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LEGAL NOTICE NO.....

**THE PUBLIC FINANCE MANAGEMENT ACT, 2012  
(No. 18 of 2012)**

IN EXERCISE of the powers conferred by section 24 (4) of the Public Finance Management Act, 2012, the Cabinet Secretary for National Treasury makes the following Regulations—

**THE PUBLIC FINANCE MANAGEMENT (AFFIRMATIVE ACTION SOCIAL DEVELOPMENT FUND) REGULATIONS, 2014**

**ARRANGEMENT OF REGULATIONS**

- Citation. 1. These Regulations may be cited as the Public Finance Management (Affirmative Action Social Development Fund) Regulations, 2014.
- Interpretation. 2. In these Regulations, unless the context otherwise requires—
  - “affirmative Action” has the same meaning assigned to it under Article 260 of the Constitution;
  - “affirmative Action Groups” includes women, the youth, persons with disabilities, children and the elderly;
- No. 18 of 2012 “Accounting Officer” has the meaning assigned to it under section 2 of the Public Finance Management Act, 2012;
  - “Board” means the Affirmative Action Social Development Fund board constituted under regulation 8;
  - “County Committee” means the County Affirmative Action Social Development Fund Committee established under regulation 16;
  - “county coordinator” means a person appointed as a County Coordinator of the Fund under regulation 18;
  - “Chief Executive Officer” means the Chief Executive Officer of the Fund appointed under regulation 17;

“Cabinet Secretary” means the Cabinet Secretary for the time being responsible for matters relating to finance,

“County Women Representative Committee” means the National Assembly Committee of the County Women Representative established under regulation 28;

“Financial year” means the period of twelve months ending on the 30th June in each year,

“Fund” means the Affirmative Action Social Development Fund (AASDF) established under regulation 3,

No 18 of 2012 “Public Sector Accounting Standards Board” has the meaning assigned to it under section 2 of the Public Finance Management Act, 2012,

No 18 of 2012 “Revenue” has the meaning assigned to it in section 2 of the Public Finance Management Act, 2012,

“Youth” has the same meaning assigned to it under Article 260 of the Constitution, and,

“Woman” means a person of the female gender who is above eighteen years of age.

## PART II—ESTABLISHMENT OF THE FUND

Establishment of the Fund 3. (1) There is established Fund to be known as the Affirmative Action Social Development Fund which shall vest in and be operated and managed by the Board

Sources of the Fund 4. The Fund shall consist of—  
(a) such moneys as may be appropriated by the National Assembly from time to time,  
(b) grants and donations,  
(c) income generated from the proceeds of the Fund, and  
(d) any moneys accruing to or received by the Fund from any other source,

Expenditure of the Fund 5. (1) There shall be paid out of the Fund payments in respect of any expenses incurred in pursuance of the object and purpose for which the Fund is established.

(2) The expenditure incurred on the Fund shall be on the basis of and limited to annual work programmes and cost estimates which shall be prepared by the administrator of the Fund, and approved by the Board at the beginning of the financial year to which they relate

(3) Any revision of the approved annual work programme, and of any cost estimate, shall be referred to the Board for approval.

(4) Funds provided under these Regulations shall not be used for the purpose of supporting political parties or entities.

- Object and purpose of the Fund
6. (1) The object and purpose of the Fund is to complement the Constituency Development Fund with a special focus on the affirmative action groups
- (2) Without prejudice to the generality of paragraph (1), the object of the Fund is to provide for—
- (a) enhancement of access to financial facilities for women through grants for furtherance of economic empowerment initiatives such as but not limited to table banking, savings and credit cooperative organization's and market development and the amount allocated to this objective shall not exceed twenty (20%) of the total fund receipts
  - (b) support for value addition initiatives by the affirmative action groups which may include but not limited to establishment of light industries such as processing of honey and cold storage facilities, construction of storage facilities, construction of market stalls and market lights and promotion of culture through construction of cultural centres among others;
  - (c) socio-cultural development and nurturing of talent for the youth which may include but not limited to development and promotion of art, music spots among others
  - (d) enhancement of access to services for survivors of gender based violence, female genital mutilation and early child forced marriages through the provision of rescue centers, shelters, health facilities and legal aid amongst others.
  - (e) support affirmative action groups through bursaries and scholarships to access education opportunities and the amount allocated to this objective shall not exceed twenty (20%) of the annual total allocations of the Fund,
  - (f) establishment of rehabilitation and counselling centres for the control of drug and substance abuse and rehabilitation of persons affected by drug and substance abuse, in conjunction with the National Authority for the Campaign Against Alcohol and Drug Abuse,
  - (g) carry out civic education and community sensitization on government programmes and policies such as the 30% procurement reservations for women, youth and persons with disabilities, existence of other government social economic empowerment opportunities such as Uwezo Fund and Women Enterprise Fund and the amount allocated to this objective shall not exceed ten (10%) of the annual allocation of the Fund

