

SUPPLEMENT to the Solomon Islands Gazette

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**ISABEL PROVINCIAL GOVERNMENT
FINANCIAL MANAGEMENT ORDINANCE 2014**

**AN ORDINANCE AS REQUIRED BY SECTION 34(4) OF
THE PROVINCIAL GOVERNMENT ACT 1997, TO
PROVIDE FOR THE PROPER MANAGEMENT OF
PROVINCIAL FUNDS AND PROPERTY OF
ISABEL PROVINCE**

Enacted by the Isabel Provincial Assembly with the assent of the Minister, as follows –

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| Citation | 1. | This Ordinance may be cited as the Isabel Provincial Government Financial Management Ordinance 2014. |
| Commencement | 2. | <p>This Ordinance shall come into effect when assented to by the Minister in accordance with Section 30 of the Provincial Government Act 1997 and shall apply to</p> <p>(a) All money received or intended to be received into the Provincial Fund for the Province, as established under section 34(1) of the Act; and</p> <p>(b) any other public money or property received by the Province that is intended to be managed under this Ordinance.</p> |
| Application of this Ordinance | 3. | <p>(1) This Ordinance applies to all financial transactions and business of Isabel Province and administrative units and to the management of all public monies and public property of the Isabel Provincial Government, to the extent that such activities and actions are not expressly managed under another arrangement.</p> <p>(2) For the purpose of ensuring compliance with the provisions of subsection (1) the Provincial Executive shall issue written instructions, to be called Financial Instructions and Stores Instructions, for the better carrying out of the provisions and purposes of this Ordinance.</p> <p>(3) If this Ordinance conflicts with any law of the Solomon Islands, then the law of the Solomon Islands must be followed and not this Ordinance. Any person becoming aware of such a conflict will immediately notify the Provincial Secretary and Minister responsible for Provincial Government in writing.</p> <p>(4) Where there is a conflict between this Ordinance and any earlier Financial Management Ordinance, Instructions or circular, this Ordinance shall prevail.</p> |
| Accountable Officer and Accounting Officer | 4. | (1) Pursuant to Schedule 6 of the Act the Provincial Secretary is appointed as the Accountable Officer for the Province, and the Provincial Treasurer is the Accounting Officer. |

(2) The Provincial Secretary has overall responsibility of ensuring the integrity of the Provincial Fund, for executing warrants issued under section 36(1), and for reporting and accounting to the Provincial Executive, Provincial Assembly, the Auditor-General and the MPG as required.s

(3) The Provincial Treasurer is responsible for the day to day management of the Provincial Fund and for ensuring that any money issued from the Provincial Fund complies with this Ordinance and the Financial and Stores Instructions, as created under section 3(2) of this Ordinance.

5. In this Ordinance, unless the context otherwise requires –

“Account Code” means a code used to detail each type of revenue and expenditure within the Provincial Government. Account codes are categorised into account types, such as income and expenditure but also reflect the divisions of the Provincial Government.

“Account Code Control Card” means the record of all the money the Province has spent or plans to spend; and so will also show how much is left to spend for that Financial Year. It may be prepared on a computer, with the Accounting Officer’s approval.

“Accountable Stationery” means any official stationery of the Province which requires control over its distribution, including such items as receipt books, tickets books and so on.

“Accountant General” means the person designated as such.

“Accountable Officer” means the Provincial Secretary

“Accounting Officer” means the Provincial Treasurer

“Act” means the Provincial Government Act 1997.

“Administration” means the Provincial Administration, including seconded and direct employees, casual and part-time officers, and contractors.

“Adopted estimate” means the original estimate for the Province for a financial year including any amendments to the estimate adopted by the Province.

“Advance of Salary” means Provincial money that is given to an employee of the Province in advance of his or her usual salary payment. An advance of salary is repaid by way of an deduction from the employee’s salary.

“Advertising” means promotion to the public an idea, goods or services by using a medium commonly used for promoting ideas, goods or services and for which a fee is paid, such as radio or newspaper.

“Allocation” means the total dollar amount of spending allowed for each account code in the estimate.

“Appropriation Ordinance” means the official document that authorises the Province to spend in that financial year. The appropriation ordinance applies until the last day of the financial year only and then needs to be replaced with a fresh annual Appropriation Ordinance.

“Approved for Payment” means the process of approving a Payment Voucher or Local Purchase Order for payment.

“Arrears” means any transaction, revenue or expenditure, not yet completed by the Province and considered to be overdue.

“Arrears of Expenditure” means payments due to be made, but not yet paid, by the Province.

“Arrears of Revenue” means revenue owed to the Province, but not yet collected.

“Asset” means Provincial property.

“Asset Register/Asset Registers” means records of all Provincial assets.

“Auditor-General” means the person holding the position within the Office of the Auditor General.

“Bank Account” means an account with a bank or other financial institution.

“Buying Good and Services” means buying goods and services for use by the Province.

“Cash Flow Estimate” means an estimate of actual spending to be made in each month of the Financial Year.

“Cash in Transit” means cash, cheques, postal orders, money orders and other negotiable documents of value being remitted or transferred from one office or place to another.

“Commitment” means any payment that has been approved and recorded by the Province, but not yet paid.

“Conflict of Interest” means any situation where a provincial employee’s or elected official’s decision is influenced by opportunities for personal financial gain or other personal advantage.

“Control Measure”, for managing a risk, means a measure that may be adopted for reducing the risk.

“Debtor” means the person owing money to the Provincial Government.

“Delegate” means any provincial employee formally appointed to carry out the duties of the Accounting Officer.

“Delegation” means transfer of authority to another person.

“Depreciable Amount” for an asset, means the depreciable amount for the asset.

“De-reservation” means where the Premier or member of the Provincial Executive responsible for Finance allows reserved funds to be spent.

“De-reservation Warrant” means the document that authorises the Province to spend that part of their Accounting Warrant that was at first withheld from spending. General warrants apply until the last day of the financial year only; and then need to be replaced with a fresh annual Warrant.

“Division” means a business unit of the Provincial Government. Examples may include, amongst others, “works division” and “finance division”.

“Document” means all forms of physical and electronic documents.

“Estimate” means the Estimates of Recurrent and Development Revenue and Expenditure, or budget book, prepared each year for approval by the Provincial Assembly and the Minister.

“Estimate Control” means continual checking of spending against the allocation for each account code to make sure overspending does not occur.

“Estimate Transfer” means the complete or partial transfer of allocations between account codes.

“Estimate Transfer Warrant” means the official document that authorises divisions to transfer estimate allocations from one account code to another. Warrants apply until the last day of the financial year only, and then need to be replaced with a fresh annual Warrant.

“Expenditure” means spending.

“Files” means storage of documents.

“Financial Year” means the 12 month period between 1st April and 31st March.

“General Ledger” means an accounting book summarising all of the province’s financial transactions. The general ledger is used to help prepare financial statements and other reports.

