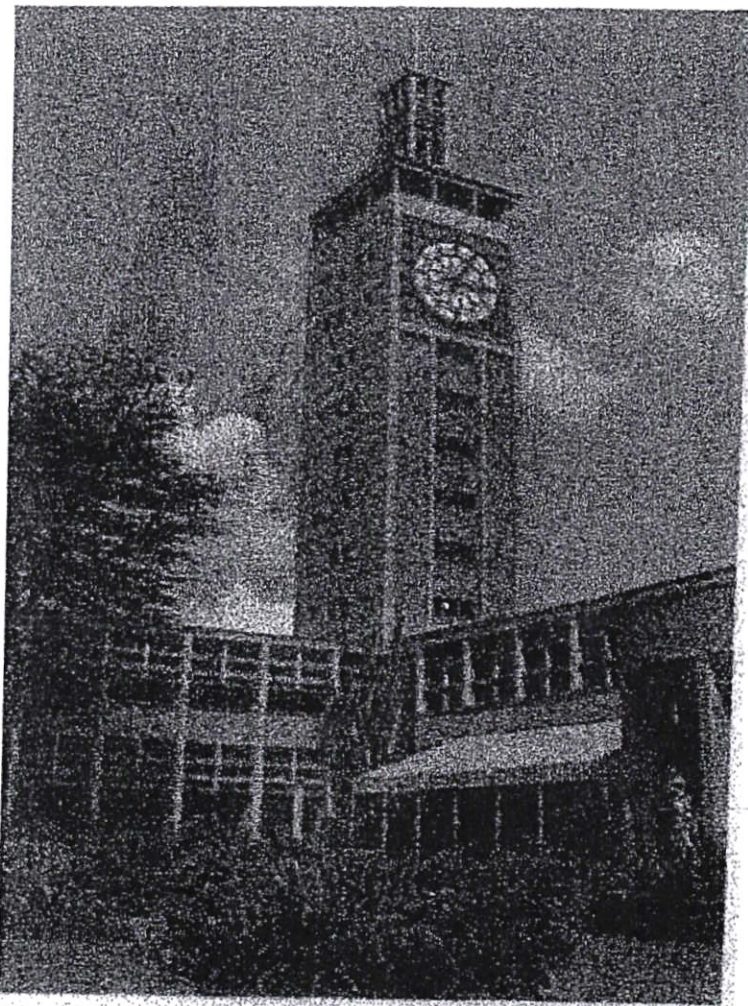


PARLIAMENT  
OF KENYA  
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## CATERING FUND SERVICES

Guidlines on Fund Operations



**Parliament Buildings, Nairobi**

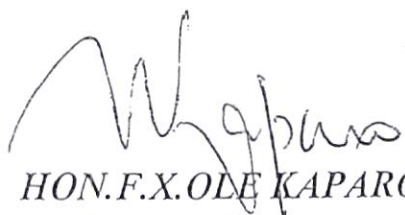
# **CATERING FUND SERVICES**

## **Guidelines on Fund Operations**

**Prepared By  
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Parliament Buildings**

## FORWARD

*The Catering Fund* got its legal status by a motion passed by the House on 14<sup>th</sup> March, 1967. Since then, at the commencement of every Parliament, a committee is appointed to manage the Fund on behalf of members. The members have had to rely on their own personal judgement on matters pertaining to the running of the Fund as unlike other funds there were no written procedures for its operation. This handbook sets out the powers and the Internal controls that would enable prudent use of the Funds resources. I would therefore encourage all those concerned to carefully familiarize themselves with the requirements laid down in the handbook. This regulation will be applied to all transactions that relate to the Fund and are to be effective with immediate effect.



HON. F.X. OLE KAPARO

CHAIRMAN,  
PARLIAMENT SERVICE COMMISSION

## I. THE CATERING FUND

The Catering Fund was established by a resolution of the house on 14th March 1967. The following is an extract of the points that came up in the course of debate.

