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LEGAL NOTICE NO. 3

THE PUBLIC FINANCE MANAGEMENT ACT

(No. 18 of 2012)

THE PUBLIC FINANCE MANAGEMENT (NYANDARUA COUNTY
AGRICULTURAL INSTITUTIONS) REVOLVING FUND REGULATIONS, 2022

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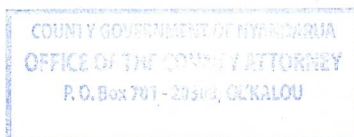
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THE PUBLIC FINANCE MANAGEMENT ACT

(No. 18 of 2012)

IN EXERCISE of the powers conferred by section 116 (1) of the Public Finance Management Act, 2012, the Nyandarua County Executive Committee member makes the following Regulations—

THE PUBLIC FINANCE MANAGEMENT (NYANDARUA COUNTY
AGRICULTURAL INSTITUTIONS) REVOLVING FUND REGULATIONS, 2022

PART I—PRELIMINARY

Citation

1. These Regulations may be cited as the Public Finance Management (Nyandarua County Agricultural Institutions) Revolving Fund Regulations, 2022.

Interpretation

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

“Act” means the Public Finance Management Act, 2012;

“Fund administrator” means the person designated as the Administrator of the Fund under regulation 7 and shall be the accounting officer of the Fund;

“agricultural institution” means a County Government institution dealing with either Crops, Livestock or Fisheries and includes Agricultural Training Center, Seed Potato Production Unit, Livestock or Fishery Production Unit, Soil or Animal Feed Laboratory, Agricultural Mechanization Station or other agricultural and livestock related institution that may be established after the passing of these Regulations;

“Committee” means the Nyandarua County Agriculture Institutions Revolving Fund Management Committee established under Regulation 7;

“County Executive Committee Member” means the County Executive Committee Member responsible for Finance;

“Fund” means the Nyandarua County Agricultural Institutions Revolving Fund established under Regulation 3;

“Seed potato production unit” means an establishment engaging high quality multiplication of clean seed potato employing tissue culture, aeroponics and hydroponics technologies.

PART II—ESTABLISHMENT OF THE FUND

Establishment of the Fund

3. There is established a Fund known as the Nyandarua County Agricultural Institutions Revolving Fund.

Object of the Fund

4. The object of the Fund is to—

- (a) improve efficiency and effectiveness on the management of the agricultural institutions within the county;
- (b) facilitate the establishment and maintenance of agricultural support services including—

- (i) seed potato production unit;
- (ii) agricultural laboratories;
- (iii) livestock support services; and
- (iv) fisheries support services;
- (c) promote development of agriculture and livestock through provision of subsidy programs; and
- (d) promote veterinary services including subsidized artificial insemination services.

Sources of the Fund

5. The Fund shall consist of—

- (a) funds as approved by the County Executive Committee and appropriated by the Nyandarua County Assembly.
- (b) revenue generated by the agricultural institutions from—
 - (i) sale of crops produce and value added crop products;
 - (ii) sale of livestock and livestock products;
 - (iii) charges from catering and accommodation services;
 - (iv) charges from hire of plant and machinery services;
 - (v) sale of seed potatoes or any other propagation materials from the seed unit;
 - (vi) charges from designs and surveying services;
 - (vii) hire of institution facilities;
 - (viii) sales from subsidized fertilizers;
 - (ix) charges arising from services offered by the County soil and feeds laboratory; and
 - (x) any other approved revenue streams;
- (c) revenue accrued from veterinary services i.e. Artificial Insemination (A.I) Services, Tick Control Services, livestock vaccinations and meat inspection services;
- (d) any gifts, donations, grants and endowments to the fund;
- (e) revenue accrued from sale of surplus and unserviceable assets;
- (f) annual replenished fund for subsidized services on need basis;
- (g) income from investments; and
- (h) money from any other source approved by the County Executive Committee.

Expenditures from the Fund

6. (1) There shall be paid out of the Fund payments in respect of any expenses incurred in pursuance of the objects and purpose for which the Fund is established.

(2) The expenditure on the Fund shall be on the basis of and limited to annual work programmes and cost estimates which shall be prepared by the Fund administrator at the beginning of every financial year and approved by the Committee.

