attend of its meetings.

(4) The meetings of the Committee shall be convened by the chairperson or in the absence of the chairperson, by 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 three members.

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

### **Application for loan**

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.

### **Utilization of loan monies**

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

### **Conditions for Disbursement of funds**

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 county government 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.

### **Loan amount**

10. (1) The loan amount that a member of the Scheme may receive shall be the value of the vehicle that the member proposes to purchase subject to the maximum amount of four million shillings or such other higher amount as may be provided for 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 shall be as determined by a report from 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) Disbursement of loans shall be subject to availability of money in the Fund.

### **Interest rate**

11. (1) A loan granted to a member of the scheme under these regulations shall carry an interest rate of three percent 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.

### **Repayment of loan**

12. A loan advanced under these regulations shall be repaid in full over a period not exceeding sixty months irrespective of whether the vehicle purchased is new or used.

### **Insurance**

13. (1) A member of the scheme shall comprehensively insure any vehicle purchased through the scheme with an approved insurer by the committee and shall submit evidence of the cover to the administrator.

(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 (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.

### **Loan discharge**

14. (1) Upon full repayment 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 certificate 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.

### **Administration of the Fund**

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 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 for the Fund 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 other 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 these Regulations 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.

### **Administration of the Fund by another Institution**

16. The Committee 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 30<sup>th</sup> April, 2026.

**Peter M. Kilonzo**

**County Executive Committee Member**

**FINANCE, ECONOMIC PLANNING AND REVENUE MANAGEMENT**