“Imprest” means Provincial money that is given into the personal care of a provincial employee or elected member to make Provincial payments. An imprest can only be used for the reason that it was requested. If it is not used for that reason and/or the provincial employee or elected member does not repay the money to the Province, then the amount of the Imprest will be taken out of the provincial employee’s salary or paid from the Member’s allowance.

“Imprest Fund” means the fund which is established to advance Provincial money to an authorised provincial employee or elected member. The authorised provincial employee is responsible for the security, use, accounting and reporting of these funds, as required by this Ordinance. The authorised provincial employee or elected member will be asked to repay any money that cannot be accounted for out of the advance.

“Imprest Holder” means any provincial employee or elected member receiving a Provincial advance in the form of an Imprest Fund.

“Imprest Warrant” means the official document used to give an advance of provincial money called an Imprest Fund into the personal care of a provincial employee or elected member. The provincial employee or elected member receiving the advance is called the Imprest Holder.

“Journal” means an entry in a double-entry system, listing all transactions and indicating the accounts to which they belong.

“Journal Entry” means recording of financial data pertaining to a financial transaction in a journal such that the debits equal the credits.

“Land and Building” means land, buildings and enclosures which are owned, rented or occupied, by the Administration.

“Ledger” means an accounting book where transactions are listed by individual accounts.

“Loss” means any loss of Provincial monies, whether caused by accident, negligence, theft, deficiency, fraudulent payment, suppression of revenue, irrecoverable revenue, misappropriation, misuse or unauthorized damage or destruction.

“Member” means an elected official of the Province.

“Minister” means the Minister responsible for Provincial Government (MPG).

“Money/ies” includes cash, cheques, postal and money orders, stamps and other negotiable documents of monetary value.

“Official Certificate”, of the Province, means a certificate that has been signed by both of the following persons –

- (a) The Provincial Secretary of the Province;
- (b) The Premier of the Province.

“Official Receipt” means a receipt duly issued using any of the revenue earning books used by the Provincial administration. Such books include all receipts, licences, certificates, permits, tickets and any similar devices, used for the collection and recording of revenue.

“Operating Bank Account”, for the Province, means a bank account used only for amounts accredited to the Provincial Fund.

“Original Estimate”, of the Province, for a financial year, means the estimate adopted by the Province for the financial year.

“Organisation” means any Partnerships and Companies, or other business association or society, whether incorporated or unincorporated.

“Payment Voucher” means a piece of substantiating evidence in an approved format which is duly completed and authorised. A payment voucher is required before the payment of any Provincial funds is made.

“Pre-numbered Forms” means receipt books, licence books, Local Purchase Orders (LPO), requests for payment, and any pre-numbered document used in the receiving or spending of public money.

“Provincial Employee” means anybody working for the Provincial Administration, either as a direct employee or seconded from a Central Ministry.

“Provincial Fund” means the fund used to account for all assets and liabilities of the Province, except those particularly assigned for other purposes in another more specialised fund. It is the primary operating fund of the Province. Most of the usual activities of the Province are supported by the Provincial Fund, such as the purchase of supplies and meeting operating expenditures.

“Provincial Secretary” means the person who is ultimately responsible for all books, deeds, records and other documents of the Provincial Government, for the daily control of all funds for services provided by the Provincial Government and for the collection and disbursement of all other Provincial Government monies with which the Provincial Government is charged. The Provincial Secretary is responsible for ensuring that provincial employees have clear instructions (which must conform to this Ordinance) for carrying out all aspects of the financial side of his or her duties. The terms Provincial Secretary and Accountable Officer may be used interchangeably in this Ordinance but have the same meaning.

“Provincial Treasurer” means the provincial officer who is in charge of finance. The terms Provincial Treasurer and Accounting Officer may be used interchangeably.

“Provincial Money” means all revenue or money raised for providing Provincial functions and services and any other money held by any person for or on behalf of the Administration. This includes any borrowing, loans, donor funds, grants or gifts placed into Provincial control.

“Registers” means any set of Provincial records maintained to hold and organise core or significant provincial information.

“Replenish or Replenishment” means a payment that brings the amount of an Imprest Fund up to the original amount of the advance. The Imprest Holder needs to give a replenishment report with all supporting documentation. Documents need to show how the original Imprest Fund was spent before replenishment will be paid out to the Imprest Holder.

“Reserved Funds” means funds allocated under a Warrant that have been withheld and cannot be spent until the Premier or member of the Provincial Executive responsible for finance gives the approval to do so in the form of a De-reservation Warrant.

“Responsible Provincial Employee” means the provincial employee of the Province responsible for that task.

“Revenue Account Code” means the accounting code used in the Estimate or Budget book to describe the types of revenue that are to be collected by the Province during the year.

“Revenue Collector” means any provincial employee who officially receives any revenue or other public money and who must give a receipt, keep an official cash book and account for all money received.

“Risk Management” means the establishment of policies, procedures and practices to identify, analyse, quantify, monitor, and control financial and other exposures of the Province so as to minimize potential losses.

“Special / Development Fund” means a fund created by the Assembly, which is held and managed separately from the Provincial Fund. It may have its own accounting procedures, but needs to be reported on along with other funds.

“Sub-Accountant” means a provincial employee posted to a sub-station authorised to receive, hold and make payments of public money; keep a cash book and account for transactions.

“Subsidiary Ledger” means details of an account that support the amount in the general ledger.

“Treasury information” means accounting records held in the treasury / finance unit, which are the official Province records.

“Unacceptable Charge” means any payment that in the opinion of the administration is for obviously excessive price(s) or corrupt or fraudulent activity. The reasons for a refusal to pay an unacceptable charge must be documented and signed by the Provincial Secretary.

“Unallocated Stores” are stores the cost of which is charged to a Stores Control Account pending later charge to the relevant Division and item of expenditure.

“Warrant” means a document that gives the holder the right to act in the way described in the Warrant. Warrants apply until the last day of the financial year only; and then need to be replaced with a fresh annual Warrant.

“Year” means Financial Year.