(h) any other function necessary to give effect to any of the objects aforesaid

(3) The Fund shall perform its functions in conjunction with the relevant line government ministries and departments.

Guidelines on the Fund

7. The Board, in consultation with the County Women Representatives Committee, shall develop guidelines for the proper management of the Fund

### **PART III—ESTABLISHMENT AND COMPOSITION OF THE BOARD AND ADMINISTRATION OF THE FUND**

Establishment and composition of the Board

8 (1) There shall be established an incorporated board to be known as the Affirmative Action Social Development Fund (AASDF) Board.

(2) The Board shall consist of –

(a) The Principal Secretary in the Ministry for the time being responsible for national planning,

(b) The Principal Secretary in the National Treasury,

(c) The Principal Secretary in the ministry for the time being responsible for social security;

(d) One person to represent persons with disability and appointed by the Cabinet Secretary;

(e) one person to represent the youth and appointed by the Cabinet Secretary; and

(f) three other persons nominated and appointed by the Cabinet Secretary

(3) A person shall not be appointed under paragraph (2) (d-f) unless that person-

(a) holds a degree in social sciences from a university recognised in Kenya,

(b) has at least five (5) years of experience in the relevant area of expertise, and

(c) meets the requirements of Chapter Six of the Constitution

(4) Any appointment under paragraph (2) shall be in accordance with Article 27 of the Constitution

(5) The Chief Executive Officer shall be the Secretary to the Board

Functions of the Board

9. (1) The functions of the Board shall be to –

- (a) receive, review and approve project proposals submitted from the various counties in accordance with these Regulations for funding,
- (b) oversee management of the Fund;
- (c) oversee timely and efficient disbursement of the Fund,
- (d) receive, review and approve statutory and management reports of the Fund, and
- (e) perform such other duties as may be deemed necessary by the Cabinet Secretary from time to time for the proper management of the Fund

(2) The conduct and regulation of the business and affairs of the Board shall be as provided in the Schedule

Capital of the Fund 10. The initial capital of the Fund shall be two billion and thirty million shillings appropriated by Parliament in the financial year 2014/15

Fund disbursement 11.(1) Disbursements from the Board shall be done by the Board in consultation with the County Women Representative Committee established in accordance with regulation 28

(2) Each and every disbursement from the Fund shall be approved and minuted by the Board

(3) All disbursements from the Fund shall be for specific projects as submitted by the County Committee and approved by the Board in accordance with the procedures outlined in these Regulations.

(4) All disbursements shall be made through the “. . . County Affirmative Action Social Development Fund” bank accounts maintained for every county in accordance with these Regulations

(5) The record of the amounts received by each County Committee and the record of expenditure of amounts so received shall be submitted to the Board within thirty days after the close of the relevant financial year together with a copy of the relevant bank statements and no disbursements for the succeeding financial year shall be made into the accounts until the said records are duly received

(6) For avoidance of doubt, no disbursements for the succeeding month due to that County Committee shall be made into the “. . . County Affirmative Action Social Development Fund” bank account until full compliance with sub-regulation (4) above.

(7) The Board shall set out general conditions and requirements for release of funds to ensure efficient and effective delivery of services.