### (a) Funding

- (i) all money held or hereafter received by way of payment for food, drinks or other goods supplied in the Members dining rooms or bars of parliament Buildings;
- (ii) all stocks of food, drinks or other goods and all equipment now held or hereafter acquired by way of purchase or by way of express gift to the National Assembly for the purposes of the fund

### (b) Expenditure

The Catering Fund shall be used only for the purposes of:

- (i) purchasing food, drinks or other goods for supply in the Members dining rooms and bars of Parliament Buildings
- (ii) purchasing equipment for improvement of any such supply;



- (iii) payment of salaries, wages or gratuities to persons employed for the purpose of any such supply;
- (iv) payment of fees for any professional assistance required in relation to the Fund;
- (v) making contributions to Government in respect of the cost of staff employed by the Government in the said dining rooms and bars.

#### **(c) Catering Committee**

There shall be a catering committee consisting of

- (i) a Chairman and five members of the National Assembly, all being members of the National Assembly appointed by the sessional committee for each session of the National Assembly;
- (ii) the speaker of the National Assembly;
- (iii) the Clerk Of the National Assembly; and
- (iv) the Serjeant-At-arms of the National .

## Powers of the Committee

The Catering Committee shall have the following powers and duties:

- (1) holding and managing the *Catering funds*;
- (2) spending money out of the *Catering Fund* for any purposes authorized by para. 1. (b):
- (3) fixing prices and conditions of supply of food, drink, or goods;
- (4) determining who may be so supplied;
- (5) borrowing money for the purposes of the catering Fund;
- (6) suing and being sued on behalf of Members of National Assembly in respect of the *Catering Fund* and
- (7) making rules for-
  - (a) meetings of the Catering Committee;
  - (b) the opening and operation of bank accounts;
  - (c) the hours of service in bars and dining rooms; and
  - (d) any other matters relevant to management of the Catering Fund or of the facilities of bars and dining rooms in Parliament Buildings;

The Committee will however have no power to pledge the credit of any member of the national Assembly or of any person other than Catering Committee itself in its capacity as trustees of the *Catering Fund*.

No member of the Catering Committee shall be held liable for any loss or damage suffered by the *Catering Fund* except so far as attributable to the wilful act or default of such member.

**(D) Legal Status**

The resolution was meant to formalise the status of the Catering Committee and to have the club as a legally constituted body. The Catering Committee can sue or be sued on behalf of the Fund.

**(E) Initial Capital**

This fund was started with a grant of Sh.40,000.00 from the government. The National Assembly then provided the fixed Assets.

**(F) Membership**

The Fund is owned by those who are, for the time being, Members of the National Assembly.

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Members of Commonwealth Parliamentary Association from abroad, members of staff of Parliament Buildings may be honorary members of the club, without any proprietary right.

The Catering Committee is expected to be very strict and only allow those facilities to be available to people who have some connection with the House, former Members of the House and Members who are able to meet their bills whenever they become due.

## **2. OPERATIONS OF THE FUND**

The Catering Committee is expected to have a good system whereby the prices of the articles are properly entered and bills are sent long before the actual date of closing the facilities, so that a member can settle his bills in good time without being embarrassed when they appear at the counter.

There are a number of parties, which are held in Parliament Buildings, and the staff has to work overtime and be paid from the Catering Fund. The Catering Accounts are supposed to be audited annually, they should be checked and balance sheets prepared. So auditor's fees have to be paid.



### **3. INTERNAL CONTROLS**

The Catering Committee will take up the role of policy formulations and will delegate to the Clerk the management of the fund. For proper maintenance of fund records the following internal controls have to be put in place.

#### **(a) Budgeting**

- (i) The Catering Manager must present annual budget detailing all the items that are required to facilitate provision of services by the Fund.
- (ii) This budget will be presented to the Catering Committee for discussion three months before the start of the financial year.
- (iii) The projected sales, purchases and all other operating expenses will be detailed in the budget.
- (iv) A ledger will be maintained to record the sales and purchases and a monthly statement of affairs to be made to the Catering Committee.

