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REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY


THIRTEENTH PARLIAMENT SECOND SESSION (2023)

COMMITTEE ON DELEGATED LEGISLATION

REPORT ON THE CONSIDERATION OF THE PUBLIC FINANCE MANAGEMENT  
(ULINZI PRIME HEALTH SERVICES FUND) REGULATIONS, 2023

(LN. NO 175 OF 2023)

DECEMBER 2023

 THE NATIONAL ASSEMBLY PAPERS TAD	
DATE: 05 DEC 2023	DAY: Tuesday
TABLED BY:	Hon. Samuel Chepkonga. (Chairperson, Delegated Legislation Committee)
CLERK AT THE TABLE:	Inzofu Mwale

*The Directorate of Audit, Appropriations & other Select Committees*

The National Assembly

Parliament Buildings

NAIROBI



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## **ABBREVIATIONS AND ACCRONYMS**

<b>DCHS</b>	Defence College of Health Sciences
<b>DEFCO</b>	Defence Forces Canteen Organization
<b>DEFMIS</b>	Defence Forces Medical Insurance Scheme
<b>DFMH</b>	Defence Forces Memorial Hospital
<b>FRRH</b>	Forces Research and Referral Hospital
<b>KDF</b>	Kenya Defence Force
<b>KSL</b>	Kenya Shipyards Limited
<b>LRH</b>	Lanet Regional Hospital
<b>LN</b>	Legal Notice
<b>MOD</b>	Ministry of Defence
<b>NRH &amp; ERH</b>	Nairobi and Eldoret Regional Hospitals
<b>NDU-K</b>	National Defence University- Kenya
<b>PFM</b>	Public Finance Management
<b>PSO</b>	Peace Support Operations
<b>RMA</b>	Regulatory Making Authority
<b>SI</b>	Statutory Instruments
<b>SO</b>	Standing Order

## CHAIRPERSON'S FORWARD

The Public Finance Management (Ulinzi Prime Health Services Fund) Regulations, 2023 (“the Regulations”) were made vide *LN. No. 175 of 2023* pursuant to powers conferred on the Cabinet Secretary for the National Treasury and Planning under section 24(4) of the Public Finance Management Act, 2012 hence, is a statutory instrument within the meaning of section 2 of the Statutory Instruments Act (2023).

The Regulations were published in the Gazette on 31<sup>st</sup> October, 2023, and received by the Clerk of the National Assembly on 8<sup>th</sup> November, 2023. They were tabled before the House on 15<sup>th</sup> November, 2023, being within the statutory timelines contemplated under section 11(1) of the Statutory Instruments Act and committed to the Committee on Delegated Legislation for consideration.

The purpose of this Statutory Instrument is to establish a fund to be known as the **Ulinzi Health Services Fund** whose purpose and object is to finance the provision of medical and health services to paying clients of the Kenya Defence Forces (KDF) hospital facilities across the country. Further, and in particular, the Fund shall be used to:

- (a) facilitate the establishment, modernization, operationalization and maintenance of the KDF hospital facilities;
- (b) fund research and training for the purpose of improving the quality of health services offered by the KDF hospital facilities;
- (c) facilitate the purchase of equipment and drugs for the KDF hospital facilities;
- (d) provide funds for administration expenses including payment of salaries, allowances, pensions, gratuity and other charges for its employees; and
- (e) provide any other funding that may be necessary to further the object of the Fund.

Pursuant to section 16 of the Statutory Instruments Act, 2013 which requires the Committee to confer with the regulation-making authorities before making its decision, the Committee held a meeting with the National Treasury and Economic Planning and the Ministry of Defence on Friday, 1<sup>st</sup> December, 2023 to deliberate on the Regulations.

Having examined the Public Finance Management (Ulinzi Prime Health Services Fund) Regulations, 2023 against the Constitution, the Statutory Instruments Act, 2013, the Public Finance Management Act, 2012, and the Interpretation and General Provisions Act (Cap 2), the Committee resolved to recommend that the House **APPROVES the Public Finance Management (Ulinzi Prime Health Services Fund) Regulations, 2023(L.N. No. 175 of 2023).**

I wish to most sincerely thank the Speaker and the Office of the Clerk of the National Assembly for the invaluable support accorded to the Committee in the discharge of its mandate. I also wish

to thank the Committee Membership for their diligence during the consideration of these Regulations.

On behalf of the Members of the Committee on Delegated Legislation and pursuant to Standing Order 210, it is my pleasure and duty to present to the House, the Committee's ***Report on the Consideration of the Public Finance Management (Ulinzi Prime Health Services Fund) Regulations, 2023 (LN. No. 175 of 2023).***

**HON. CHEPKONGA KIPRONO SAMUEL, CBS, MP.**

## 1.0 PREFACE

### 1.1 Establishment and Mandate of the Committee

1. The Select Committee on Delegated Legislation is established under *Standing Order No. 210* of the National Assembly Standing Orders and is mandated to consider statutory instruments submitted to Parliament for consideration. The Committee is expected to consider in respect of any statutory instrument, whether it is in accord with the provisions of the Constitution, the Act pursuant to which it is made or other relevant written laws.
2. The Committee is mandated to consider in respect of any statutory instrument, whether it:
  - a) is in accordance with the provisions of the Constitution, the Act pursuant to which it is made or other relevant written laws;
  - b) infringes on fundamental rights and freedoms of the public;
  - c) contains a matter which in the opinion of the Committee should more properly be dealt with in an Act of Parliament;
  - d) contains imposition of taxation;
  - e) directly or indirectly bars the jurisdiction of the Courts;
  - f) gives retrospective effect to any of the provisions in respect to which the Constitution or the Act does not expressly give any such power;
  - g) involves expenditure from the Consolidated Fund or other public revenues;
  - h) is defective in its drafting or for any reason the form or purport of the statutory instrument calls for any elucidation;
  - i) appears to make some unusual or unexpected use of the powers conferred by the Constitution or the Act pursuant to which it is made;
  - j) appears to have had unjustifiable delay in its publication or laying before Parliament;
  - k) makes rights, liberties or obligations unduly dependent upon non-reviewable decisions;
  - l) makes rights, liberties or obligations unduly dependent insufficiently defined administrative powers;
  - m) inappropriately delegates legislative powers;
  - n) imposes a fine, imprisonment or other penalty without express authority having been provided for in the enabling legislation;
  - o) appears for any reason to infringe on the rule of law;
  - p) inadequately subjects the exercise of legislative power to Parliamentary scrutiny; and
  - q) accords to any other reason that the Committee considers fit to examine.

## 1.2 Committee Membership

3. The Committee membership comprises –

### **Chairperson**

**Hon. Chepkonga Kiprono Samuel, CBS, M.P.**

Ainabkoi Constituency

**UDA**

### **Vice-Chairperson**

**Hon. Githinji Robert Gichimu, M.P.**

Gichugu Constituency

**UDA**

### **Committee Members**

**Hon. Mbui Robert, CBS, M.P**

Kathiani Constituency

**WDM-Kenya**

**Hon. (Maj) (Rtd) Dekow Barrow Mohamed,  
M.P**

Garrisa Township Constituency

**UDA**

**Hon. Julius Lekakeny Ole Sunkuli, EGH,  
EBS, M.P.**

Kilgoris Constituency

**KANU**

**Hon. Kamene Joyce, M.P**

Machakos County

**WDM-Kenya**

**Hon. Onchoke, Mamwacha Charles, M.P.**

Bonchari Constituency

**UPA**

**Hon Kimaiyo, Gideon Kipkoech, M.P.**

Keiyo South Constituency

**UDA**

**Hon. Komingoi, Kibet Kirui, M.P.**

Bureti Constituency

**UDA**

**Hon. Chebor, Paul Kibet, M.P**

Rongai Constituency

**UDA**

**Hon. Yakub Adow Kuno, M.P**

Bura Constituency

**UPIA**

**Hon. (Maj) (Rtd) Abdullahi, Bashir Sheikh,  
M.P.**

Mandera North Constituency

**UDM**

**Hon. Mwirigi John Paul, M.P.**

Igembe South Constituency

**Hon. Odoyo, Jared Okello, M.P.**

Nyando Constituency

**UDA**

**Hon. Chepkorir Linet, M.P.**

Bomet County

**UDA**

**Hon. Ruku, Geoffrey Kariuki Kiringa,  
M.P.**

Mbeere North Constituency

**DP**

**Hon. Mwale, Nicholas S. Tindi M.P.**

Butere Constituency

**ODM**

**Hon. Mugabe Innocent Maino, M.P.**

Lukuyani Constituency

**ODM**

**ODM**

**Hon. Munyoro Joseph Kamau, M.P**

Kigumo Constituency

**UDA**

**Hon. Lenguris Pauline, M.P.**

Samburu County

**UDA**

**Hon Mnyazi Amina Laura, MP.**

Malindi Constituency

**ODM**



### 1.3 Committee Secretariat

4. The secretariat facilitating the Committee comprises –

**Ms. Esther Nginyo**  
*Clerk Assistant I (Team Leader)*

Mr. Dima Dima  
*Principal Legal Counsel I*

Mr. Jacknorine Buleemi  
*Clerk Assistant III*

Ms. Winny Otieno  
*Clerk Assistant III*

Mr. Brian Langwech  
*Clerk Assistant III*

Ms Fiona Wanjiru  
*Legal Counsel II*

Mr. Daniel Ominde  
*Research Officer III*

Mrs. Sheila Chebotibin  
*Serjeant at Arms*

Mr. Charles Ayari  
*Audio Officer*

## **2.0 CONSIDERATION OF THE PUBLIC FINANCE MANAGEMENT (ULINZI PRIME HEALTH SERVICES FUND) REGULATIONS, 2023 (L.N. NO. 175 OF 2023)**

### **2.1 Introduction**

5. The Public Finance Management (Ulinzi Prime Health Services Fund) Regulations, 2023 (L.N. No. 175 of 2023) were made pursuant to the powers conferred on the Cabinet Secretary for the National Treasury and Planning under section 24(4) of the Public Finance Management Act, 2012 (No. 18 of 2012) hence, is a statutory instrument within the meaning of section 2 of the Statutory Instruments Act (No. 23 of 2023).
6. The Regulations were published in the Gazette on 31<sup>st</sup> October, 2023, and received by the Clerk of the National Assembly on 8<sup>th</sup> November, 2023 and was tabled before the House on 15<sup>th</sup> November, 2023, being within the statutory timelines contemplated under section 11(1) of the Statutory Instruments Act. They were subsequently transmitted to the Committee on Delegated Legislation for consideration.
7. Pursuant to section 16 of the Statutory Instruments Act, 2013 which requires the Committee to confer with the regulation-making authorities before making its decision, the Committee held a meeting with the National Treasury and Economic Planning and the Ministry of Defence on Friday, 1<sup>st</sup> December, 2023 to deliberate on the Regulations.