Part II – Annual Estimate

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| Preparation of Draft Estimate | 6. | The draft estimate will be prepared by the Accountable Officer and Provincial Treasurer, before being submitted to the Provincial Executive for endorsement. The draft submitted shall take into account all of the Provincial Executive and relevant Committee decisions regarding the proposed Provincial Government activities and income and expenditure levels for the year of estimate. |
| Consultation by Provincial Treasurer | 7. | The Accountable Officer and Provincial Treasurer will consult as necessary with other provincial employees to obtain the required information for inclusion in the estimate. |
| Form of Estimate | 8. | <p>The annual estimate of revenue and expenditure shall be in such form as the Accountable Officer or Executive may from time to time direct; provided that the following is included:</p> <ul style="list-style-type: none"> (a) A staff budget showing all employees of the Provincial Government by name and post designation, current grade and salary and any provisions for increases or adjustments; (b) The sources and the amount to be collected from each source of revenue; (c) The scope of each division showing a summary of the revenue and expenditure account codes, together with monetary values, used within the division. This statement will include sufficient detail of the services to be provided in order to properly inform members of the divisions' nature and scope; (d) A Capital Expenditure Estimate showing: <ul style="list-style-type: none"> (a) Accounting code that expenditure will be charged to; (b) Name of the capital project; (c) Amount spent to the end of previous estimate year; (d) Amount budgeted for the project in the previous estimate year; (e) Approved budget for the current estimate year; (f) Expected estimate for the next two years (following the current estimate year); (g) Current year revised estimate (if adopted); (h) Amount of current year's estimate spent to date (if revised estimate requested); (i) Method of financing; and (j) Additional annual recurrent costs (both running and financial costs) of the project; |

- (e) A Detailed estimate (in account code order) for each recurrent income and expenditure item showing:
- (a) Income / expenditure account code;
 - (b) Description;
 - (c) Amount spent to the end of previous estimate year;
 - (d) Amount budgeted for the account code in the previous estimate year;
 - (e) Approved budget for the account code in the current estimate year;
 - (f) Expected budget for each account code for the next two years (following the current estimate year);
 - (g) Current year revised estimate (if adopted); and
 - (h) Amount of current year's estimate spent to date (if revised estimate requested);
- (f) A statement of proposed rate levy and anticipated income from each classification of levy;
- (g) Explanatory notes as required to substantiate all items included in the estimate.
9. (1) Division must complete their proposals for items to be included in the estimate before the end of November each year. Timetable for Preparation and Approval
- (2) The Provincial Treasurer will complete the draft estimate by the end of January and submit, through the Provincial Secretary, the complete document to the Provincial Executive in February.
- (3) The estimate will be approved by the full Provincial Assembly at the annual budget meeting held before 31st March, in the form of an Appropriation Ordinance, and submitted to the Minister responsible for Provincial Governments (MPG) for assent.
- (4) The approved estimate will be open to public inspection and the Province will ensure that the public are advised that they can view the estimate as soon as possible after approval has been received.
10. The Appropriation Ordinance in respect to each year shall lapse and cease to have effect at the close of that financial year. Lapse of Funds
- Part III – Method of Authorising and Making Issues from the Provincial Fund***
11. (1) No Appropriation Ordinance has effect until it is passed by the Provincial Assembly and consented to by the Minister responsible for Provincial Governments (MPG). Authority for Expenditure

(2) No payment from Provincial funds will be made unless authority has been given by either approval of the Annual or Supplementary estimates.

(3) The estimates contained in the Appropriation Ordinance shall be known as the approved estimates of revenue and expenditure for the financial year.

Premier and
Provincial
Minister of
Finance to
issue warrant
under section
36(1)

12. (1) The Premier or Provincial Minister responsible for Finance shall issue a warrant in the form prescribed by the Provincial Executive from time to time authorising the Accountable Officer to incur expenditure.

(2) The Accountable Officer is not permitted to incur any expenditure unless a warrant has been issued under 12(1).

(3) No warrant may authorise expenditure to be incurred unless that expenditure is budgeted for in the Appropriation Ordinance (4) The Authority to incur expenditure is vested in the Provincial Assembly and neither the Accountable Officer nor Accounting Officer shall make any payment nor accept any charge in his or her accounts, whether provided for in the estimates or not, unless authorised to do so by a General or other Warrant issued under Section 36 of the Provincial Government Act.

(4) All disbursements of Provincial money shall be made under authority of the Provincial Executive by the Accountable Officer either personally or by a provincial employee acting on his or her instructions or written delegation.

(5) Expenditure from the Provincial Fund shall not be issued or committed except under the authority of a duly completed and authorised warrant.

(6) Where provision has been made in the estimates but authority to incur expenditure has been excluded from the Warrant specific authority must be obtained before expenditure may be incurred.

Delegation of
Authority

13. (1) The Provincial Executive may delegate to a committee power to authorise expenditure in accordance with approved estimates to such limits and on such services as may be specified.

(2) No delegation of responsibility may exceed 50% of the total amount for that activity as specified in the approved estimate.

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| 14. | Even though an amount appears in the estimates and has been approved by the General Warrant the Accounting Officer must use Provincial monies prudently and effectively and should not fully spend an appropriation if this is not necessary. The Accounting Officer may not in any case incur budgeted expenditure unless the finance approved for the purpose is available. | Wise and Effective use of Funds |
| 15. | All expenditure will be allocated strictly in accordance with the account codes shown in the approved estimates. | Allocation of Expenditure |
| 16. | Money should not be spent unless the approving provincial employee is satisfied that the expenditure is necessary and the subject or purpose of the expenditure can not be achieved by some other more economical or efficient means. | Necessity for Economy |
| 17. | The actual date of payment must be the one recorded in the accounts. Expenditure properly chargeable in any financial year must be accounted for within that financial year. | Recording Date of Payment |
| 18. | All provincial employees are required to ensure that all expenditure incurred and chargeable against account codes of the year are as far as possible paid within the financial year to which it is properly chargeable. | Settlement within Financial Year |
| <i>Part IV – Management and Reallocation of Funds</i> | | |
| 19. | The Provincial Treasurer will undertake a monthly review of expenditure and provide the review to the Provincial Secretary. The Provincial Secretary will submit each review to be presented to the Provincial Executive for its consideration, together with his or her own comments on the month under review. | Monthly Reporting of Expenditure |
| 20. | Subject to this part, supplementary approval is required from the Provincial Assembly for: <ul style="list-style-type: none"> (a) All payments on account of functions or services for which provision is not made in the estimates; and (b) All payments in excess of the amounts provided for in the estimates. | Supplementary Approvals and Estimates |

Supplementary
Approvals –
Report
Requirements

21. All requests for supplementary approval must be submitted to the Provincial Assembly via the Provincial Executive and be supported by a Supplementary Estimate showing for each expenditure account code involved:
- (a) Original estimate;
 - (b) Amount spent to date;
 - (c) Amount of the recommended payment giving rise to the supplementary approval request;
 - (d) Total supplementary estimate required for the financial year; and
 - (e) Method of financing the supplementary estimate (e.g. estimate transfer between account codes, increased charges and so on). Where an estimate transfer is proposed details of the estimate and anticipated underspend on the account code from which the transfer is to be made must be given.

No Supplementary
Expenditure
Without Prior
Approval

22. No supplementary expenditure may be committed until approval is obtained from the Provincial Assembly.

Amendment to
Budget Allocations
From Supplementary
Approval

23. If a supplementary estimate is financed by a budget transfer from another account code, the reduction of such account code must be reflected in the estimates and expenditure controlled to the reduced figure.