(8) The Board may impose reasonable requirements, including restrictions, on a particular county and such restrictions or requirements shall be reported together with the monthly returns to be submitted to the Cabinet Secretary in accordance with these Regulations

Retention of receipts

12. (1) All receipts, earnings and accruals to the Fund, and the balance of the Fund at the close of each financial year, shall be retained by the Fund for use for the purpose for which the Fund is established

(2) All funds allocated to a county committee shall be cumulative and shall be carried forward from one financial year to the next, including funds retained in the accounts in accordance with sub-regulation (1) above or funds which are not utilized for whatever reasons.

Emergency funds

13. (1) A portion of the Fund, equivalent to two (2%) per centum (hereinafter referred to as the “Emergency Reserve”) shall remain unallocated and shall be available to cover emergencies on affirmative action groups in line with the provisions of the Constitution and the Public Finance Management Act, 2012

No 18 of 2012

(2) The Board shall determine the allocation of the emergency reserve to each County AASDF Committee subject to meeting the thresholds under paragraph (1).

Application of Government Financial Regulations and procedures

14. Subject to the provisions of the Act, existing Government Financial Regulations and Procedures shall apply in the administration of the Fund.

Administration of the Fund

15. (1) The accounting officer of the State Department for the time being responsible for the matters relating to planning shall be designated as the administrator of the Fund.

(2) The administrator of the Fund shall-

(a) open and operate a bank account at the Central Bank of Kenya or a bank to be approved by the National Treasury;

(b) supervise and control the administration of the Fund;

No 12 of 2003

- (c) consult with the Cabinet Secretary and the Board on matters relating to the administration of the Fund;
  - (d) cause to be kept proper books of accounts and other books and records in relation to the Fund, of all activities and undertakings financed from the Fund;
  - (e) 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 and submit a copy to the National Treasury and the statements shall be prepared in such a manner as the Public Sector Accounting Standards Board shall prescribe,
  - (f) furnish additional information which is proper and sufficient for the purpose of examination and audit by the Auditor-General in accordance with the provisions of the Public Audit Act; and
  - (g) prepare a quarterly report on the receipts into and issues out of the Fund and submit it to the Cabinet Secretary for gazettment by the 21<sup>st</sup> of every fourth month
- (3) Every statement of account shall include details of the balance 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) Each year, five (5%) per centum of the annual allocation to the Fund shall be set aside for the Fund Secretariat, of which three (3%) per centum shall be shared to all County Committees in accordance with the set criterion for sharing of funds under these regulations
- (5) At the commencement of these regulations, amount totalling Kenya shillings five hundred million (Kshs 500 Million) shall be set aside for purchase of vehicles for use by the Fund Secretariat and for each County Secretariat.
16. (1) There shall be established a committee to be known as the County Affirmative Action Social Development Fund Committee for every county
- (2) The County Committee shall—
- (a) ensure that the projects funded under these Regulations comply with the objects and purposes set out in these Regulations;
  - (b) ensure compliance with guidelines on the disbursement of funds for projects approved under these Regulations,

Establishment of  
County Affirmative  
Action Social  
Development Fund  
Committee

- (c) oversee the implementation of projects financed through the Fund,
  - (d) oversee the monitoring and evaluation of projects and programmes being undertaken at the county and funded under these Regulations,
  - (e) identify, through a participatory process, projects to be funded,
  - (f) receive proposals generated through a participatory process, review them and recommend them for approval by Board for funding
  - (g) prepare quarterly and yearly reports on the operations of the Fund;
  - (h) sensitize the community on the objects and purpose of the Fund;
  - (i) ensure projects recommended for funding are guided by the national development priorities and are not duplicative; and
  - (j) perform any other function required under these Regulations or any other written law
- (3) Each County Committee shall consist of—
- (a) one person each, from each of the constituency in the county nominated through a participatory process, who shall have the following minimum qualifications-
    - (i) is a citizen of Kenya,
    - (ii) holds a minimum of post-secondary certificate from an institution recognized in Kenya,
    - (iii) has at least three years' experience in matters relating to the rural development or affirmative action social development
    - (iv) meets the requirements of Chapter Six of the Constitution,
  - (b) a representative of persons with disability nominated by the county women representative who shall meet all the requirements under paragraph (a),
  - (c) the county commissioner or his or her nominee appointed in writing by him or her
  - (d) the national government officer in charge of a county responsible for gender affairs or his or her nominee appointed in writing by him or her