### **2.2 Object and Purpose of the Regulations**

8. The purpose of this Statutory Instrument is to establish a fund to be known as the Ulinzi Health Services Fund whose purpose and object is to finance the provision of medical and health services to paying clients of the Kenya Defence Forces (KDF) hospital facilities across the country.
9. Further, and in particular, the Fund shall be used to:
  - (a) facilitate the establishment, modernization, operationalization and maintenance of the KDF hospital facilities;
  - (b) fund research and training for the purpose of improving the quality of health services offered by the KDF hospital facilities;
  - (c) facilitate the purchase of equipment and drugs for the KDF hospital facilities;
  - (d) provide funds for administration expenses including payment of salaries, allowances, pensions, gratuity and other charges for its employees; and
  - (e) provide any other funding that may be necessary to further the object of the Fund.

### **2.3 Policy Context and Rationale for the Public Finance Management (Ulinzi Prime Health Services Fund) Regulations, 2023 (LN. No. 175 of 2023)**

10. In fulfilling its mandate to the troops and their dependents; and, in contributing towards the Universal Health Coverage, KDF has expanded and modernized its medical facilities to include Levels IV, V and VI hospitals.
11. Nairobi and Eldoret Regional Hospitals (NRH & ERH) each with 150-bed capacity, Isiolo Regional Hospital (IRH) with a 110-bed capacity have been completed and operationalized. Construction of the Lanet Regional Hospital (LRH) which is also a 150-bed capacity is ongoing. Defence Forces Memorial Hospital (DFMH) is categorized at Level V and will have a 300-bed capacity on completion of scheduled modernization. Construction of a Level VI Forces Research and Referral Hospital (FRRH) with a 700-bed capacity and expected to be completed in 2025.
12. Provision of at least 50% of KDF hospitals' bed capacity for use by civilians, will provide UPHS with a total of 780 in-patient bed capacity distributed in regions as follows: Nairobi region 225 beds (Specialized medical services at DFMH 150 and NRH 75), Isiolo region 55 beds, Eldoret region 75 and Nakuru region 75 beds and FRRH 350 bed.
13. Opening up these facilities necessitates the establishment of the Fund with KDF Medical System. The management of the Fund will be supervised by an Advisory Board that shall be responsible to the Defence Council for overseeing the day to day running of the affairs of the fund.
14. Increasing KDF medical operational costs occasioned by expansion of its medical services, increased KDF population, technological advancements, inflation, new emerging diseases and newer treatment modalities shall demand more budgetary allocations from the already dwindling resources.
15. UPHS will also provide a larger and diverse clientele in order to boost hands-on opportunities for learners, facilitate training in specialization and super-specialization and further increase research opportunities for betterment of healthcare under Defence College of Health Sciences (DCHS), a constituent college of National Defence University-Kenya (NDU-K) as well as the Level VI Research and Referral Hospital.
16. Targeted clientele is KDF Veterans covered under the Defence Forces of Defence; and civilian staff employed by Defence Forces Canteen Ordnance Factories Ltd (KOFC), Kenya Shipyards Limited (KSL) and other Semi-Autonomous Government Agencies under MOD.
17. Other beneficiaries will include personnel from other security agencies personnel and civilians

## **2.4 Summary of the Public Finance Management (Ulinzi Prime Health Services Fund) Regulations, 2023 (LN. No. 175 of 2023)**

18. **Regulations 1 and 2** are preliminary provisions which includes the citation and interpretation while regulation 3 establishes the Ulinzi Prime Health Service Fund.
19. **Regulation 4** outlines the purpose of the Fund is to finance medical services for paying clients at KDF hospital facilities. This includes supporting facility establishment, modernization, operation, and maintenance, funding research and training, purchasing equipment and drugs, covering administration expenses, and providing necessary funding for the Fund's objectives.
20. **Regulation 5** allows Fund payments for expenses related to its objectives. Expenditure is based on annual plans and cost estimates prepared by the Fund Administrator, necessitating approval from the Defence Council at the start of each financial year.
21. **Regulation 6** provides that the earnings or accruals to the Fund shall be retained and spent exclusively for its objects and purposes.
22. **Regulation 7** provides that the initial capital of the Fund shall be as appropriated by the National Assembly for the KDF hospital facilities or from any other source.
23. **Regulation 8** provides for the role of Defence Council in overseeing the functioning of the Fund. This includes providing policy and direction, approving expenditure and revenue estimates before submission to the Cabinet Secretary, and considering recommendations from the Advisory Board for policy guidance.
24. **Regulation 9** establishes the Ulinzi Prime Health Services Fund Advisory Board to provide technical oversight on behalf of the Defence Council.
25. **Regulation 10** provides for the meetings of the Advisory Board.
26. **Regulation 11** outlines the functions of the Board, including providing technical guidance on Fund administration, recommending policies for Fund objectives, reviewing statutory and technical reports, advising the Defence Council and Fund Administrator, recommending funding ceilings, monitoring programs, receiving performance reports, facilitating public awareness and access to services at KDF Hospital facilities, and performing other duties deemed necessary by the Defence Council.
27. **Regulation 12** designates the Principal Secretary in the Ministry responsible for matters relating to defence as the Administrator of the Fund. The Principal Secretary, as the Fund Administrator, oversees day-to-day operations, financial management, and reporting, fulfilling various responsibilities assigned by the Defence Council.

28. **Regulation 13** establishes the Managing Director of the Fund to be appointed by the Defence Council on terms and conditions to be set by the Council. Additionally, **regulation 14** provides for the secretariat of the Fund to provide secretariat support services to the operation of the Fund.
29. **Regulations 15 and 16** requires the Administrator of the Fund to cause an account in the name of the Fund to be maintained at the Central Bank of Kenya (CBK) and that the accounts of the Fund are not overdrawn.
30. **Regulation 17** allows the Cabinet Secretary, with approval of the National Assembly, to provide advances to the Fund in exceptional circumstances, and outline the terms for repayment from the income of the Fund.
31. **Regulation 18** permits the Administrator to invest any of the surplus funds in the government securities.
32. **Regulation 19** requires the responsible Cabinet Secretary to review the performance of the Fund at the lapse of ten years from the date of commencement of the regulations.
33. **Regulation 20, 21 and 22** requires the Administrator of the Fund to cause to be prepared estimates of the revenue and expenditure of the Fund at least six months before the commencement of each financial year, quarterly financial and nonfinancial reports, and keep proper books and records of account of the income, expenditure, assets, equipment and properties of the Fund.
34. **Regulation 23** provides that the administrative expenses of the Fund shall not exceed three percent of the approved budget of each financial year.
35. **Regulations 24 and 25** provides for the offences and the effects of winding-up of the Fund.

## **2.5 Scrutiny of the Instrument**

36. The Committee examined the Public Finance Management (Ulinzi Prime Health Services Fund) Regulations, 2023 against the Constitution, the Interpretation and General Provisions Act (Cap 2), the Public Finance Management Act, 2012 (No. 18 of 2012) and the Statutory Instruments Act (No 23 of 2013).
37. The scrutiny was undertaken following the tabling of the Regulations before the House on 15<sup>th</sup> November, 2023 and their subsequent referral to the Committee on Delegated Legislation. The Committee held a meeting with the National Treasury and Economic Planning and the Ministry of Defence on Friday, 1<sup>st</sup> December, 2023 at Hilton Garden Inn to deliberate on the Regulations.

### **3.0 COMMITTEE OBSERVATIONS**

38. Having examined the Public Finance Management (Ulinzi Prime Health Services Fund) Regulations, 2023 (LN. No. 175 of 2023) against the Constitution, the Public Finance Management Act, 2012 (No. 18 of 2012) and the Statutory Instruments Act, 2013, the Interpretation and General Provisions Act (Cap 2), the Committee observed **THAT**: -

#### **3.1 Statutory Timelines**

39. The Regulations were published in the gazette on 31st October, 2023 vide Legal Notice No. 175 of 2023, submitted to the Clerk of the National Assembly on 8th November, 2023 and laid on the table of the House on 15th November, 2023 being within the requisite statutory timelines under section 11(1) of the Statutory Instruments Act, 2013.