Estimate Transfer
– Between Divisions
and Development
Projects of Greater
than 10% or to a
New Service Within
a Division

24. Where it appears to the Provincial Executive to be in the public interest to increase:
- (a) By greater than 15% the amount allocated to a particular Division of the Province; or
 - (b) By greater than 15% the amount allocated to a development project; or to
 - (c) Allocate funds for the provision of new services within a division.

the Executive may, by an order in writing, reallocate funds by a corresponding reduction of the funds allocated to another division or development project; provided that –

- (a) The total funds appropriated to the affected division are not exceeded; and
- (b) The total funds appropriated to all development projects are not exceeded; and
- (c) The scope of any new service provided falls within the scope of the division concerned; and
- (d) The relevant order is laid before the Assembly at its next meeting and may be subject to a negative resolution.

25. Where it appears to the Provincial Executive to be in the public interest to increase:
- (a) By less than 15% the amount allocated to a particular Division of the Province; or
 - (b) By less than 15% the amount allocated to a development project.

Estimate
Transfer -
Between
Divisions and
Development
Projects of
Less Than 10%

the Executive may, by written resolution, reallocate funds by a corresponding reduction of the funds allocated to another division or development project; provided that –

- (a) The total funds appropriated to the affected divisions are not exceeded; and
- (b) The total funds appropriated to all development projects are not exceeded.

26. Where it appears to the Accounting Officer to be in the public interest to increase the amount allocated to individual account codes within a Division.

Estimate
Transfer -
Between
Account Codes
in the Same
Division

The Accounting Officer may, by warrant under the Premier's and Accountable Officer's hands, reallocate funds by a corresponding reduction of the funds allocated to another account code, within the same Division, provided that –

- (a) The total funds appropriated to applicable account codes are not exceeded; and
- (b) The total funds reallocated do not exceed 15% of the affected account codes approved estimate amounts.

Part V – Use of Funds before Appropriation Ordinance

27. The monies of the Provincial Fund shall not be issued or committed except under the authority of a warrant given in accordance with Section 36 of the Provincial Government Act, after the enacting of an Appropriation Ordinance. Provided that the Premier may authorise the ordering of stores in advance of appropriation to ensure the continuance of existing services.

Continuance of
Existing
Services

28. (1) If, at the commencement of any financial year, the Appropriation Ordinance for that year shall not have come into operation, the Provincial Assembly may, by resolution, empower the member of the Provincial Executive responsible for Finance to authorise the issue of moneys from the Provincial Fund for the purpose of meeting expenditure at a level not exceeding the level of expenditure in the previous financial year, until the expiration of four months from the beginning of the financial year or until the coming into operation of the Appropriation Ordinance which ever is the sooner.

Delay in
Approval of
Estimate

(2) Where the Assembly passes such a resolution as per subsection (1), the member of the Provincial Executive responsible for Finance shall issue a General Warrant to the Provincial Secretary, authorising the latter to issue and pay from the Provincial Fund such sums of money set out within the estimates, but within the limits stipulated by the resolution. Thus the maximum that can be warranted is one third of the previous year's estimate for each division.

(3) Copies of all General Warrants shall be forwarded to the Auditor General and MPG.

Supplementary Appropriation 29. Any issues from the Provincial Fund authorised by a warrant made under Section 28 shall be included in a Supplementary Appropriation Ordinance submitted to the Assembly at its next meeting. Upon appropriation of the monies concerned the warrant shall cease to have effect.

Part VI – Use of Bank Accounts and Investment of Money

Maintenance of Bank Accounts 30. (1) The Provincial Treasurer is responsible for maintaining bank accounts on behalf of the Province at a designated bank or banks.

(2) All monies of the Provincial Fund and of Provincial Special Funds and monies held in accordance with Section 60 shall be deposited promptly in the Provincial Government bank accounts, provided that money surplus to current requirements may be invested in accordance with Section 31.

Investment of Funds 31. The Premier may authorise the Accounting Officer to invest monies which are not required to finance current expenditure, provided that such investment is made in accordance with the prior written Provincial Executive policy regarding such investments.

Restriction on Investment in Commerce 32. Monies of the Provincial Fund and monies held under Section 60 shall only be invested with banks or in Solomon Island Government securities.

Use of Bank Accounts 33. The use of a Provincial Government bank account for other than official transactions is prohibited. In no circumstances may Provincial Government money be lodged in a private bank account or any private money lodged in a Provincial Government bank account.

Signature for Withdrawals from Provincial Government Bank Accounts 34. (1) The Accountable Officer will decide on cheque signatories but, in all cases, cheques must include the signatures of both the Provincial Secretary and the Provincial Treasurer or his or her authorised deputies.

- (2) The Accountable Officer may resolve that in addition to the above two signatories - withdrawals over a specified sum must be signed by a third signatory (such as Chairman of the Accounts Committee).
- (3) Immediately upon a signatory to a provincial bank account ceasing to be a provincial employee the Accountable Officer will contact the relevant financial institution/s to instruct them to remove that person from the authorised signature list and replace them with an alternative signatory.
35. (1) Under no circumstances are blank cheques to be signed by any signatory to the Provincial bank account/s until such time as a completed payment voucher is presented to support the drawing of the cheque. Prohibition on the Signing of Blank and Post-Dated Cheques
- (2) Under no circumstances are post-dated cheques to be signed by any signatory to the Provincial bank account/s.
36. Alterations to cheques drawn on Provincial Government bank accounts must be signed in full, not just initialled, by all signatories. Alterations to Cheques
37. Cheque books, when not in use, must be kept under lock and key in a strongroom, safe or steel cabinet under the sole custody of the Provincial Treasurer or his or her delegated representative. Care must be taken at all times to ensure that cheques cannot be extracted for fraudulent purposes. Custody of Cheque Books
38. (1) All bank accounts must be reconciled with the balance in the cash/book/s within 1 week of the receipt of the bank statement. The reconciliation statements must detail all outstanding cheques, outstanding debits and credits and fully explain any differences between the balances. A copy of the reconciliation statement must accompany the monthly trial balance. Reconciliation with Bank Account
- (2) Bank statements must be obtained as frequently as possible, and at least monthly. It is essential that statements must be reconciled with the cashbook/s within 1 week of the receipt of the bank statement.
- (3) Action must be taken to make the necessary entries in the accounts to rectify differences between the bank statements and cashbooks, as soon as the differences have been identified.

