

No. 48 of 2002.

Public Finances (Management) (Amendment) Act 2002.

Certified on: 21 . 02 . 03



INDEPENDENT STATE OF PAPUA NEW GUINEA

No. of 2002.

Public Finances (Management)(Amendment) Act 2002.

ARRANGEMENT OF SECTIONS.

1. New Section 47B.

"47B. AUTHORITY TO PRE-COMMIT EXPENDITURE."

2. New Section 47C.

"47C. CERTAIN CONTRACTS NULL AND VOID."

3. New Section 47D.

"47D. CLAIM AGAINST STATE NOT ENFORCEABLE IN CERTAIN CIRCUMSTANCES."



INDEPENDENT STATE OF PAPUA NEW GUINEA.

AN ACT

entitled

Public Finances (Management)(Amendment) Act 2002,

Being an Act to amend the *Public Finances (Management) Act 1995,*

MADE by the National Parliament to come into operation on 1 March 2003.

1. **NEW SECTION 47B.**

Part VII of the Principal Act is amended by adding after Section 47A the following new section:-

“47B. AUTHORITY TO PRE-COMMIT EXPENDITURE.

(1) The Departmental Head of the Department responsible for financial management may issue to a Departmental Head an Authority to Pre-commit Expenditure in relation to the purchase of property or stores or to the supply of goods or services where the Departmental Head of the Department responsible for financial management is satisfied that –

- (a) in the case of proposed expenditure exceeding K100,000.00 –
 - (i) the provisions of this Part have been complied with in relation to the purchase or supply; and
 - (ii) funds will be available to meet the proposed schedule of payments for the purchase or supply; and
- (b) in the case of proposed expenditure not exceeding K100,000.00, the circumstances of the proposed expenditure are such that it is appropriate to authorize the Department, to the Departmental Head of which the Authority to Pre-Commit Expenditure was granted, to enter into a contract for the purchase of property or stores or for the supply of goods or services notwithstanding that the full amount of funds to meet the payment required under the contract is not immediately available but it is within the appropriation for the year to which the Authority to Pre-commit Expenditure relates for the item to which it relates.

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“(2) An Authority to Pre-Commit Expenditure under Subsection (1) shall specify –

- (a) the purchase of property or stores or the supply of goods or services to which it relates; and
- (b) the maximum amount to which the Authority extends.

“(3) Subject to Subsection (4), an Authority to Pre-commit expenditure under Subsection (1) authorizes the execution, in accordance with and subject to compliance with the procedures specified in this Part, of a contract for the purchase of property or stores or for the supply of goods and services specified in the Authority to the extent of an amount not exceeding the maximum amount specified in the Authority.

“(4) A contract under Section 47 shall not be entered into unless –

- (a) an Authority to Pre-commit Expenditure under Subsection (1) relating to the contract has been issued; and
- (b) all other requirements of this Part relating to the contract have been complied with.”

2. NEW SECTION 47C.

Part VII of the Principal Act is amended by adding after Section 47B the following new section:-

“47C. CERTAIN CONTRACTS NULL AND VOID.

(1) In this section –

“Authority to Pre-commit Expenditure” means an Authority to Pre-commit Expenditure issued under Section 47B;

“Integrated Local Purchase Order and Claim (ILPOC)” means Finance Form 4A – Integrated Local Purchase Order and Claim issued in accordance with the Financial Instructions.

“(2) A contract for the purchase of property or stores or for the supply of goods or services entered into, or purported to have been entered into, by or on behalf of the State, in respect of which purchase or supply no Authority to Pre-commit Expenditure has been issued or no Integrated Local Purchase Order and Claim has been issued, is null and void.

“(3) The provisions of this section apply in respect of contracts entered into, or purported to have been entered into, by or on behalf of the State, on or after 1 March 2003.”

3. NEW SECTION 47D.

Part VII of the Principal Act is amended by adding after Section 47C the following new section:-

“47D. CLAIM AGAINST STATE NOT ENFORCEABLE IN CERTAIN CIRCUMSTANCES.

(1) In this section –

“Authority to Pre-commit Expenditure” means an Authority to Pre-commit Expenditure issued under Section 47B;

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“Integrated Local Purchase Order or Claim (ILPOC)” means
Finance Form 4A – Integrated Local Purchase Order or
Claim issued in accordance with the Financial Instructions.

“(2) A claim for the price arising from the sale of property or stores or for the supply of goods or services to the State shall not be enforceable, through the courts or otherwise, unless the seller of the property or stores or the supplier of the goods or services produces –

(a) an Integrated Local Purchase Order or Claim (ILPOC); or

(b) an Authority to Pre-commit Expenditure,

relating to the property or stores or goods or services, the subject of the claim, to the full amount of the claim.

“(3) The provisions of this section apply where the property or stores were purportedly sold to the State or the goods or services were purportedly supplied to the State on or after 1 March 2003.”

I hereby certify that the above is a fair print of the *Public Finances (Management) (Amendment) Act 2002* which has been made by the National Parliament.

Acting Clerk of the National Parliament.

I hereby certify that the *Public Finances (Management) (Amendment) Act 2002* was made by the National Parliament on 10 December 2002.

Speaker of the National Parliament.