#### **3.2 Consultations/Public Participation**

40. Articles 10 and 118 of the Constitution and section 5 of the Statutory Instruments Act require that the regulation-making authority conducts public participation and sufficient consultation with the stakeholders and persons likely to be affected by the regulations.

41. In attempt to demonstrate the extent of public participation, the Ministry of Defence apprised the Committee during the meeting that the Taskforce responsible for preparation and development of the Regulations held targeted consultation with key stakeholders and their input taken into account in the Regulations. These stakeholders included: the Ministry of Health, Defence Forces Medical Insurance Scheme (DEFMIS), Kenya Ordnance Factories Corporation (KOFK), Kenya Shipyards Limited (KSL), National Defence University-Kenya (NDU-K), Defence Forces Canteen Organization (DEFKO), Defence Forces Old Comrades' Association (DEFOCA), Public Service Commission, (PSC), the general public and the State Law Office.

42. The consultations were targeted to institutions and the general public directly affected by the operations of these Regulations. The institutions were invited through an advertisement posted on the National Treasury website and published in *MyGov* inviting written submissions.

#### **3.3 Regulatory Impact Statement**

43. The Committee was satisfied with the explanation and the demonstration that an impact assessment need not to have been prepared for the statutory instrument as it falls within the exceptions provided under Section 9 of the Statutory Instruments Act, No. 23 of 2013.

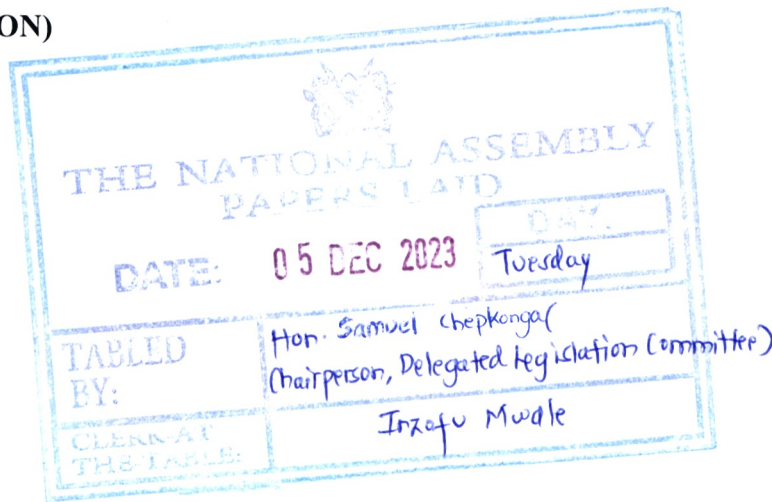
#### 4.0 COMMITTEE RECOMMENDATIONS

44. Having examined the Public Finance Management (Ulinzi Prime Health Services Fund) Regulations, 2023 (LN. No. 175 of 2023) in accordance with the Constitution, the Statutory Instruments Act (No. 23 of 2013), the Public Finance Management Act, 2012 (No. 18 of 2012), the Interpretation and General Provisions Act (Cap 2), the Committee recommends that the House **Committee recommends that the House APPROVES the Public Finance Management (Ulinzi Prime Health Services Fund) Regulations, 2023 (LN. No. 175 of 2023) in accordance with section 24(4) the Public Finance Management Act (No. 18 of 2012).**

Signed .....  .....

Date ..... 5/12/2023 .....

**THE HON. CHEPKONGA SAMUEL KIPRONO, CBS, MP  
(CHAIRPERSON)**



## 5.0 ANNEXURES

1. **Adoption List**
2. **Legal Notice Number 175 of 2023 and the Explanatory Memorandum**
3. **Committee Minutes**





**SPECIAL ISSUE**

Kenya Gazette Supplement No. 209

(Legislative Supplement No. 79)

LEGAL NOTICE NO. 175

**THE PUBLIC FINANCE MANAGEMENT ACT**

(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 the National Treasury and Economic Planning makes the following Regulations—

**THE PUBLIC FINANCE MANAGEMENT (ULINZI PRIME HEALTH SERVICES FUND) REGULATIONS, 2023**

**PART I—PRELIMINARY**

1. These Regulations may be cited as the Public Finance Management (Ulinzi Prime Health Services Fund) Regulations, 2023. Citation.

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

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

“Advisory Board” means the Ulinzi Prime Health Services Fund Advisory Board established under regulation 9(1);

“Administrator of the Fund” means the person designated as such under regulation 12(1);

“Cabinet Secretary” has the meaning assigned to it under the Act;

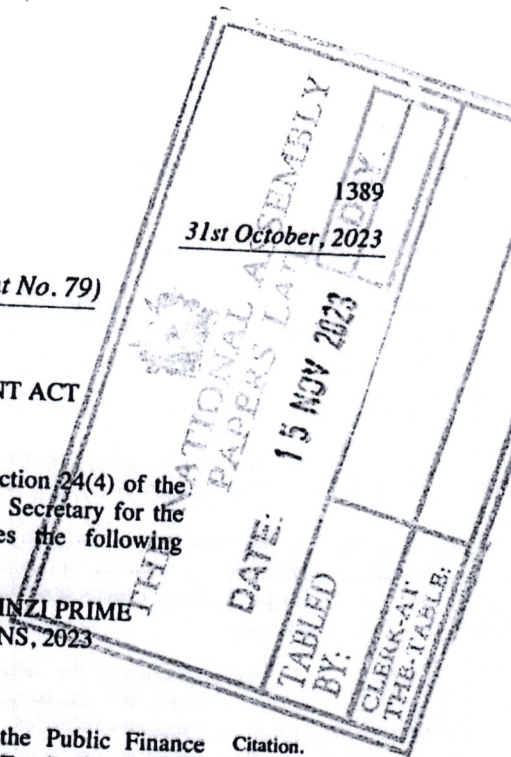
“Defence Council” means the Defence Council established under Article 241 (5) of the Constitution;

“Fund” means the Ulinzi Prime Health Services Fund established under regulation 3(1); and

“Kenya Defence Forces hospital facilities” means the Kenya Defence Forces level IV, V and VI hospitals.

**PART II — ESTABLISHMENT OF THE FUND**

3. (1) There is established a fund to be known as the Ulinzi Prime Health Services Fund. Establishment of the Fund and sources of funds.



(2) There shall be paid into the Fund—

- (a) such moneys as may be appropriated by the National Assembly;
- (b) income generated from the proceeds of medical and health services offered by the Kenya Defence Forces hospital facilities;
- (c) grants, gifts and donations; and
- (d) any moneys accruing to or received by the Fund from any other lawful source.

4. The purpose and object of the Fund shall be to finance the provision of medical and health services to paying clients of the Kenya Defence Forces hospital facilities across the country, and in particular—

The purpose and object of the Fund.

- (a) facilitate the establishment, modernization, operation and the maintenance of the Kenya Defence Forces hospital facilities;
- (b) fund research and training for the purposes of improving the quality of health services offered by the Kenya Defence Forces hospital facilities;
- (c) facilitate the purchase of equipment and drugs for the Kenya Defence Forces hospital facilities;
- (d) provide funds for administration expenses including payment of salaries, allowances, pensions, gratuity and other charges for its employees;
- (e) provide any other funding that may be necessary to further the object of the Fund.

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

Expenditure on the Fund.

(2) The expenditure incurred on the Fund shall be on the basis of and limited to annual work programs, plans and cost estimates which shall be prepared by the Administrator of the Fund, submitted to and approved by the Defence Council at the beginning of the financial year to which they relate.

(3) Any revision of the approved annual work programs, plans and of any cost estimate, shall be referred to the Defence Council by the Advisory Board for approval.

6. The earnings of, or accruals to the Fund shall be retained in the Fund, and shall be spent only for the objects and purposes for which the Fund is established unless the Cabinet Secretary directs otherwise.

Retention of receipts.

7. The initial capital of the Fund shall be as appropriated by the National Assembly for the Kenya Defence Forces hospital facilities or from any other source provided for under regulation 3(2) of these Regulations.

Initial capital of the Fund.

### PART III — GOVERNANCE AND ADMINISTRATION OF THE FUND

8. (1) The role of the Defence Council shall be to oversee the functioning of the Fund.

Role of the Defence Council.

(2) In carrying out the role provided for under subregulation (1), the Defence Council shall be responsible for—

- (a) providing overall policy and direction in implementation of the Fund;
- (b) approval of the estimates of expenditure and revenue before submission to the Cabinet Secretary; and
- (c) receipt of any recommendations from the Advisory Board for policy guidance in furtherance of the objects and purpose of the Fund.

9. (1) There is established a board to be known as Ulinzi Prime Health Services Fund Advisory Board which shall provide technical oversight on behalf of the Defence Council.

Establishment of the Advisory Board.

(2) The Board shall consist of—

- (a) Principal Secretary, Ministry of Defence, who shall be the Chairperson;
- (b) Director of Medical Services, Defence Headquarters;
- (c) a representative of the National Treasury;
- (d) Director-General Ministry of Health or his representative;
- (e) Director, Military Veteran Affairs;
- (f) Head of Accounting Unit, Ministry of Defence;
- (g) Chairperson, Advisory Committee of Veterans Affairs;
- (h) Director Human Resource Management and Training, Ministry of Defence;
- (i) Chief of Medical, Defence Headquarters; and
- (j) Chief of Finance, Defence Headquarters.

(3) The Managing Director of the Fund appointed under regulation 13(1) shall be the Secretary of the Advisory Board.