Part VII – Making of Advances and Imprests

- Prohibition on Advances and Imprests 39. Except as expressly provided in this part, no Provincial Government money shall be made use of for any private purpose whatsoever. Provincial employees are strictly prohibited from advancing or lending any Provincial money for which they are responsible, except as provided in this part.
- Expenditure not to be Charged to Advances or Imprests Unless Authorised 40. The Accounting Officer is prohibited from charging payments to an advance or imprest account unless authorised so to do in accordance with this Ordinance.
- Authority for Advances of Salary 41. (1) Advances of salary out of the Provincial Fund are only available to individual direct provincial employees and are to be made within any policies or limits approved by the Executive and subject to this Ordinance. All advances of salary must be approved in advance by the Provincial Secretary and the Provincial Treasurer or his or her duly authorised representatives, who has been given previous authority in writing.
- (2) All advances of salary must be made on official approved forms in triplicate, one copy of which will be placed on the individual's personnel file and one copy retained in the Provincial Treasurer's office. The third copy shall support the payment voucher.
- (3) The application form shall include space for the signatures of the recipient, the cashier and the authorising provincial employee referred to in subsection (1).
- Use of Advances of Salary 42. Advances of salary are only available to direct provincial employees for his or her personal use.
- Amount Available to be Advanced on Salaries 43. Advances of salary to direct provincial employees are limited to a total of 1 month of the direct provincial employee's net salary.
- Recording of Advances of Salary 44. All advances of salary will be collectively recorded against a staff advance account code in the general ledger. An individual advance account, in a subsidiary ledger, will be opened by the Provincial Treasurer for each direct provincial employee who is indebted to the Provincial Government. Payments and receipts will be entered as part of the normal ledger posting procedures.
- Reconciling of Advances of Salary 45. The balance of the staff advance of salary account code will be reconciled to all staff's individual advance accounts in the subsidiary ledger at least monthly.

46. (1) Whenever an overpayment (e.g. of salary) to a provincial employee is discovered, or when a provincial employee is surcharged, the Accounting Officer will:
- (a) Immediately notify the provincial employee concerned;
 - (b) Propose a method and schedule to recover the overpayment or surcharge; and
 - (c) Give the employee an opportunity to make representations about whether the proposed recovery is appropriate and/or the rate at which the recovery is proposed to be made.
- (2) Where a mutually agreed proposal can not be reached, the matter will be immediately referred to the Commissioner of Labour or to the courts for consideration.
- (3) Immediately upon mutual agreement being reached, as per subsection (1), or upon receiving a directive from the Commissioner of Labour or the courts, as per subsection (2) the full amount of the overpayment or surcharge will be debited to the staff advance of salary account code and a record made in the individual advance account in the subsidiary ledger. The credit entry of this transaction will be to the account code in which the overpayment or surcharge occurred.
47. (1) Where a mutually pre-agreed advance of salary has been made repayments shall commence in the pay period immediately following the pay period in which the advance of salary was made. The repayments shall be in equal instalments over a number of pay periods, until such time as the advance of salary is paid in full.
- (2) Where an overpayment of salary to a provincial employee is discovered, or when a provincial employee is surcharged, repayments shall commence in the pay period immediately following the pay period in which the amount of the advance or surcharge is debited to the staff advance of salary account code, as per Section 46 (3). The repayments shall be in equal instalments over a number of pay periods, until such time as the advance of salary is paid in full.
- (3) The regular repayment amount will not exceed one third, $1/3$, of the gross salary payable to the direct provincial employee within a period.

(4) When a direct provincial employee's service with the Provincial Government finishes, for whatever reason, it is the duty of the Provincial Treasurer to ensure that all monies due to the Provincial Government are deducted from the provincial employees final pay. The Provincial Secretary is responsible for informing the Provincial Treasurer of the impending departure of a provincial employee. The Provincial Treasurer must be given notification of an impending departure of a Provincial Government employee to enable them to obtain and prepare a liabilities schedule so as to calculate the amount due, if any, from the provincial employee.

(5) The completion of repayment shall result in the copies of the advance of salary form, held by the Provincial Treasurer and within the individual's personnel file, being endorsed to that effect.

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| Authorising Provincial Employees and Members Liable-Advance of Salary | 48. | The provincial employees authorising advances of salary will be held personally liable for the recovery of any advances of salary not made according to this Ordinance or any policy or limit set by the Provincial Executive. |
| Refund of Overpayment | 49. | When the amount recovered from a provincial employee's advance account is in excess of the amount of the advance, a refund on an ordinary payment voucher will be prepared and the amount refunded. |
| Imprests - General | 50. | Imprests are sums advanced to Provincial Government employees and members to enable them to meet anticipated official expenditure on Provincial Government business. |
| Requirement to Retire Imprest Accounts | 51. | Imprests must be paid back to the Provincial Government <u>immediately</u> that the necessity for it ceases. All disbursements out of imprests must be <u>accurately recorded</u> and at any time the <u>total disbursements</u> , as supported by vouchers and so on, <u>plus the cash remaining must agree with the imprest amount.</u> |
| Standing/Petty Cash Imprests | 52. | (1) A standing imprest is one issued to a provincial employee on a semi-permanent basis to enable them to make cash payments for duly certified cash payment vouchers presented to them.

(2) Only a provincial employee designated as the payment cashier will maintain a standing imprest which will be designated as a petty cash imprest account. |
| Limitation on Petty Cash Imprests | | (3) The petty cash imprest will be limited to an amount not exceeding \$1,000. |

- (4) The petty cash imprest holder will limit the amount payable from this source to \$100. Claims for reimbursement of expenses greater than \$100 are to be made through the cheque payment process as specified in Provincial Financial Instructions and Stores Instructions.
53. (1) Temporary imprests are issued for specific purposes and must be retired immediately that their necessity for such purposes ceases. They must not be used for any other purpose other than for which they were issued, even if the other purpose is also official Provincial Government business. Temporary
Imprests
- (2) An imprest advance will be made on written authority of the Provincial Secretary on receipt of an application from the provincial employee concerned through their head of division, or on receipt of an application from the member concerned duly endorsed by the Premier or member of the Provincial Executive responsible for Finance.
- (3) The amount of the imprest will be limited to a reasonable estimate of the costs to be incurred.
- (4) The Provincial Treasurer is responsible for ensuring that an imprest is accounted for within one week of its necessity ceasing.
54. (1) The imprest holder is responsible for accounting for the imprest issued to him or her, including the submission of all necessary claim forms, receipted invoices and so on. Imprest Holder
Responsible for
Retirement
- (2) Any claims which cannot be substantiated will not be allowed as a charge in the accounts and any such sums will be recovered from the provincial employee or member concerned.
- (3) Imprests for the Provincial Secretary will be authorised by the Provincial Treasurer.
55. No imprest may be advanced to a provincial employee or member where a previous imprest is still outstanding. Outstanding
Imprests
56. (1) Where a temporary imprest account provided to a direct provincial employee is not cleared within the specified time, being 1 week after the need for the imprest ceases. Repayment of the outstanding imprest will become payable from the salary of the applicable direct provincial employee. Clearance of
Outstanding
Temporary
Imprest
Accounts -
Direct Provincial
Employees

- (2) When a temporary imprest amount becomes payable from the salary of a direct employee, as specified in subsection (1), the Accounting Officer will:
- (a) Immediately notify the provincial employee concerned;
 - (b) Propose a method and schedule to recover the outstanding temporary imprest amount; and
 - (c) Give the employee an opportunity to make representations about whether the proposed recovery is appropriate and/or the rate at which the recovery is proposed to be made.
- (3) Where a mutually agreed proposed can not be reached, the matter will be immediately referred to the Commissioner of Labour or to the courts for consideration.
- (4) Subject to subsection (2) and (3) repayments shall commence in the pay period immediately following the pay period in which the imprest was payable. The repayments shall be in equal instalments over a number of pay periods, until such time as the imprest is paid in full.
- (5) Subject to subsection (2) and (3) the regular repayment amount will not exceed one third, 1/3, of the gross salary payable to the direct provincial employee within a period.
- (6) When a direct provincial employee's service with the Provincial Government finishes, for whatever reason, it is the duty of the Provincial Treasurer to ensure that all monies due to the Provincial Government are deducted from the direct provincial employee's final pay. The Provincial Secretary is responsible for informing the Provincial Treasurer of the impending departure of a direct provincial employee. The Provincial Treasurer must be given notification of an impending departure of a direct provisional employee to enable them to obtain and prepare a liabilities schedule so as to calculate the amount due, if any, from the direct provincial employee.