- (e) the county co-ordinator, who shall be an *ex-officio* member, and who shall be the secretary to the Committee
- (d) the County Women Representative, who shall be an *ex-officio* member
- (4) The quorum at the meeting of the County Committee shall be one-third of the members of the Committee, and decisions at a meeting of the Committee shall be majority of those present and voting
- (5) The County Committee shall, at its first meeting, elect a chairperson and the vice-chairperson from among its members, who shall be of opposite gender
- (6) The County Women Representative shall convene the first meeting and preside over the election of the Chairperson and the Vice Chairperson as well as file a return to the Fund Board Secretariat.
- (7) Members of the County Committee shall be appointed by notice in the Gazette by the Cabinet Secretary and shall serve for a term of three years.
- (8) A person shall cease to be a member of the County Committee—
  - (a) if the person resigns from office,
  - (b) is removed from office by the vote of more than half of the members of the Committee on any one or more of the following grounds—
    - (i) lack of integrity;
    - (ii) gross misconduct,
    - (iii) embezzlement of public funds,
    - (iv) bringing the image of the committee into disrepute through inappropriate conduct;
    - (v) causing disharmony within the committee,
    - (vi) physical or mental infirmity
- (9) A member of the County Committee, other than *ex-officio* member, shall hold office for a term of three years, but may be removed at any time by the patron of the Committee in consultation with the Committee
- (10) A decision to remove a member under paragraph (6)(b) shall be made through a resolution of at least two thirds of the members of the County

Committee and the member sought to be removed shall be given a fair hearing before the resolution is made.

(11) Whenever a vacancy occurs in the County Committee by reason of resignation, incapacitation or death of a member appointed pursuant to paragraph (3) (a) or (b), then the vacancy shall be filled from the same category of persons where the vacancy has occurred.

(12) The County Women Representative shall be the patron of the Fund at the county level

Chief executive officer

17. (1) There shall be a chief executive officer of the Fund who shall be appointed by the Board

(2) The chief executive officer of the Fund shall be recruited through a competitive process and appointed by the Board subject to the provisions of Article 234 (5) of the Constitution.

(3) A person to be appointed as the Chief Executive Officer under this regulations shall meet the following minimum requirements-

(i) is a citizen of Kenya,

(ii) holds a degree in social sciences from a university recognized in Kenya,

(iii) has at least five years' experience in matters relating to the rural development or affirmative action social development; and

(iv) meets the requirements of Chapter Six of the Constitution,

(4) A person appointed as the Chief Executive Officer under this regulation, shall serve for one term of three years, which may be renewed a further term of three years

(5) The Chief Executive Officer shall only be subject to the directions of the Board and shall be responsible for the day to day administration of the affairs of the Fund including the staff of the Board

Secretariat of the County Committee

18. (1) There shall be a secretariat of the County Committee in each county which shall consist of—

(a) a county coordinator, appointed by the Board from that county in consultation with the County Women Representative from that county,

(b) an evaluation officer appointed by the Board, and

- (c) such other staff as may be deemed necessary but who shall not exceed three officers, appointed by the Board
- (2) Appointments under paragraph (1) shall be through an open and competitive process
- (3) A person shall not be appointed as a county coordinator unless that person holds as minimum qualification degree in accountancy, finance, economics, social sciences with a certificate in project management being an added advantage
- (4) The county coordinator shall be the custodian of all records and equipment of the Fund at the county level
- (5) The staff shall be responsible for project monitoring evaluation, co-ordination and proper keeping of records

**PART IV—PROJECTS**

Projects to be community-based

- 19. (1) Projects under these Regulations shall be community-based and shall ensure that the prospective benefits are available to a widespread cross-section of the inhabitants of a particular area.
- (2) Projects referred to under paragraph (1) shall be identified at the constituency level through a participatory process
- (3) Despite the provisions under paragraph (2), the community based projects may be identified from the County Integrated Development Plan
- (4) Any funding under these Regulations shall be for a complete project or a defined phase, of a project and may include the acquisition of land and buildings
- (5) All projects shall be projects as defined under these Regulations and may include costs related to studies, planning and design or other technical input for the project but shall not include recurrent costs of a facility