(4) The Advisory Board may, from time to time, co-opt other members as it may deem necessary, for the proper and efficient discharge of its Advisory functions over the Fund.

10. (1) The Chairperson of the Advisory Board shall chair all the meetings of the Advisory Board and in his absence the members present shall elect one of them to chair the meeting. Meetings of the Advisory Board.

(2) The Advisory Board shall meet not less than four times in every financial year and not more than four months shall elapse between the date of one meeting and the date of the next meeting.

(3) The quorum for the conduct of meetings of the Advisory Board shall be five members.

(4) The Board shall regulate its own procedure.

11. The functions of the Advisory Board shall be— Functions of the Advisory Board.

- (a) to provide technical guidance on the administration of the Fund;
- (b) to recommend policies to achieve the objects and purpose of the Fund;
- (c) to receive, review and recommend the statutory and technical reports of the Fund;
- (d) to advise the Defence Council and the Administrator of the Fund on the administration of the Fund;
- (e) to recommend the ceilings for funding under the Fund;
- (f) to monitor and evaluate the programmes and activities under the Fund;
- (g) to receive reports on the performance of the Fund;
- (h) to facilitate public awareness, education and access to services offered by the Kenya Defence Forces Hospital facilities; and
- (i) to perform such other duties as may be considered necessary by the Defence Council.

12. (1) The Principal Secretary in the Ministry responsible for matters relating to defence is hereby designated as the Administrator of the Fund in accordance with section 24(5) of the Act. Administrator of the Fund.

(2) The Administrator of the Fund shall—

- (a) be responsible for the day to day administration and management of the Fund;
- (b) open and operate bank accounts at the Central Bank of Kenya into which all moneys raised under the Fund shall be paid;
- (c) prepare strategic plan, budget and annual work plan for approval by the Defence Council;
- (d) operate and maintain bank accounts in the manner as may be prescribed by the National Treasury from time to time;
- (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;
- (f) establish proper systems of internal control and management in accordance with the provisions of the Act and these Regulations;
- (g) advise and consult the Defence Council and Cabinet Secretary on matters relating to the administration of the Fund;
- (h) keep proper books of accounts and other books and records relating to the Fund;
- (i) be custodian of the Funds' assets, equipment and properties;
- (j) prepare financial and non-financial performance reports of the Fund and submit it to the Defence Council for approval;
- (k) 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, 2015;
- (l) prepare quarterly reports on the receipts into and issues out of the Fund; and
- (m) undertake any other duty as the Defence Council may assign.

(3) When discharging the functions under subregulation (2), the Administrator of the Fund shall—

- (a) comply with the ordinary budget cycle in the preparation of estimates for the Fund; and
- (b) submit estimates of revenue and expenditure to the Cabinet Secretary by the 31<sup>st</sup> January of the preceding financial year for approval.

13. (1) There shall be a Managing Director of the Fund who shall be appointed by the Defence Council on terms and conditions to be set by the Defence Council.

Managing Director  
of the Fund.

(2) A person appointed as a Managing Director shall be the head of the Secretariat established under regulation 14(1).

14. (1) There shall be a secretariat which shall provide secretariat support services to the operation of the Fund.

Secretariat of the  
Fund.

(2) The Secretariat shall consist of such personnel as the Defence Council may consider necessary.

(3) The Secretariat of the Fund shall be reporting to the Administrator of the Fund, and shall—

- (a) develop a predictable, transparent and accountable financial internal control systems for the Fund;
- (b) prepare estimates of revenue and expenditure, annual work programs and work plans, costs estimates, annual procurement plans and annual cash flow plans;
- (c) prepare reports on a bi-monthly basis, on efficiency and effectiveness of programs supported by the Fund;
- (d) prepare and validate payment schedules;
- (e) implement projects, programs and coordinate with other medical institutions and Universities in realization of the objects and purpose of this Fund;
- (f) monitor and evaluate programs financed from the Fund and provide reports to the administrator of the Fund;
- (g) prepare statutory and management reports of the Fund and submit them to the administrator of the Fund; and
- (h) maintain proper records of the Fund.

(4) Notwithstanding the provisions of subregulation (3), the Administrator of the Fund may assign any other duty to the Secretariat for the proper administration and management of the Fund.

## PART IV—FINANCIAL PROVISIONS

15. (1) The Administrator of the Fund shall cause an account in the name of the Fund to be maintained at the Central Bank of Kenya in line with section 28 of the Act and any Regulations made thereunder. Bank Account of the Fund.
- (2) All money payable into the Fund shall be received into the bank account of the Fund.
- (3) The Fund's account shall be operated by the Administrator of the Fund and two other persons designated by the Defence Council from the Fund's Secretariat.
- (4) The Administrator of the Fund may open and maintain other accounts in furtherance of the objective of the Fund.
16. The Administrator of the Fund shall ensure the accounts of the Fund are not overdrawn. Overdrawn accounts.
17. (1) If, in exceptional circumstances, the income from the Fund together with any surplus income brought forward from a previous year is insufficient to meet the actual or estimated liabilities of the Fund, the Cabinet Secretary may, with the approval of National Assembly, make advances to the Fund and such advances shall be made on such terms and conditions, whether as to repayment or otherwise, as the Cabinet Secretary may determine, but any such advance shall be repaid from the income of the Fund. Advances.
- (2) The Administrator of the Fund shall ensure that in any financial year expenditure and commitments from the Fund shall not exceed the annual income of the Fund together with any surplus income brought forward from a previous year.
18. The Administrator of the Fund may with the approval of the Defence Council and consent of the Cabinet Secretary, invest any of the surplus funds in Government securities. Investments of the funds.
19. (1) The Cabinet Secretary shall at the lapse of ten years from the date of commencement of these Regulations cause a review to be conducted on the performance of the Fund in accordance with the requirements of the Act and Regulations thereunder. Review of performance of the Fund.
- (2) The review shall determine whether the Fund has met the objectives for which it was established.
- (3) The report on the review shall be submitted to the Cabinet and the National Assembly for approval.
20. (1) At least six months before the commencement of each financial year, the Administrator of the Fund shall cause to be prepared estimates of the revenue and expenditure of the Fund for that year. Annual estimates.



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

- (a) revenue projected to be received by the Fund from the sources of funds provided for under these Regulations;
- (b) expenses in furtherance of the objects and purpose of the Fund;
- (c) moneys for the administration expenses of the Fund including—
  - (i) the payment of salaries, allowances and other charges in respect of the secretariat staff, where applicable;
  - (ii) the payment of pensions, gratuities and other charges in respect of the staff Fund, where applicable; and
  - (iii) the proper maintenance of the office assets, purchase of drugs and equipment for hospital facilities and properties under the Fund.

(3) The annual estimates shall be approved by the Defence Council before the commencement of the financial year to which they relate.

21. (1) The Administrator of the Fund shall prepare quarterly financial and non-financial reports in accordance with the format prescribed by the Public Sector Accounting Standards Board for approval. Quarterly reports.

(2) Upon approval, under paragraph (1), the Administrator of the Fund shall submit the report to the National Treasury.

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

(2) Within a period of three months from the end of each financial year, the Administrator of the Fund shall submit to the Auditor-General with a copy to the National Treasury, Controller of Budget and the Commission for Revenue Allocation the accounts of the Fund together with—

- (a) a statement of the income and expenditure of the Fund during the financial year; and
- (b) a statement of the assets and liabilities of the Fund on the last day of that financial year.

(3) The accounts of the Fund shall be audited and reported upon in accordance with the Public Audit Act, 2015.

23. The administrative expenses of the Fund shall not exceed three per centum of the approved budget of each financial year.

Administration expenses.

24. A person who misappropriates any funds or assets from 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 be liable to the penalty provided for under section 199 of the Act.

Offences and penalties.

25. (1) On winding up of the Fund in accordance with the Act and Regulations made thereunder—

Effects of winding - up of the Fund.

(a) the Administrator of the Fund shall compile any valid outstanding obligations and commitments for payment;

(b) the Administrator of the Fund shall pay any amount remaining in the Fund into the National Exchequer Account for the credit of the national government;

(c) the Cabinet Secretary shall pay any deficit in the Fund from the funds of the national government in the National Exchequer Account with the approval of the National Assembly; and

(d) assets, equipment and properties other than cash of the Fund shall be transferred to the Ministry for the time being responsible for matters relating to defence.

(2) Within three months upon the decision to wind up the Fund, the Administrator of the Fund shall prepare final financial and non-financial statements of the Fund and submit them to the Defence Council for approval.

(3) Upon approval under subsection (2), the Administrator of the Fund shall submit the final financial and non-financial statements to the Cabinet Secretary.

(4) The Cabinet Secretary shall submit a final statement of accounts to Parliament and to the Auditor-General for audit within three months from the date of the decision to wind up the Fund.

Dated the 23rd October, 2023.

NJUNGUNA NDUNG'U.

*Cabinet Secretary for  
The National Treasury and Economic Planning.*

## EXPLANATORY MEMORANDUM

### EXPLANATORY MEMORANDUM FOR THE PUBLIC FINANCE MANAGEMENT (ULINZI PRIME HEALTH SERVICES FUND) REGULATIONS, 2023

#### PART I

- Name of instrument:** Public Finance Management (Ulinzi Prime Health Services Fund) Regulations, 2023.
- Name of Parent Act:** The Public Finance Management Act (*No. 18 of 2012*).
- Enacted Pursuant to:** Section 24(4) of the Public Finance Management Act.
- Name of Ministry:** The National Treasury & Economic Planning/Ministry of Defence.
- Gazetted on:** Subject to approval by the Cabinet.
- Tabled on:** To be advised by the Clerk National Assembly.