Clearance of
Temporary Imprest
Accounts-
Elected members
and Seconded
Provincial
Employees 57.

- (1) Where a temporary imprest account provided to an elected member or seconded employee is not cleared within the specified time, being 1 week after the need for the imprest ceases. Repayment of the outstanding imprest will become payable from the salary and/or allowances of the applicable elected member or seconded provincial employee.
- (2) When a temporary imprest amount becomes payable from the salary and or allowance of an elected member or seconded employee, as specified in subsection (1), the Accountable Officer will:
- (a) Immediately notify the elected member or provincial employee concerned;
 - (b) Propose a method and schedule to recover the outstanding temporary imprest amount; and

(c) Give the elected member or employee an opportunity to make representations about whether the proposed recovery is appropriate and/or the rate at which the recovery is proposed to be made.

(3) Where a mutually agreed proposed can not be reached, the matter will be immediately referred to the Commissioner of Labour or to the courts for consideration.

(4) Immediately upon mutual agreement being reached, as per subsection (2), or upon receiving a directive from the Commissioner of Labour or the courts, as per subsection (3). The Provincial Secretary will apply to the Permanent Secretary of the relevant Ministry to deduct from the salary and/or allowances of the applicable elected member or seconded employee the approved amount each pay period until such time as the entire imprest amount is repaid to the Provincial Government.

(5) Subject to subsection (2) and (3) the regular repayment amount will not exceed one third, 1/3, of the gross salary and/or allowances payable to the applicable elected member or applicable seconded provincial employee within a period.

(6) When an elected member or a seconded provincial employee's term or service with the Provincial Government finishes, for whatever reason, it is the duty of the Provincial Treasurer to ensure that all monies due to the Provincial Government are notified to the Permanent Secretary of the Central Ministry. The Provincial Secretary is responsible for informing the Provincial Treasurer of the impending departure of the elected member or seconded employee. The Provincial Treasurer must be given notification of an impending departure of the elected member or seconded employee to enable them to prepare and submit a liabilities schedule to the Permanent Secretary of the Central Ministry.

58. The provincial employee or member authorising a temporary imprest will be held personally liable for the recovery of any temporary imprests not made according to this Ordinance or any policy or limit set by the Provincial Executive.

Authorising
Provincial
Employees and
Members
Liable-
Temporary
Imprests

Part VIII – Acceptance of Deposits

59. (1) All cheques received by provincial employees on behalf of the Provincial Government, whether in payment of revenue due or otherwise, shall be handled strictly in accordance with the Provincial Financial Instructions and Stores Instructions.

Cheques Which
May be
Accepted

(2) Where any provincial employee receives a cheque that appears on its face to be irregular or not to comply with the Financial Instructions and Stores Instructions requirements, he or she should refer to the Provincial Treasurer or his or her delegate for a decision on whether to accept the cheque, and if so, for any conditions to be notified to the presenter regarding receipt or acceptance.

Acceptance

60. (1) The Provincial Treasurer shall maintain separate records of monies received or held which do not form part of the Provincial Fund or a provincial special fund.

(2) The authority of the Provincial Treasurer to receive and hold monies which do not form part of the Provincial Fund or a provincial special fund shall be restricted to -

- (a) Monies legally due and payable to Provincial members, provincial employees and agents, where payment cannot be immediately effected;
- (b) Monies due to but withheld from contractors under the terms of a contract;
- (c) Monies held in trust where the Assembly, the Executive, or a member of the Assembly or Executive in his or her official capacity is a trustee; and
- (d) Monies received in advance for the provision of works or services by the Executive under an agency or contractual agreement.

(3) Monies held by the Provincial Treasurer which do not form part of the Provincial Fund or a Provincial Special Fund shall not be applied to the purposes of the Provincial Fund or of any provincial special fund.

(4) Monies held by the Provincial Treasurer which do not form part of the Provincial Fund or a Provincial Special Fund shall, if they remain unclaimed after five years, be paid into the Provincial Fund.

(5) Provided that if any person entitled thereto shall subsequently prove to the satisfaction of the administration their claim to such monies, the Provincial Treasurer shall thereupon authorise the release of the monies from the Provincial Fund.

Part IX – Creation and Control of Special Funds

Power to Create
Special Funds

61. (1) The Provincial Executive may establish special funds for the furtherance of any of the functions, services or projects of the Province.

(2) Provided that no monies due to or forming part of the Provincial Fund may be paid to a special fund without prior appropriation by the Assembly in an Appropriation Ordinance.

62. The Provincial Executive shall make rules for the proper management and control of each special fund established and the rules shall include –
- Special
Development
Fund Rules
- (a) A clear statement of the aims and purposes of the fund; and
 - (b) The appointment of the Provincial Secretary as Accounting Officer for the fund.

Part X – Appointment, Duties and Responsibilities of Staff Charged with Accounting Tasks

63. The Treasurer shall be responsible for the day-to-day financial transactions of the Provincial Government and for the receipt and payment of all monies.
- Role of
Provincial
Treasurer
64. It shall be the duty of the Provincial Treasurer, as head of the Treasury division of the Provincial Government:
- Duties of
Provincial
Treasurer
- (a) To see that a proper system of accounts is established and see that proper records of the Province's financial statements are kept in books approved by the Province for such purpose;
 - (b) To exercise supervision and full control over receipt of the Province's revenue and, as far as possible, to secure its punctual collection;
 - (c) To bring promptly to account, under proper account codes, all monies whether revenue or other receipts, paid into the Treasury or to the Cashier/s;
 - (d) To see that proper provision is made and to take all possible precautions for the safe-keeping of all Provincial monies;
 - (e) To exercise supervision over all the provincial employees entrusted with the receipt or expenditure of the Province's money and to take precautions, by maintenance of efficient checks, including surprise inspections, against the occurrence of misappropriation or negligence;
 - (f) To supervise the expenditure and other disbursements of the Province; to take care that no payment is made which is not covered by proper authority, expressed or referred to on the voucher relating to it. In case of any apparent defect in the payment of expenditure or disbursement resulting from the full utilisation or absence of a budget allocation to call attention, in writing, to the matter;