Submission of project proposals

- 20. (1) The County Committee shall, once every year, through public notices in all wards within the county, invite interested members of the public to submit proposals for funding
- (2) Upon receipt of a proposal for funding, the County Committee shall consider all the proposals received, compile, review and recommend to the Board for approval of the projects to be funded during a particular period, while ensuring no duplication

(3) After the County Committee has recommended the projects for approval by the Fund Board, the county co-ordinator shall forward them to the Chief Executive Officer for tabling before the Board for approval and funding

(4) Upon application by the County Committee, the Board may re-allocate funds set aside for a project to another project in the same sector, up to a maximum limit of ten per centum (10%) during a financial year

Sharing of funds at the county level

21. (1) Of the funds allocated to a county, less the administration and monitoring and evaluation costs, fifty percent (50%) may be distributed equally among the constituencies in the county, while fifty per cent (50%) may be allocated for county-wide projects

(2) Allocation of funds to the constituencies shall be done proportionately among all constituencies

Quarterly reports on projects and disbursements

22. The Board shall, on a quarterly basis, submit a report to the National Assembly Committee established under regulation 28 of these Regulations detailing—

(a) a summary of the project proposals approved by the Board in the preceding quarter as recommended by the County Committee and indicating the funding status of such projects, if any;

(b) a summary of the status of disbursements of funds to the County Affirmative Action Social Development Fund bank Account for that preceding quarter,

(c) a summary of the status of disbursements from the Ministry of Planning and Devolution to the National Fund Account; and

(d) any restriction imposed on a County Affirmative Action Social Development Fund bank Account in accordance with these Regulations

Eligibility criteria for applicants

23. (1) Applicants shall qualify for Fund grant under regulation 6 (2) (a) if-

(a) for a group -

(i) is registered with the department of social services, Cooperatives or the Registrar of Societies;

(ii) is a women's group which shall be made up of a minimum membership of two hundred (200) women members,

(iii) is based and operational at the constituency level it seeks to make an application for consideration,

- (iv) operates a table banking structure or any other group fund structure where members make monthly or quarterly contributions according to the groups' internal guidelines (evidence of monthly contributions shall be a requirement),
  - (v) has a bank account in the name of the group,
  - (vi) should have a minimum amount of its funding up to three hundred thousand shillings (Kshs. 300,000); and
  - (vii) The grant is to boost the objects of the Sacco, co-operative or table banking group for the benefit of women
- (b) for an institution-
- (i) is a registered entity,
  - (ii) has listed women groups within it
  - (iii) group should have a minimum amount of its funding up to three hundred thousand shillings (Kshs. 300,000); and
  - (iv) The grant is to boost the objects of the Sacco, co-operative or institution and should be revolved among women groups residing in that county
- (2) An application for the funds shall be accompanied by a resolution of a proper constituted meeting and the resolution shall minuted
- (3) The Committee shall, on behalf of the Government, enter into an agreement with the identified beneficiary groups on the terms of revolving the grant prior to release of funds through signing a prescribed form

## PART V—FINANCE AND ADMINISTRATION

" County  
Affirmative Action  
Social Development  
Fund Account"

24. (1) For the purpose of disbursement of funds under these Regulations, there shall be opened and maintained a bank account styled "... County Affirmative Action Social Development Fund Account" bank account for every county, which shall be a national government bank account, at the Central Bank of Kenya or a commercial bank approved by the National Treasury, into which all funds shall be kept and such an account shall be known by the name of the county for which it is opened and each county shall maintain only one account.
- (2) The County Committee may recommend to the Board a suitable bank with which to open a County Affirmative Action Social Development Fund bank Account referred to in sub-regulation (1), and the Board, upon receipt of the proposal, the Board shall refer it to the National Treasury for review and approval