#### PART II

##### 1. Purpose of the Statutory Instrument

The purpose of this Statutory Instrument is to establish a Fund to be known as the Ulinzi Prime Health Services Fund whose objects and purpose shall be to finance the provision of medical and health services to paying clients of the Kenya Defence Forces Levels IV, V and VI hospitals (hereinafter referred to as the hospital facilities) across the country, and to:

- (a) facilitate the establishment, modernization, operation and the maintenance of the hospital facilities;
- (b) fund research work and training for the purposes of improving the quality of health services offered by the hospital facilities;
- (c) facilitate the purchase of equipment and drugs for the hospital facilities;  
and

- (d) provide funds for administration expenses including payment of salaries, allowances, pensions, gratuity and other charges for employees of the fund;

## **2. Legislative Context**

The National Assembly delegated the duty to establish national public funds to the Cabinet Secretary responsible for finance with the approval of the National Assembly. This is provided for under Section 24 (4) of the Public Finance Management Act, 2012.

The Regulations are therefore developed within the meaning of Section 24 of the Public Finance Management Act 2012 and the procedure envisioned under Statutory Instrument Act, 2013.

## **3. Policy Background**

- (a) In fulfilling its mandate to the troops and their dependants; and, in contributing towards the Universal Health Coverage, KDF has expanded and modernized its medical facilities to include Levels IV, V and VI hospitals.

(b) Nairobi and Eldoret Regional Hospitals (NRH & ERH) each with 150-bed capacity, Isiolo Regional Hospital (IRH) with a 110-bed capacity have been completed and operationalized. Construction of the Lanet Regional Hospital (LRH) which is also a 150-bed capacity is ongoing. Defence Forces Memorial Hospital (DFMH) is categorized at Level V and will have a 300-bed capacity on completion of scheduled modernization. Construction of a Level VI Forces Research and Referral Hospital (FRRH) with a 700-bed capacity and expected to be completed in 2025.

(c) Provision of at least 50% of KDF hospitals' bed capacity for use by civilians, will provide UPHS with a total of 780 in-patient bed capacity distributed in regions as follows: Nairobi region 225 beds (Specialized medical services at DFMH 150 and NRH 75), Isiolo region 55 beds, Eldoret region 75 and Nakuru region 75 beds and FRRH 350 bed.

(d) Opening up these facilities necessitates the establishment of the Fund with a complementing management entity (UPHS) for the 'fee-for-service' arm of KDF Medical System. The management of the Fund will be supervised by an Advisory Board that shall be responsible to the Defence Council for overseeing the day to day running of the affairs of the fund.

(e) Increasing KDF medical operational costs occasioned by expansion of its medical services, increased KDF population, technological advancements, inflation, new emerging diseases and newer treatment modalities shall demand more budgetary allocations from the already dwindling resources.

(f) UPHS will also provide a larger and diverse clientele in order to boost hands-on opportunities for learners, facilitate training in specialization and super-specialization and further increase research opportunities for betterment of healthcare under Defence College of Health Sciences (DCHS), a constituent college of National Defence University-Kenya (NDU-K) as well as the Level VI Research and Referral Hospital.

(g) Targeted clientele are KDF Veterans covered under the Defence Forces Medical Insurance Scheme (DEFMIS), civil servants working in the Ministry of Defence; and civilian staff employed by Defence Forces Canteen Organization (DEFSCO), National Defence University-Kenya (NDU-K), Kenya Ordnance Factories Ltd (KOFCL), Kenya Shipyards Limited (KSL) and other Semi-Autonomous Government Agencies under MOD.

(h) Other beneficiaries will include personnel from other security agencies and ministries, parents of KDF service personnel, over-age children of service personnel and civilians on referrals in need of specialized management.

#### **4. Guidance**

The National Treasury and Ministry of Defence shall sensitize the National Assembly, Ministry of Health, Public Service and the State Law Office.

#### **5. Stakeholder Consultations**

The Task force responsible for preparation and development of the Regulations, held targeted consultations with key stakeholders and their input taken into account before finalization of these Regulations.

Some of the key stakeholders engaged in the development of the regulations were the Ministry of Health, Defence Forces Medical Insurance Scheme (DEFMIS), Kenya Ordnance Factories Corporation (KOFCL), Kenya Shipyards Limited (KSL), National Defence University-Kenya (NDU-K), Defence Forces Canteen Organization (DEFSCO), Defence Forces Old Comrades' Association (DEFOCA), Public Service Commission (PSC), the General Public and the State Law Office.

Consultations were targeted to institutions and the general public directly affected by the operationalization of these Regulations.

These institutions were invited via an advertisement posted on the National Treasury website and published in the *My Gov* inviting written submissions on the Regulations.

A matrix of the summarized responses log together with the Task Force resolutions is appended at **Appendix I**.

**6. Impact Assessment**

An impact assessment been prepared for this statutory instrument and is appended at **Appendix II**.

**7. Review**

The National Treasury shall monitor the application of the Regulations. This shall be done through the quarterly reports prepared by the Fund and forwarded to the National Treasury.

**8. Contact**

The contact person shall be the Cabinet Secretary or Principal Secretary, The National Treasury & Economic Planning.

Made on the.....*July 11<sup>th</sup>*....., 2023.



**NJUGUNA NDUNG’U, CBS**  
*Cabinet Secretary for the National Treasury & Economic Planning*

crucial enabler of economic growth, spurring digital start-ups, boosting e-commerce, and technology-enabled products and services. Speaking during the Policy Symposium on Kenya's Digital Superhighway and Creative Economy at Strathmore Business School, ICT and the Digital Economy Principal Secretary Eng. John Tanui noted that the availability of high-speed broadband in the country is expected to attract foreign direct investment, besides stimulating innovation and entrepreneurship.

Significantly, Eng. Tanui noted that the digital superhighway will enhance quality and access to education. Eng. John Tanui received an award from Strathmore University Business School Deputy Executive Dean Dr. Angela Ndungu during the Policy Symposium on Kenya's Digital Superhighway and Creative Economy, Picture by Eric Bosire.

The PS added that the digital superhighway will improve access to medical healthcare services will be expedite, especially in remote areas, and facilitate remote consultations and diagnosis.

"To facilitate these unique innovations, we have provisioned internet and network



The observed that the digital superhighway will also transform government service delivery through e-government initiatives. He further stated that service systems will see improved efficiency, transparency and convenience for citizens, hence reducing bureaucratic processes, minimizing corruption risks and enhancing citizen-government interaction.


The PS added that the digital superhighway will be instrumental in unlocking the potential of the Creative Economy, which encompasses sectors such as arts, culture, media, design, fashion, film, music and software development.

## TENDER NOTICE

Kenya Plant Health Inspectorate Service (KEPHIS) is the government parastatal whose responsibility is to assure the quality of agricultural inputs and produce to prevent adverse impacts on the economy, the environment and human health. KEPHIS wishes to invite bids for the below mentioned tenders.

Tender No.	Tender Name	Closing Date
K/11/2023-2024	Supply & Delivery of Security Printing Papers (Open National Tender).	3 <sup>rd</sup> August 2023 10:30 am

For detailed information, inspection and downloading of tender document please visit our website: [www.kephis.org](http://www.kephis.org) or [www.tenders.go.ke](http://www.tenders.go.ke).

Managing Director  




## THE NATIONAL TREASURY AND ECONOMIC PLANNING

### PUBLIC NOTICE

#### DRAFT PUBLIC FINANCE MANAGEMENT (ULINZI PRIME HEALTH SERVICES FUND) REGULATIONS, 2023

Section 4(a) of the Statutory Instruments Act, 2013 provides that "The object of this Act is to provide a comprehensive regime for the making, scrutiny, publication and operation of Statutory Instruments by requiring regulation-making authorities to undertake consultation before making Statutory Instruments". In addition, Section 5(3) of the Statutory Instruments Act, 2013 states that "without limiting by implication the form that consultation referred to in sub-section (1) might take, the consultation shall -

- involve notification, either directly or by advertisement, of bodies that, or of organizations representative of persons who are likely to be affected by the proposed instrument; or
- involve submissions to be made by a specified date or might involve participation in public hearings to be held concerning the proposed instrument.

Ulinzi Prime Health Services (UPHS) was established by the Defence Council in July 2022 with the objective of partially opening up Kenya Defence Forces (KDF) Levels IV, V & VI medical facilities for update by prescribed entities at "in-ter-service".

Accordingly, a Multi-Agency Taskforce composed of officers drawn from the Ministry of Defence, Ministry of Health, the Office of the Attorney General & Department of Justice and the National Treasury has now finalized preparing the draft Public Finance Management (Ulinzi Prime Health Services Fund) Regulations, 2023.

The Public Finance Management (Ulinzi Prime Health Services Fund) Regulations, 2023 have been posted to the National Treasury website <http://www.treasury.go.ke>.

Hence, pursuant to Section 4(a) and 5(3) (a) and (b) of the Statutory Instruments Act, 2013, the National Treasury & Economic Planning invites members of the public to submit any comments, inputs or memoranda they may have on the said Public Finance Management (Ulinzi Prime Health Services Fund) Regulations, 2023 in the format provided on the website.