- (g) To promptly record in the accounts, under the proper account code, all disbursements of Province;
- (h) To prepare bank reconciliations for each bank account held by the Province at regular intervals, not exceeding 1 calendar month;
- (i) To prepare a monthly report for the Provincial Executive showing
 - The revenue and expenditure for the month;
 - The yearly cumulative totals for each account code against the budgeted amount; and
 - The bank reconciliation report for the month;
- (j) To promptly submit the Financial Statements, and any other necessary returns, for audit or inspection in the format specified by the MPG, Section 94;
- (k) To bring to the notice of the Provincial Executive repeated carelessness on the part of a subordinate. No provincial employee shall be relieved of his or her financial responsibilities should they delegate unduly to his or her subordinate financial work which should have been performed or scrutinised themselves;
- (l) To report, in writing, any material irregularity connected with the Province's accounts or monies that may have been brought to his or her notice; and
- (m) To supervise the work of all provincial employees under his or her control and ensure that all sections of this Ordinance and Financial Instructions and Stores Instructions are strictly and properly observed.

Provincial
Treasurer to Check
Provincial
Government
Monthly Accounts

65. The Provincial Treasurer shall be responsible for ensuring that the following checks are carried out at least once a month:

- (a) Verification of all entries in the cash books and subsidiary cash books since the last examination with the revenue earning receipt books and payment vouchers;
- (b) Reconciliation of all bank balances with the bank statements;
- (c) Examination of the payment vouchers for correctness of authorities, allocations, rates, calculations, postings and receipt signatures and ensure that vouchers are properly filed;
- (d) Checking any contra entries, also bank credits or debits appearing in the cash book, with the bank statements;
- (e) Checking revenue received to the ledger;
- (f) Checking payment vouchers to the ledger;
- (g) Examination of journal entries and check to the ledgers;

- (h) Posting of ledgers and checking totals to date;
- (i) Checking the monthly comparative statement of revenue and expenditure and the Trial Balance; and
- (j) Reconciliation of control accounts to subsidiary records.
66. The Provincial Treasurer should ensure that a surprise survey of cash is frequently carried out as follows:
- Surprise Survey of Cash
- (a) Take over the key of the safe or cash box from any collector, cashier or other person in charge of cash and count the cash in the presence of the responsible provincial employee who must remain in the room until the key is returned to them. Enter the total of cash counted on a pre-prepared cash inspection form;
- (b) Ascertain from the Accountable Stationery Register whether any receipt or licence books or other documents exchangeable for cash have been issued since the last check and see that they are produced;
- (c) Enter all receipts issued since the last pay-in on the the pre-prepared cash inspection form and total them; and
- (d) Compare all totals of cash counted and receipts issued.
67. The Provincial Treasurer shall be available for all meetings of the Assembly and the Executive and no action of financial consequence may be taken until the Provincial Treasurer or Provincial Secretary has advised the Assembly or Executive on the financial consequences of that matter.
- Provincial Treasurer to be Available to Attend Executive and Assembly
68. The Provincial Treasurer shall be available for all meetings of committees of the Assembly and the Executive and no action of financial consequence may be taken until the Provincial Treasurer or Provincial Secretary has advised the committee on the financial consequences of any matter under consideration.
- Provincial Treasurer to be Available to Attend Committee Meetings
69. (1) For each meeting of the Executive the Provincial Treasurer shall prepare a financial report for submission to the Executive showing the following:
- Provincial Treasurers Financial Reporting
- (a) The reconciled bank balance of all Provincial Government Accounts;
- (b) The revenue and expenditure since the previous Executive meeting; and
- (c) The yearly cumulative totals for each account code against the budgeted amount.

(2) The financial report submitted by the Provincial Treasurer shall also include an explanation of the current state of the Provincial finances, containing a reference to any current or future commitments of financial consequence to the Executive.

Provincial
Treasurer to
brief Premier
and Provincial
Minister for
Finance

70. The Provincial Treasurer shall provide a monthly briefing to the Premier and Provincial Minister for Finance on all matters relating to the financial position and management of the Province.

Duties of
Provincial
Secretary

71. It is the duty of the Provincial Secretary:
- (a) To be satisfied that a proper system of accounts exists in the Provincial Government;
 - (b) To satisfy themselves that adequate arrangements exist for the safe-keeping of cash, and stocks of revenue earning books and all other accountable stationery;
 - (c) To be satisfied that proper supervision is exercised over the receipt and disbursement of Provincial Government Funds and to take all possible precautions against the occurrence of fraud or negligence by ensuring the prescribed checks as laid down in this Ordinance are carried out;
 - (d) To see that estimates of expenditure and supplementary estimates of additional expenditure are approved by the Provincial Executive, passed by the Assembly and are consented to by the Minister responsible for Provincial Governments (MPG) before any expenditure is incurred;
 - (e) To supervise the preparation of the annual estimates (revenue and expenditure) and the annual financial statements;
 - (f) To be satisfied that books of account and registers are maintained in accordance with Financial Instructions and Stores Instructions and approved systems;
 - (g) To be satisfied that the control over revenue earning books as required by sections of this Ordinance and Financial Instructions and Stores Instructions are maintained; and
 - (h) To ensure that inventories of all permanent assets are accurately maintained.

Financial
Responsibilities
of Provincial
Employees

72. (1) Provincial employees must not in any circumstance mix Provincial Government and private money. They must not apply Provincial Government's money to any purpose not duly authorised, nor must they lend, advance or exchange any sum for which they are accountable. They must see that all Provincial Government monies or other assets entrusted to them are kept in a safe place.

(2) All provincial employees are responsible for the due performance of his or her financial duties, for the proper collection and custody of all Provincial Government money received by them or under his or her authority, and for any inaccuracies in accounts rendered by them. No provincial employee will be relieved from any portion of his or her responsibilities if they delegate to his or her sub-ordinate the performance of duties which they should have performed themselves.

(3) All decisions of the Provincial Executive, Provincial Secretary and/or Provincial Treasurer relating to finance must be circulated to all provincial employees especially those whose duties are affected by the decisions.