- (3) The bank account opened pursuant to sub-regulation (1), shall be separate from that of the County Treasury and its signatories shall be the national sub-county accountant and the county fund manager or the chairperson of the County Committee
- (4) At least two signatories shall be required for every cheque or instrument for actual payment or withdrawal of funds from Fund account and the signing instructions shall be such that-
  - (a) the sub-county accountant is a mandatory signatory; and
  - (b) either of the two signatories may sign
- (5) The county coordinator shall hold the authority to incur expenditure of the funds at the . . . County Affirmative Action Social Development Fund bank Account.
- (6) Every payment or instruction for payment out of the . . . . .County Affirmative Action Social Development Fund bank Account shall be strictly on the basis of a minuted resolution of the County Committee and shall be fully supported by a payment voucher with full narration of the transaction.
- (7) All receipts, savings and accruals to the . . . . .County Affirmative Action Social Development Fund bank Account and the balances thereof at the end of each financial year shall be returned to the Fund Account
- (8) All unutilized funds shall remain in the . . . . .County Affirmative Action Social Development Fund bank Account and no investment elsewhere shall be permitted, provided that funds meant for a project that is cancelled or discontinued shall be returned to the Fund Account
- (9) All unutilized funds shall be returned to the . . . . .County Affirmative Action Social Development Fund Bank Account
- (10) Any accruing revenues, interest and liabilities from any . . . . .County Affirmative Action Social Development Fund bank Account shall be declared to the Board together with the annual returns

Bank account of the Fund

25. (1) A bank account of the Fund shall be opened and maintained at the Central Bank of Kenya.
- (2) The signatories to the Fund account under sub-regulation (1) above, shall be the Chief Executive Officer and two other persons authorized by the Board from amongst the staff of the Board Secretariat.
- (3) The signing instructions shall be such that the signature of the Chief Executive Officer shall be mandatory on all payment cheques and instruments intended for actual release of money from the fund, plus any one of the other two Fund account signatories

Record of disbursements to be kept

- 26 (1) An accurate record of all disbursements made for projects to every County Affirmative Action Social Development Fund bank Account shall be kept and updated every month by the Board Secretariat.
- (2) The disbursement of funds to the County Affirmative Action Social Development Fund bank Account shall be effected at the beginning of the first quarter of each financial year with an initial amount equivalent to twenty-five per centum of the annual allocation for the county and thereafter subject to approval by the Board,
- (3) The Chief Executive Office shall submit to the Board an annual report on the Fund activities, operations and expenditure under these Regulations.
- (4) At the end of every financial year, the Chief Executive Office shall submit separate accounts of the counties to the Board, before submission to the Auditor-General.

**PART VI—MISCELLANEOUS PROVISIONS**

Costs of running the Fund

- 27. (1) The administration costs for running the Fund and related purposes at the county level shall not be more than five per centum (5%) of the total allocation to the county

- (2) Despite the provisions under sub-regulation (1) above, the costs of monitoring and evaluation shall not be more than two per centum (2%) of the total allocation

No 12 of 2003  
No 18 of 2012

- (3) The accounts of the Fund shall be audited and reported upon in accordance with the Public Audit Act, 2003 and the Public Finance Management Act, 2012

County Women Representative National Assembly Committee

- 28 (1) The National Assembly shall establish a County Women Representative Committee on the Affirmative Action Social Development Fund which shall consist of thirteen members of the National Assembly who are elected county women representatives consisting of a chairperson and not more than twelve other members
- (2) In determining the membership of the National Assembly Committee, the National Assembly shall ensure proportionate representation of the Parliamentary Political Parties.
- (3) The procedures and rules for the operations of the National Assembly Committee shall be governed by the Standing Orders of the National Assembly
- (4) The functions of the County Women Representative Committee shall be to --

- (a) consider and recommend to the National Assembly any matter requiring action by the National Assembly pursuant to the provisions of these Regulations,
- (b) oversee the implementation of these Regulations and in this respect, shall annually submit a report to the National Assembly and where necessary, propose any amendments to these regulations, in particular, with respect to the quantum of funds repayable into the Fund in accordance with regulation 4 of these regulations,
- (c) to oversee the policy framework and legislative matters that may arise in relation to the Fund,
- (d) to continually examine the framework and structures established under the Fund to ensure efficient delivery of programmes financed through the Fund; and
- (e) to carry out any other functions relevant to the work of the Fund as may be assigned by the National Assembly.