The comments, inputs or memoranda thereof from the general public may be forwarded to the Principal Secretary, National Treasury, P. O. Box 30007-00100, Nairobi or hand delivered to the Office of the Principal Secretary, National Treasury Building, Harambee, Nairobi or emailed to [pres@treasury.go.ke](mailto:pres@treasury.go.ke) and copied to [posts@treasury.go.ke](mailto:posts@treasury.go.ke) to be received by 2<sup>nd</sup> Aug, 2023 at 5:00 pm.

Additionally, there shall be in person meetings for public consultation on the above Public Finance Management (Ulinzi Prime Health Services Fund) Regulations, 2023 as per the schedule below:-

Stakeholder	Dates for meeting	Time for meeting
1. Defence Forces Medical Insurance Scheme Defence Forces Carleton Organization Defence Forces Old Comrades' Association	24th July 2023	10:00AM
2. Public Guidance Commission	24th July 2023	10:00AM
3. Kenya Shipyards Limited Kenya Shipyard Corporation National Defence University - Kenya	24th July 2023	10:00AM



## MAASAI MARA UNIVERSITY

Address: P.O. Box 681, 30500, Nauro, Kenya.  
 Location: Nauro, Kenya Telephone Number: +254 20 5131800  
 Email Address: [info@mmu.ac.ke](mailto:info@mmu.ac.ke) Website: [www.mmaru.ac.ke](http://www.mmaru.ac.ke)

### VACANCY ANNOUNCEMENT

Maasai Mara University is a public University chartered in 2013. Our mission is to provide quality university education through innovative teaching, research and consultancy services for development. More details on our University can be found on our website [www.mmaru.ac.ke](http://www.mmaru.ac.ke).

In an effort to fulfil our mandate, we invite applications from suitably qualified and competent candidates for the following vacant positions.

S. No.	Position	Area of specialization	Grade	Number
1.	Professor	Urban Planning	15	1 post
2.	Senior Lecturer	Hospitality	13	1 post
		Biological Sciences (Zoology)	13	1 post
		Computer Science	13	1 post
		Statistics	13	2 posts
3.	Lecturer	Computer Science	12	1 post
		Natural Resource Management	12	1 post
		Physics	12	1 post
		Veterinary Medicine	12	1 post
		Statistics	12	1 post
		Environmental science	12	1 post
		Criminology	12	1 post

#### II. Administration, Finance and Strategy Division

- University Librarian - Grade 13 (1 post)
- Chief Security Officer - Grade 13 (1 post)
- Accountant II - Grade 11 (1 post)
- Medical Laboratory Technologist I - Grade 10 (1 post)

For details on the requirements and application procedure for these positions, please visit our website [www.mmaru.ac.ke](http://www.mmaru.ac.ke).

Applications should be received on or before 5:00 pm on Tuesday, 8<sup>th</sup> August, 2023.

Maasai Mara University is an equal opportunity employer committed to diversity; persons with disability, women, youth and those from marginalized communities are encouraged to apply.



REPUBLIC OF KENYA

**NAME OF THE REGULATIONS: PUBLIC FINANCIAL MANAGEMENT (ULINZI PRIME HEALTH SERVICES FUND) REGULATIONS 2023**

**INSTITUTION: THE NATIONAL TREASURY**

**DATE: ...24<sup>th</sup> July 2023...**

S/No	Regulation No.	Provisions of the Regulations*	Proposed Amendment**	Rationale for Amendment Recommendation
1.	1.	These Regulations may be cited as the Public Finance Management (Ulinzi Prime Health Services Fund) Regulations, 2023.	These Regulations may be cited as the Public Finance Management (Kenya Defence Forces Integrated Health Services Fund) Regulations, 2023.	'Ulinzi' is associated with the football team and may confuse the public. It was not amended because the name UPHS had already been approved by the Defence Council (DC) and most of income generating entities of MOD have the name Ulinzi. Hence no conflict with other bodies.
2.	4.	The purpose and object of the Fund shall be to finance the provision of medical and health services to paying clients of the Kenya Defence Forces Hospital facilities across the country, and in particular	The purpose and object of the Fund shall be to finance the provision of medical and health services to clients of the Kenya Defence Forces Hospital facilities across the country, and in particular	Clarification on made Not amended as clarification was made that paying clients are those not in active service and covered by the exchequer but for those who would pay through health insurance and other modes of payments
3.	4 (b)	fund research work and training for the purposes of improving the quality of health services offered by the Kenya Defence Forces hospital facilities:	fund research and training for the purposes of improving the quality of health services offered by the Kenya Defence Forces hospital facilities:	Amended to remove the word <b>work</b> since it was deemed repetitive
4.	PART III	PART III — MANAGEMENT AND ADMINISTRATION OF THE FUND	PART III — GOVERNANCE AND ADMINISTRATION OF THE FUND	The DC role is oversight/policy not management. Amended.
5.	8. (1)	The Fund shall be managed by the Defence Council.	Delete.	The DC role is oversight/policy not management.



S/No	Regulation No.	Provisions of the Regulations*	Proposed Amendment**	Rationale for Amendment Recommendation
				<b>Amended.</b>
6.	8. (2)	(a) providing overall policy and management direction in implementation of the Fund;	(a) Providing overall policy and direction in implementation of the Fund.	The DC role is oversight/policy and not management. <b>Amended.</b>
7.	9. (l)	There is established a board to be known as Ulinzi Prime Health Services Fund Advisory Board which shall be the technical oversight body of the Fund and report to the Administrator and Defence Council	There is established a board to be known as Ulinzi Prime Health Services Fund Advisory Board which shall provide technical oversight on behalf of the Defence Council.	The Advisory board shall provide technical oversight on behalf of the DC and not by itself. <b>Amended.</b>
8.	9. (2)	The Board shall consist of — (a) Director of medical Services Defence Headquarters, who shall be the Chairperson:	(a) Principal Secretary, Ministry of Defence, who shall be the Chairperson:	The PS to chair so as to create a link between The DC and the Advisory Board. <b>Amended.</b>
9.	9. (2)	(a) Director of medical Services Defence Headquarters, who shall be the Chairperson:	(b) Director of Medical Services Defence Headquarters	To remain as Member <b>Amended.</b>
10.	9. (2)	(g) Managing Director Defence Forces Medical Insurance Scheme;	(g) MOD Director Human Resource Management and Training Development (HRMD)	Replace MD DEFMIS with DHR MOD to represent all non-uniformed interests, DEFMIS to be covered by Director Military Veterans. <b>Amended.</b>
11.	9.(2)	(d) Head of Accounting Unit, MOD and  (f) Head of Finance Unit MOD	Head of Accounting Unit, MOD	<b>Amended</b>
12.	13. (l)	There shall be a Managing Director of the Fund who shall be appointed by the DC on terms and conditions to be set by the Defence Council.	13. (l) There shall be a Managing Director of the Fund who shall be appointed by the DC on terms and conditions to be set by the Defence Council. The term limit shall be 3(three) years	<b>Not Amended</b> as the MD is not the CEO. It should be guided by the terms and conditions set by the DC
13.	9. (2)	(e) Chairperson, Advisory Committee of Veteran Affairs;	(e) Director, Military Veteran Affairs	The office was established as indicated following gazettelement of the military Veterans Act, 2021. <b>Amended.</b>

S/No	Regulation No.	Provisions of the Regulations*	Proposed Amendment**	Rationale for Amendment Recommendation
14.	11.	(b) to formulate policies to achieve the objects and purpose of the Fund;	(b) to <b>recommend</b> policies to achieve the objects and purpose of the Fund;	Advisory role can only recommend. <b>Amended.</b>
15.	11.	(c) to receive, review and approve the statutory and technical reports of the Fund;	(c)to receive, review and recommend the statutory and technical reports of the Fund;	Approval is a role of the DC not advisory board. <b>Amended.</b>
16.	11.	(f) to develop policy guidelines relating to identification, prioritization and efficient disbursements by the Fund.	Delete	Policy formulation is a role of the DC not the advisory board. <b>Amended.</b>
17.	11.	(i) to facilitate public awareness, education and access to services offered by Ulinzi Health Services: and	(i) to facilitate public awareness, education and access to services offered by KDF Hospital facilities; and	The medical services will be provided by the hospitals and not Ulinzi Health Services which is a facilitator. <b>Amended.</b>
18.	17. (1)	If, in exceptional circumstances, the income from the Fund together with any surplus income brought forward from a previous year is insufficient to meet the actual or estimated liabilities of the Fund, the Cabinet Secretary to the <b>National Treasury</b> may with the approval of National Assembly, make advances to the Fund and such advances shall be made on such terms and conditions, whether as to repayment or otherwise, as the Cabinet Secretary may determine but any such advance shall be repaid from the income of the Fund.	If, in exceptional circumstances, the income from the Fund together with any surplus income brought forward from a previous year is insufficient to meet the actual or estimated liabilities of the Fund, the Cabinet Secretary may with the approval of the National Assembly, make advances to the Fund and such advances shall be made on such terms and conditions, whether as to repayment or otherwise, as the Cabinet Secretary may determine but any such advance shall be repaid from the income of the Fund.	The Cabinet Secretary has already been defined as the CS Treasury under the interpretation of the Regulations <b>Amended.</b>
19.	25. (1)		(e) The Cabinet Secretary shall inform the general public.	<b>Not Amended.</b> The CS submitting the winding up documents to parliament is in essence informing the public through the people's representative (Parliament)

\*Provide text on exact wording of the provision in the regulations paragraph or sub paragraph

\*\* provide the exact wording of how the proposed amendment to the regulations paragraph or sub paragraph is proposed to read.