**(b) Procurement of goods**

- (i) A contractor's list will be presented to the Catering Committee with enough explanation as to the quality of goods they stock and the prices offered. The Catering Committee will verify the list and approve as appropriate and may do any necessary investigation as to the competency of the firms.
- (iii) The Catering Manager will place his requirement in advance to the storeman allowing the supplies division enough time to do the sourcing of the materials required.
- (iv) Procurement of goods will be done by the storeman attached to Catering Fund in liaison with the Supplies Officer.
- (v) All goods received will be accounted for by the storeman by raising the Counter Receipt Voucher S13 and entered in the Stores Ledger. He must verify the quantity and quality before signing the Delivery Note.

(v) Issues will be on (SII) Counter Requisition and Issue Voucher authorized by the Catering Manager as the requisitioning officer.

(vi) The purchase requisition orders must be issued, authorised by the Clerk and entered in the ledgers before any items can be procured either for cash or credit. Any supply delivered before a Purchase Order has been authorised will not be paid for.

**(C) Store keeping**

(i) Issues will be done in the mornings to allow the storeman enough time to do the posting in the ledger cards.

(ii) The Chef should raise through the Catering Manager, a requisition in an appropriate form to the Stores Clerk on a daily basis, for all the items that he require to prepare the menu for the following day.

- (iii) There shall be a stock taking exercise at the end of the month, those officers to do the stock taking to be from accounts and Supplies office with the Internal Auditor assisting.
- (iv) Handling of keys to the stores will be by the storeman only, the duplicate keys should be handed to the Supplies Officer for safe custody.
- (v) Where goods are to be procured on a credit basis, the contractor's list should be presented to the Catering Committee with enough explanation as to the quality of goods they stock and the prices offered.
- (vi) The Catering Committee will verify the list and approve as appropriate and may do any necessary investigation as to the competency of the firm.



**(d) Value for Money audit**

- (i) The Catering Manager must ensure that the daily stores issued to the Chef were utilised to prepare the anticipated number of dishes and ensure they are all accounted for in terms of sales. He will on a regular basis compare the costing of the food with the sales and recommend any adjustment in food prices.
- (ii) The sales for the day must be analysed and a returns made to the Clerk.

**(e) Accounting transactions**

- (i) Debit notes signed by the clients and all invoices received must be forwarded in a register to the Accountant for entry in the computer before 10:00 a.m. the following day.
- (ii) Once Invoices/Receipts are submitted, they must be accompanied by an S13 to confirm receipt and entry into the Stores Ledger Cards and for preparation of a payment voucher.

- (iii) All payment vouchers must be certified by the Catering Manager and returned to accounts in a movement register or processing and subsequent payment.
- (iv) The Catering vouchers should be examined and posted in the relevant ledgers by the Accountant (Catering) who should follow up and ensure cheques are issued to the payee.
- (v) All vouchers to pay for the supplier must be examined by the internal auditor before cheques can be issued.
- (vi) Unless there is a liquidity constrain, all vouchers should be settled on site and the cash book posted daily.
- (vii) A bank reconciliation should be submitted to the Accountant on or before the 15<sup>th</sup> day of the subsequent month.

**APPENDIX I**

For efficient operation it is proposed that the following limits for Authorization of Orders and Contracts be implemented

<i>Amount</i>	<i>Authorization required</i>	<i>Competition required</i>
Up to Sh. 10,000	Catering Manager	No competition required, but officers must obtain value for money and retain appropriate evidence of this
Sh.10,001 to Sh.50,000	Officer with delegated authority from clerk	Minimum of three competitive quotations or estimates in writing
Sh.50,001 to Sh.250,000	Officer with delegated authority from clerk	Minimum of three competitive quotations or estimates in writing
Sh.250,001 to Sh.400,000	Clerk	Minimum of three competitive quotations or estimates in writing following formal tendering
Over Sh.400,000	Clerk	Minimum of three competitive quotations or estimates in writing following formal tendering and approval by Committee

**Note that these delegations are for internal control purposes only and may be ammended by the Catering Committee from time to time as need arises.**





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