(3) Any revision of the approved work programmes and of any cost estimates shall be approved by the Committee.

(4) Any expenditure related to administrative costs of the fund shall not exceed 3% of the Fund.

PART III — MANAGEMENT OF THE FUND

Establishment of the management Committee

7. (1) There is established a committee known as the Nyandarua County Agricultural Institutions Revolving Fund Management Committee.

(2) The Management Committee shall consist of—

- (a) the County Chief Officer responsible for Agriculture ;
- (b) the County Chief Officers responsible for Livestock and Fisheries;
- (c) the County Chief Officer responsible for Finance ;
- (d) the County Director of Veterinary Services;
- (e) the County Director of Agriculture;
- (f) the County Director of livestock production;
- (g) the County AMS Managers, appointed by County Executive Committee member in charge of Agriculture, Livestock and Fisheries;
- (h) the Agricultural Training Center Principals in the county appointed by the County Executive Committee Member in charge of Agriculture, Livestock and Fisheries;
- (i) head of the Seed Potato Production Unit in the County appointed by the County Executive Committee Member in charge of Agriculture, Livestock and Fisheries; and
- (j) the Fund Administrator who shall be the secretary and an *ex-officio* member appointed by the County Executive Committee Member in consultation with the County Executive Committee member Agriculture.

(3). The Committee shall be chaired and deputized alternatively by both the County Chief Officers responsible for Agriculture and Livestock and Fisheries each year interchangeably.

(4).The Committee may, with the approval of the County Executive Committee member, co-opt any other member for purposes of its meetings.

(5). The chairperson shall cast a second vote in case of a tie.

(6) There shall be a secretariat appointed by the County Executive Committee member from the already existing county staff to assist in the operation of the Committee.

Functions Committee.

8. The functions of the Committee with in relation to the Fund shall be to—

- (a) oversee the administration of the Fund;
- (b) recommend policies relating to the general administration and management of the Fund;
- (c) enter into agreement with other entities for the purposes of providing services for or on behalf of the Fund;
- (d) opening and closing of bank accounts in accordance with the Act;
- (e) prepare the annual estimates of revenue and expenditure of the Fund and submit to the County Executive Committee Member;
- (f) oversee the monitoring and evaluation of the programmes and activities of the Fund;
- (g) review the performance of the Fund and make recommendations to the Fund Administrator;
- (h) consider, review and approve the annual financial and non-financial statements of the Fund;
- (i) recommend the utilization of surplus funds to the County Executive Committee member;
- (j) liaise and advise with the County Executive Committee Member on matters relating to the administration of Fund; and
- (k) perform any other functions that may be assigned to it by the County Executive Committee Member.

Administration of the Fund.

9. (1) The Fund shall be administered by the Fund Administrator who shall be designated and *Gazetted* as an Accounting Officer by the Executive Member in charge of Finance.

(2) The Fund Administrator shall be under the general direction of the Committee and will—

- (a) supervise and control the administration of the Fund;
- (b) cause to be kept books of accounts and other books and records in relation to the Fund;
- (c) 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, 2012;
- (d) present the financial statements to the County Assembly in accordance with the Public Finance Management Act, 2012;
- (e) furnish such additional information as may be required for the purpose of examination and audit by the Auditor-General;
- (f) be the liaison point between the Committee and financial institution appointed under Regulation 7;

- (g) carrying into effect the decisions of the Committee;
- (h) day-to-day administration and management of the affairs of the Fund;
- (i) supervision of the activities related to the implementation of the Fund; and
- (j) the administration of the Fund based on work plans and budget.

(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.

(4) The Officer Administering the Fund shall be a senior public officer in the County Executive and be of good standing in his/ her profession.

(5) There shall be established a secretariat from the persons within the County public service who shall be appointed by the County Executive Committee member to assist the Fund Administrator in performing the administrative functions.

PART IV—OPERATION OF THE FUNDS

Disbursement procedure

10. The Committee shall develop the procedures for disbursement of approved funds under these Regulations.

PART V—FINANCIAL PROVISION

Bank accounts for the Fund

11. (1) The Fund Administrator shall cause accounts in the name of the Fund to be maintained for the Fund in a bank within the Republic of Kenya in line with the Act and any Regulations made thereunder.