**ATTENDANCE LIST FOR THE TASKFORCE MEETING TO DEVELOP PFM ACT 2012 (ULINZI PRIME  
HEALTH SERVICES FUND) REGULATIONS 2023**

**VENUE: 5<sup>TH</sup> FLOOR BOARDROOM, THE NATIONAL TREASURY**

**DATE: ...24<sup>TH</sup> JULY, 2023.....**

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NO	NAME	MINISTRY/STATE DEPARTMENT/ ORGANIZATION	DESIGNATION	TEL. NO.	EMAIL	SIGN.
1.	CPA Dora Mwila	Treasury	Amekyer A.S			
2.	King S Mphahlela	K10D	Chief D Finance	0720829162	Mngiseni@zfm.com	
3.	Prithvi A. Dithane	MDD-DFG	Chief of medical	0722566552	patanjali@phoo.com	
4.	Bing Dodden	NORC	Head of legal	0786041446	dnlodon@gmail.com	
5.	CPA mwanza Dandwa	Treasury	PA	0722711332	mwanza.mwanza@gmail.com	
6.	CPA (H) Shigari Mwa	DEFC CA	Deputy MD Debet	0722285055	viatoralia1967@gmail.com	
7.	COL E MUTINDA	MDD-DFG	Spd UOHS	0720178988	edmundindagmail.com	
8.	LT COL K KERNAT	KOFC	Procurement Manager	0712767625	k.kernat@kfc.com	
9.	D. V Sawe	KOFC	CHRO	0722299057	Sawevdca@gmail.com	

**ATTENDANCE LIST FOR THE TASKFORCE MEETING TO DEVELOP PFM ACT 2012 (ULINZI PRIME  
HEALTH SERVICES FUND) REGULATIONS 2023**

**VENUE: 5<sup>TH</sup> FLOOR BOARDROOM, THE NATIONAL TREASURY**






**DATE: ...24<sup>TH</sup> JULY, 2023.....**

NO	NAME	MINISTRY/STATE DEPARTMENT/ ORGANIZATION	DESIGNATION	TEL. NO.	EMAIL	SIGN.
1.	GERTRUDE KILOKO	DEFCCO	Ag. Senior Press & Admin Officer	0723716372	gmucaudek@gmail.com	
2.	WILLIAM NGINGA	NDU-K	Director Finance & Accounts	0722945929	mninga@gmail.com	
3.	DANIEL NJORUGU	NC-DOC1	SECRETARY	080-988086	muirugugu@schw.com	
4.	CAPT F OMBABA	KSL	FINANCE OFFICER	0710294514	francisonkoba@gmail.com	
5.	Capt K Chwaga	KOFC	Legal Officer	0728866303	Kchwagas@gmail.com	
6.	Capt Kim Tanyi	DEFMIS	Head	0726145439	tanuimweji@gmail.com	
7.	Lt Col Ali Kishika	DEFMIS	FINANCE MANAGER	0722-462808	kisamgira@outlook.com	
8.	Joseph Mutuma	MDS	SCFO	0722945450	kenyirij@gmail.com	
9.	TOLLINE GOR	TNT	ACCOUNTANT	0716150792	hollengor@gmail.com	

**ATTENDANCE LIST FOR THE TASKFORCE MEETING TO DEVELOP PFM ACT 2012 (ULINZI PRIME  
HEALTH SERVICES FUND) REGULATIONS 2023**

**VENUE: 5<sup>TH</sup> FLOOR BOARDROOM, THE NATIONAL TREASURY**

**DATE: ...24<sup>TH</sup> JULY, 2023.....**

NO	NAME	MINISTRY/STATE DEPARTMENT/ ORGANIZATION	DESIGNATION	TEL. NO.	EMAIL	SIGN.
1.	Felista Keshu	NT	Office Admin	072628223	-	
2.	Josephine H. Oboio	NT	Support Staff	0702572526	Josephine.oioio@gmail.com	
3.	FAITH ROMO	NT	CLERICAL OFFICER	0712152918	romofa29@gmail.com	
4.	Mamma Deborgo	NT	Office Admin	0725607448	mammasadborgo@ntg	
5.	Rose Muthami	NT	Office Admin	0723937928	rosemuthami10@gmail.com	
6.						
7.						
8.						
9.						

**COMMITTEE ON DELEGATED LEGISLATION ADOPTION LIST**

DATE: 04/12/2023. VENUE: Small Dining. STARTING TIME: 10:00AM.  
New King. ENDING TIME: .....

AGENDA: ADOPTION OF THE REPORT ON PFMC ULINZI  
PRIME HEALTH SERVICES FUND REGULATIONS, 2023.

	NAME	SIGNATURE
1.	The Hon. Chepkonga Kiprono Samuel, CBS, M.P, Chairperson	
2.	The Hon. Githinji, Robert Gichumi, M.P. Vice-Chairperson	
3.	The Hon. Mbui, Robert, CBS, M.P.	
4.	The Hon. Sunkuli Julius Lekakeny, EGH,EBS,MP	
5.	The Hon. Maj. (Rtd) Abdullahi Bashir Sheikh, M.P.	
6.	The Hon. Mwirigi, John Paul, M.P.	
7.	The Hon. Kamene, Joyce, M.P.	
8.	The Hon. Mwale, Nicholas S. Tindi, M.P.	
9.	The Hon. Odoyo, Jared Okello, M.P.	
10.	The Hon. Komingoi, Kibet Kirui, M.P.	
11.	The Hon. Maj. (Rtd.) Dekow Barrow Mohamed, M.P.	
12.	The Hon. Munyoro, Joseph Kamau, M.P.	
13.	The Hon, Kimaiyo, Gideon Kipkoech, M.P.	
14.	The Hon. Ruku, Geoffrey Kariuki Kiringa, M.P.	
15.	The Hon. Chepkorir, Linet, M.P.	
16.	The Hon. Chebor, Paul, M.P.	
17.	The Hon. Lenguris, Pauline, M.P.	
18.	The Hon. Mamwacha Onchoke Charles, M.P.	
19.	The Hon. Yakub, Adow Kuno, M.P.	
20.	The Hon. Mnyazi, Amina Laura, M.P.	

21.	The Hon. Mugabe, Innocent Maino, M.P.	
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**COMMITTEE CLERK: .....SIGNATURE.....**

**DIRECTOR, DAA&OSC: ..... SIGNATURE.....**



**MINUTES OF THE 76<sup>TH</sup> SITTING OF THE COMMITTEE ON DELEGATED LEGISLATION HELD ON FRIDAY, 1<sup>ST</sup> DECEMBER, 2023, AT HILTON GARDEN INN MACHAKOS COUNTY AT 2:00 PM.**

**PRESENT**

1. The Hon Samuel Kiprono Chepkonga, CBS, M.P. Chairperson
2. The Hon. Robert Gichimu Githinji, M.P. Vice Chairperson
3. The Hon. Robert Mbui, CBS, M.P
4. The Hon. Jared Okello Oduyo, M.P.
5. The Hon. John Paul Mwirigi, M.P.
6. The Hon. Maj. (Rtd). Abdullahi Bashir Sheikh, M.P
7. The Hon. Charles Mamwacha Onchoke, M.P.
8. The Hon. Maj. (Rtd). Dekow Barrow Mohamed, M.P.
9. The Hon. Joseph Kamau Munyoro, M.P.
10. The Hon. Geoffrey Kariuki Kiringa Ruku, M.P.
11. The Hon. Kibet Kirui Komingoi, M.P.
12. The Hon. Innocent Mugabe, M.P.
13. The Hon. Yakub Adow Kuno, M.P.

**APOLOGIES**

1. The Hon. Julius Lekakeny Ole Sunkuli, EGH, EBS M.P.
2. The Hon. Nicholas S. Tindi Mwale, M.P.
3. The Hon. Joyce Kamene, M.P.
4. The Hon. Pauline Lenguris, M.P.
5. The Hon. Linet Chepkorir M.P.
6. The Hon. Gideon Kipkoech Kimaiyo, M.P.
7. The Hon. Laura Amina Mnyazi, M.P.
8. The Hon. Paul Chebor, M.P.

**IN ATTENDANCE**

**SECRETARIAT**

- |                           |   |                           |
|---------------------------|---|---------------------------|
| 1. Ms. Florence Abonyo    | - | Director, DAA&OSC         |
| 2. Ms. Esther Nginyo      | - | Clerk Assistant I         |
| 3. Mr. Dima Dima          | - | Principal Legal Counsel I |
| 4. Mr. Brian Langwech     | - | Clerk Assistant III       |
| 5. Mr. Jacknorine Buleemi | - | Clerk Assistant III       |
| 6. Ms. Winny Otieno       | - | Clerk Assistant III       |
| 7. Mr. Charles Ayari      | - | Hansard Services          |

## **MINISTRY OF DEFENCE**

1. Hon. Patrick Mariru - Principal Secretary, Ministry of Defence
2. Brig. (Dr.) Odhiambo - Chief of Medical Services, Ministry of Defence
3. Brig. Yvonne Kerubo - Head of Legal, Ministry of Defence
4. Mr. Edwin Mwangi - Parliamentary Liaison Officer, MOD

## **THE NATIONAL TREASURY.**

- 1) Mr. Wala Jowai - Director, Administrative Services, National Treasury
- 2) Mr. Bonface Ngigi - Director, National Treasury
- 3) Ms. Chirchir Faith - Director, National Treasury
- 4) Mr. Benson Loctari - COG, S.L.O
- 5) Ms. Isabel Ochieng - Economist, National Treasury
- 6) Ms. Joyce Marui - Office Administrator, National Treasury
- 7) Mr. Peter Sila - Economist, National Treasury.