(5) The Committee may submit reports other than the statutory reports required under the Public Finance Management Act and these regulations to appraise the National Assembly on various matters relating to the Fund and to seek various approvals as required by the Regulations.

Offence and 29. Any person who misappropriates any funds or assets from the Fund, or penalty 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 for a term not less than five years or to a fine not exceeding ten million shillings or to both

Winding-up of the Fund 30. In the event of winding up of the Fund, the cash balances shall be transferred to the National Exchequer Account while other assets of the Fund shall be transferred to the Ministry for the time being responsible for matters relating to planning.



### CONDUCT OF THE BUSINESS AND AFFAIRS OF THE BOARD

- |                       |   |
|-----------------------|---|
| Tenure of Office      | 1. Members of the Board appointed under these Guidelines shall, subject to the provisions of this Schedule, hold office for a term of three years, on such terms and conditions as may be specified in the instrument of appointment but shall be eligible for re-appointment for a further term of three years.  |
| Vacation of office    | <p>2. A Member of the Board, other than <i>ex-officio</i> member, may—</p> <p>(a) at any time resign from office by notice in writing to the Cabinet Secretary,</p> <p>(b) be removed from office by the Cabinet Secretary, if the member—</p> <ul style="list-style-type: none"> <li>(i) has been absent from three consecutive meetings of the Board without permission from the chairperson;</li> <li>(ii) is adjudged bankrupt or enters into a composition scheme or arrangement with his creditors,</li> <li>(iii) is convicted of an offence involving dishonesty or fraud;</li> <li>(iv) is convicted of a criminal offence and sentenced to imprisonment for a term exceeding six months,</li> <li>(v) is incapacitated by prolonged physical or mental illness, or</li> <li>(vi) is otherwise unable or unfit to discharge his functions</li> </ul>                     |
| Meetings of the Board | <p>3. (1) The Board shall meet not less than four times in every financial year and not more than four months shall elapse between the date of the next meeting</p> <p>(2) Unless three quarters of the total members of the Board otherwise agree, at least fourteen days written notice of every meeting of the Board shall be given to every member of the Board</p> <p>(3) The quorum for the conduct of the business of the Board shall be five members excluding the Secretary, of whom the majority of shall be from amongst the non <i>ex-officio</i> members</p> <p>(4) The chairperson shall preside at every meeting of the Board at which he or she is present but in his or her absence, the members present shall elect one of their number who shall, with respect to that meeting and the business transacted thereat, have all the powers of the chairperson</p> |

(5) Unless a unanimous decision is reached a decision on any matter before the Board shall be reached by consensus

(6) Subject to subparagraph (3), no proceedings of the Board shall be invalid by reason only of a vacancy among the members thereof

(7) Subject to the provisions of this Schedule, the Board may determine its own procedure and the procedure for any committee of the Board and for the attendance of any other persons at its meetings and may make standing orders in respect thereof.

Disclosure of Interest

4. (1) If a member is directly or indirectly interested in any contract, proposed contract or other matter before the Board and is present at a meeting of the Board at which the contract, proposed contract or other matter is the subject of consideration, he or she shall, at the meeting and as soon as practicable after the commencement thereof, disclose the fact and shall not take part in the consideration or discussion with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter

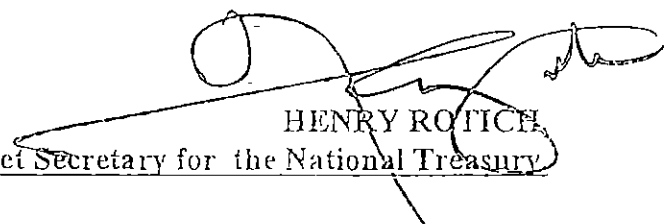
Provided that if the majority of the members present are of the opinion that the experience or expertise of that member is vital to the deliberations of the meeting, the Board may permit the member to participate in the deliberations subject to such restrictions as it may impose

(2) A disclosure of interest made under this paragraph shall be recorded in the minutes of the meeting at which it is made

Minutes

5. The Board shall cause minutes of all proceedings of meetings of the Board to be entered in books for that purpose

Made 21<sup>st</sup> November, 2014

  
HENRY ROTICH  
Cabinet Secretary for the National Treasury