(2) All moneys payable into the Fund shall be received into the bank accounts of the Fund.

(3) There shall be three signatories of the Fund Account. The Chief Officer for Finance and the Fund Administrator shall be the mandatory signatories of the Fund account and any other one out of three alternate members of the Committee.

Accruals at the end the Financial Year

12. The receipts, earnings and accruals of the Fund and its balances at the close of each financial year shall not be paid into the County Revenue Fund but shall be retained in the Fund in accordance with section 109 (2)(b) of the Act.

Expenditure of the Fund

13. The Committee shall ensure that in any financial year expenditure from the Fund shall not exceed the annual budget.

(2) The Fund Administrator shall ensure that no bank account of the Fund is overdrawn.

(3) The records of expenditure relating to the Fund shall be kept and maintained in accordance with the provisions of the Act and these Regulations.

Withdrawals from the Fund

14. Withdrawals from the Fund shall only be for purposes of promoting the objects and purpose for which the Fund is established and in accordance with the approved estimates of revenue and expenditure.

(2) The Fund shall be governed by all relevant financial and procurement laws and Regulations as applicable.

Annual estimates

15. (1) The Committee shall cause to be prepared estimates of the revenue and expenditure of the Fund for the next financial year as per the County annual budgeting cycle.

(2) The annual estimates shall make provision for all estimated revenues into and expenditures from the Fund for the financial year and in particular, the estimates shall provide for—

- (a) revenues projected to be received by the Fund from the sources of funds provided for under these Regulations; and
- (b) Expenditure of the Fund, including administrative expenses.

Annual reporting

15. (1) The Fund administrator of the Fund shall prepare financial statements for the fund for each financial year in the form prescribed by the Accounting Standards Committee.

(2) In preparing a financial statement for the Fund, the Fund administrator shall ensure that the report contains information on the financial and non-financial performance of the Fund.

(3) Not later than three months after the end of each financial year, the Fund administrator of the Fund shall submit the financial statements prepared under these Regulations to the Auditor General.

(4) The Fund Administrator shall submit a copy of the report to the County Executive Committee member.

Quarterly reports

17. (1) The Fund Administrator shall prepare quarterly financial and non-financial reports in accordance with the format prescribed by the Public Sector Accounting Standards Committee and the Act and submit them to the Committee for approval.

(2) In preparing the quarterly financial statement for the Fund, the Fund administrator shall ensure that the report contains information on the financial and non-financial performance of the Fund.

(3) Not later than fifteen days after the end of each quarter, the Fund administrator shall submit the quarterly report to the County Treasury and a copy to the Controller of Budget.

Accounts of the Fund

18. (1) The Committee shall cause to be kept all proper books and records of account of the income, expenditure, assets, equipment and properties of the Fund.

Audit of accounts

19. The accounts submitted under Regulations shall be audited by the Auditor General in accordance with the Constitution, the Act and the Public Audit Act.

PART VI—GENERAL PROVISIONS

Winding up of the Fund

20. (1) The winding up of the Fund shall be in accordance with the provisions of laws relating to winding up of public Funds.

(2) The Fund Administrator shall pay any amount remaining in the Fund into the County Revenue Fund for the credit of the county government.

(3) The County Executive Committee member shall pay any deficit in the Fund from the funds of the county government in the County Revenue Fund with the approval of the County Assembly.

(4) Assets other than cash of the Fund shall be transferred to the accounting officer responsible for matters relating to Agriculture.

(5) The County Executive Committee member shall submit a final statement of accounts to county assembly and to the Auditor-General for audit within six months from the date of the decision to wind up the Fund.

Offences and penalties

21. (1) A person who fails to give information or gives inaccurate or misleading information or falsifies information or misrepresents information required under these Regulations commits an offence and shall upon conviction be liable to imprisonment as provided for in the Law.

(2) A person who misappropriates any funds or assets of the Fund, or assists or causes any person to misappropriate or apply the funds otherwise than in the manner provided in these Regulations, commits an offence and shall, upon conviction, be liable to imprisonment as provided for in the Law.

Guidelines on the Fund administration

22. The County Executive Committee member may issue additional guidelines for the better administration of the Fund.

Made on the 19th October, 2022.

STEPHEN M. NJOROGE

County Executive Committee Member For Finance.