## **AGENDA**

1. Prayers
2. Preliminaries
3. Adoption of the Agenda
4. Confirmation of minutes
5. Matters arising
6. Briefing by the Cabinet Secretary for the National treasury and economic Planning on the Public Finance Management (Ulinzi Prime Health services Fund) Regulations, 2023
7. Briefing by the Cabinet Secretary for the National treasury and economic Planning on the Public Finance Management (Disaster Risk Management Fund) Regulations, 2023
8. Any Other Business; and
9. Adjournment.

### **MIN. DAA&OSC/CDL/509/2023**

### **PRELIMINARIES**

The Chairperson called the Meeting to order at 02.10 p.m. after which prayers were said. He then welcomed all to the meeting with a round of introductions.

### **MIN. DAA&OSC/CDL/510/2023**

### **ADOPTION OF THE AGENDA**

The agenda of the meeting was adopted as was proposed by the Hon. Charles Mamwacha Onchoke. M.P. and seconded by the Hon. John Paul Mwirigi, M.P.

MIN. DAA&OSC/CDL/511/2023

CONFIRMATION OF MINUTES

Confirmation of the previous Minutes was deferred to the next meeting.

MIN. DAA&OSC/CDL/512/2023

BRIEFING ON THE PUBLIC FINANCE  
MANAGEMENT (ULINZI PRIME HEALTH  
SERVICES FUND) REGULATIONS, 2023.

Hon. Patrick Mariru, Principal Secretary, Ministry of Defence briefed the Committee on the Public Finance Management (Ulinzi Prime Health Services Fund) Regulation, 2023 as follows;

1. **Regulation 1** provides for citation. Where the Regulations may be cited as the Public Finance Management (Ulinzi Prime Health services Fund) Regulation, 2023.
2. **Regulation 2** provides for the interpretation of the terms used in the Regulations.
3. **Regulation 3** provides for establishment of the fund and sources of funds.
4. **Regulation 4** provides for the purpose and object of the fund.
5. **Regulation 5** provides for expenditure on the fund.
6. **Regulation 6** provides for retention of receipts of the funds unless the cabinet secretary directs otherwise.
7. **Regulation 7** provides for the source of the initial capital of the fund.
8. **Regulation 8** provides for the role of the defence council.
9. **Regulation 9** provides for the establishment of the advisory board.
10. **Regulation 10** provides for the meetings of the advisory board.
11. **Regulation 11** provides for the functions of the advisory board
12. **Regulation 12** provides for the administration of the fund.
13. **Regulation 13** provides for the position of Managing Director of the fund.
14. **Regulation 14** provides for the Secretariat of the fund.
15. **Regulation 15** provides for Bank account of the fund.
16. **Regulation 16** provides for overdrawn accounts of the fund.
17. **Regulation 17** provides for advances to the fund by the Cabinet Secretary with the approval of the National Assembly.
18. **Regulation 18** provides for investment of funds.
19. **Regulation 19** provides for review of performance of the fund.
20. **Regulation 20** provides for annual estimates of the fund.
21. **Regulation 21** provides for Quarterly reports of the fund.
22. **Regulation 22** provides for record keeping of the accounts of the firm and auditing.
23. **Regulation 23** provides that the administrative expenses of the Fund shall not exceed three per centum of the approved budget of each financial year.
24. **Regulation 24** provides for offences and penalties.
25. **Regulation 25** provides for winding up of the fund.
26. Upon deliberation, the Committee resolved to recommend to the House to Approve the Public Finance Management (Ulinzi Prime Health Services Fund) Regulations, 2023

(L.N. No. 175 of 2023) as was proposed by the Hon. Maj. (Rtd). Abdullahi Bashir Sheikh, M.P and seconded by the Hon. Jared Okello Odoyo M.P.

MIN. DAA&OSC/CDL/513/2023

**CONSIDERATION THE DRAFT PUBLIC  
FINANCE MANAGEMENT (DISASTER RISK  
MANAGEMENT FUND) REGULATIONS,  
2023.**

Mr. Wala Jowai, Director, Administrative Secretary, The National Treasury and Economic Planning briefed the Committee on the Draft Public Finance Management (Disaster Risk Management Fund) Regulations, 2023 as follows;

1. **Regulation 1** provides for citation where the Regulations may be cited as Public Finance Management (Disaster Risk Management Fund) Regulation, 2023.
2. **Regulation 2** provides for interpretation of terms used in the Regulations.
3. **Regulation 3** provides for the scope to which the Regulations shall apply.
4. **Regulation 4** provides for Establishment of the fund that shall be known as the Disaster Risk Management Fund.
5. **Regulation 5** provides for objects and purpose of the fund which shall be to mobilize resources towards efficient and effective disaster risk management.
6. **Regulation 6** provides for sources of the fund.
7. **Regulation 7** provides for the initial capital of the fund which shall be Kes. five Billion appropriated by the National Assembly.
8. **Regulation 8** provides for Appropriation of the fund.
9. **Regulation 9** provides for expenditure of the fund.
10. **Regulation 10** provides for establishment of advisory board to the fund.
11. **Regulation 11** outlines the functions of the advisory board.
12. **Regulation 12** provides for the administrator of the fund who shall be the accounting officer.
13. **Regulation 13** provides for the President as the National champion and patron of the fund.
14. **Regulation 14** provides for the secretariat of the fund which shall be headed by the Administrator of the fund.
15. **Regulation 15** provides for access to the fund which shall be done in four phases.
16. **Regulation 16** provides for Obligation of the National Government in management of the fund.
17. **Regulation 17** provides for the Obligation of the County government in management of the Fund.
18. **Regulation 18** provides for disaster mitigation by the National and County governments.

19. **Regulation 19** provides for disaster preparedness.
20. **Regulation 20** provides for disaster response.
21. **Regulation 21** provides for disaster recovery.
22. **Regulation 22** provides for procedures for making request for funding.
23. **Regulation 23** provides for operational procedures for disbursement and accountability.
24. **Regulation 24** provides for application of Government Regulations and procedures.
25. **Regulation 25** provides for financial year of the fund which shall be the period of twelve months ending on the 30<sup>th</sup> June of every year.
26. **Regulation 26** provides for preparation and submission of workplan in respect of the financial year.
27. **Regulation 27** provides for withdrawals from the fund which shall only be for purposes of approved use or investment of surplus fund.
28. **Regulation 28** provides for opening of bank account.
29. **Regulation 29** provides for investment of funds.
30. **Regulation 30** provides for Annual reports of the fund which shall be done quarterly and annually in accordance with the provisions of the Act.
31. **Regulation 31** provides for annual estimates which shall be done at least three months before commencement of each financial year.
32. **Regulation 32** provides for retention of receipts earnings and accruals to the fund.
33. **Regulation 33** provides for Audit of the books of accounts of the fund.
34. **Regulation 34** provides for conflict of interest where the board shall not hold any interest in any property of the fund other than their capacity of board members.
35. **Regulation 35** provides of offences and penalties.
36. **Regulation 36** provides for personal liability by the chairperson, or member of the board or staff of the secretariat shall not be liable for any action, suit or proceedings for or in respect of any act done in good faith in exercise of the functions, powers and duties conferred under these Regulations.
37. **Regulation 37** provides for winding up of the fund which shall be done in accordance with provisions of the Act.
38. Upon deliberations, the Committee made the following observations, that;
  - i. On Regulation 6 on the sources of funds, part b and d are a repetition. Further, the Committee sought to know the other sources of funds as captured on Regulation 6(b).
  - ii. Regulation 7 should set the initial capital of the fund at a minimum of 5 billion.
  - iii. On Regulation 8, part b and c should be captured together.

- iv. Regulation 10 failed to include the Administrator of the Fund as one of the Members of the advisory board.
- v. Regulation 10(3) fails to specify the period for which the board can co opt other members as it may deem necessary.
- vi. Regulation 12 (1) failed to specify the administrators of the fund.
- vii. Regulation 13 on the national champion and patron should be deleted.
- viii. On Regulation 19, there was need to define an early warning statement.
- ix. Further, the second schedule level 2 failed to provide appropriate and sufficient information.
- x. Regulation 35 failed to create the offences, the committee also recommended that the clause 'In addition to' be deleted from part two of Regulation 35.
- xi. The Committee further recommended that the Regulations should provide that each County shall establish a disaster management fund and that the National government can provide conditional grants to county governments during disaster.
- xii. The Committee took note of the National Disaster Risk Management Bill, 2023 which was still pending before the House. It was resolved that the Public Finance Management (Disaster Risk Management Fund) Regulation, 2023 awaits the enactment of the Bill on which it will draw policy direction alongside the PFM Act, 2012.

**MIN.DAA&OSC/CDL/514/2023**

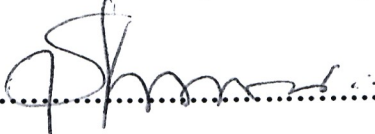
**ANY OTHER BUSINESS**

There was no any other business under this Agenda item.

**MIN. DAA&OSC/CDL/515/2023**

**ADJOURNMENT**

There being no other business, the meeting was adjourned Twenty minutes past Four O'clock.

SIGNED:  .....

**THE HON. SAMUEL CHEPKONGA, CBS, M.P.**  
**CHAIRPERSON, COMMITTEE ON DELEGATED LEGISLATION**

DATE: 5/12/2023 .....