73. It is the duty of provincial employees having financial responsibilities in connection with his or her official duties to observe the following requirements in so far as they may be applicable to his or her particular duties:

Duties of
Provincial
Employees

- (a) To fully acquaint themselves with the Province's Financial Management Ordinance, and Financial Instructions and Stores Instructions and to take care that all are duly observed;
- (b) Correctly to assess revenue in accordance with the relevant law or by - law and to secure its punctual collection;
- (c) Promptly to bring to account, under proper account code headings all monies collected;
- (d) To ensure that proper provision is made for the safe-keeping of Provincial Government money, official receipts, requisitions, cheque books, Local Purchase Order books and all other accountable documents and assets under his or her charge;
- (e) To exercise supervision over all provincial employees under his or her authority entrusted with the receipt and expenditure of Provincial Government money and to take precautions, by the maintenance of efficient and regular checks, against the occurrence of misappropriation or negligence;
- (f) To ensure that no payment is made without proper authority being obtained and, where appropriate quoted on the voucher;
- (g) To check daily all cash in his or her charge and to verify the amounts with the balances shown in his or her records;

- (h) Promptly to bring to account as revenue any cash found in his or her charge in excess of the balances shown in his or her records and to report this to the Provincial Treasurer;
- (i) Promptly to make good any deficiency not caused by misappropriation in cash or other Provincial Government assets for which they are responsible and to report all other losses and deficiencies in writing to the Provincial Treasurer with a copy to the Provincial Secretary;
- (j) To charge promptly in his or her accounts under the proper account code headings and sub-headings all disbursements of Provincial Government money in accordance with the current estimates;
- (k) To submit any financial statements required by Law or the Minister responsible for Provincial Governments (MPG);
- (l) To see that all books of account, registers, records and so on are maintained in accordance with Financial Instructions and Stores Instructions, and posted and kept up-to-date, when not in use, are kept in safe custody;
- (m) To report to the Provincial Treasurer and Provincial Secretary of the Provincial Government any apparent defect in the system of revenue collection or any apparent waste or extravagance in expenditure which comes to his or her notice;
- (n) To produce, when required, all assets, securities, books of account, vouchers or other documents in his or her charge for inspection by the Provincial Treasurer, their authorised assistant, the Auditor General or their officers, or any other duly authorised personnel;
- (o) To reply promptly and fully to all financial and other queries raised by the Provincial Treasurer, Provincial Secretary, Premier, Minister responsible for Provincial Governments (MPG), or by the Auditor General giving the particulars or information required; and
- (p) To acquaint themselves with such laws, Ordinances, Financial Instructions and Stores Instructions, Provincial Executive and Assembly decisions and circulars as relate to his or her financial duties.

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| Treasury Staff | 74. | The Provincial Treasurer shall be provided with sufficient staff to enable him or her to perform his or her duties under this Ordinance. |
| Role of the Auditor General | 75. | (1) The Auditor General is responsible for regular inspections of the accounts of the Provincial Government. Provincial Secretaries will likewise cause surprise checks to be conducted on the accounts of the Provincial Government. |

(2) The Auditor General has the right to report any breaches of the Financial Management Ordinance to relevant authorities.

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| 76. | The responsibility of the Auditor General does not absolve any Provincial employee from his or her responsibility. | Continuing
Responsibility |
| 77. | All temporary and non-established provincial employees are prohibited from handling cash. | Provincial
Employees
Prohibited from
Handling Cash |

Part XI – Quotation and Tenders

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| 78. | The Province may procure works, supplies and services subject to the following: <ul style="list-style-type: none"> (a) Three quotes are provided for works, supplies, and services up to \$10,000; (b) Provincial Tender Board approval is required for all works, supplies, and services over \$10,000 and up to \$500,000. | Authority to
Procure Goods
and Services -
Limit |
| 79. | Procurements greater than \$500,000 requires Central or Ministerial Tender Board approval, depending on the source of the funds. | Ministerial
Tender Board
Approval |
| 80. | Requirements in relation to the quotation and tender process, appointments and functioning of the Provincial Tender Board, as well as other procurement issues, are included in the Financial Instructions and Stores Instructions. | Quotation and
Tender
Requirements
Contained in the
Financial
Instructions and
Stores
Instructions |
| 81. | This part of the Ordinance expressly applies to both provincial employees and elected members. | Persons Who
This Part
Applies To |

Part XII – Procurement Procedures of Goods and Services and the Use of Stores

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| 82. | Requirements in relation to the procurements procedures and use of stores, as well as other procurement issues, are included in the Financial Instructions and Stores Instructions. | Requirements
Contained in the
Financial
Instructions and
Stores
Instructions |
| 83. | This part of the Ordinance expressly applies to both provincial employees and elected members. | |

Part XIII – Sale or Disposal of Provincial Government Property, Shares and Assets

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| 84. | Where an asset is not used or is no longer needed, and where the value does not exceed \$1,000, it may be sold or destroyed on the authority of the Accountable Officer, acting on the advice of the Provincial Executive. | Persons Who
This part
Applies To |
| | | Items Valued at
Less Than
\$1,000 |

- Items Valued at Greater Than \$1,000 85. Where the value of Provincial Government property, shares or assets is greater than \$1,000 the Provincial Government property, shares or assets may be sold or destroyed only after Provincial Tender Board approval.
- Prohibition From Selling or Disposing of Non-Provincial Government Property 86. No person within the Provincial Government has the authority to sell or otherwise dispose of any property, shares or assets which are not owned by the Provincial Government.
- Persons Who This Part Applies To 87. This part of the Ordinance expressly applies to both provincial employees and elected members.

Part XIV – Borrowing of Funds

- Borrowing to Comply with Provincial Government Act 88. No funds are to be borrowed for any reason or from any source unless they comply with Section 40 of the Provincial Government Act 1997.
- Authorised Lender 89. For the purpose of section 88, an authorised lender refers to a regulated entity under the Credit Union Act or the Financial Institutions Act.

Part XV – Accounts Committee

- Meaning and Duties of Accounts Committee 90. (1) An Accounts Committee is a standing committee of the Provincial Assembly established under Part 17 of the Isabel Provincial Assembly Standing Orders, whose job is to perform those functions set out in Standing Order 205 of those same Orders.

Part XVI – Offences and Penalties

- Offences 91. An offence is committed under this Ordinance amongst others if:
- (1) The Accounting Officer intentionally or recklessly without reasonable excuse:
- (a) Fails to comply with any sections of this Ordinance without reasonable excuse;
 - (b) Incurs expenditure for which there is either insufficient or no provision in the approved estimates;
 - (c) Makes commitments without available cash for payment;
 - (d) Fails to ensure that a budget is prepared within the prescribed time and manner;
 - (e) Fails to be up-to date with salary payments;
- (2) An elected member or provincial employee, intentionally or recklessly fails to comply with any section of this Ordinance;

(3) An elected member or provincial employee intentionally or recklessly sells or otherwise disposes of Provincial property, shares and assets in contravention of Part XIII of this Ordinance;

(4) The Provincial Treasurer intentionally or recklessly and without reasonable excuse;

- (a) Fails to produce monthly financial reports for submission to the Executive in the specified time;
- (b) Fails to ensure that revenue collectors carry out his or her duties properly to ensure that all revenue due to the administration is promptly collected in the approved manner and banked intact;
- (c) Fails to keep proper books of account and to balance the accounts for the year and produce statements of final accounts within six months from the end of the year;

(5) A senior provincial employee intentionally or recklessly gives wrong instructions to a junior provincial employee leading to financial loss to the Provincial Government.

(6) A provincial employee intentionally or recklessly and without reasonable excuse:

- (a) Fails to ensure safe custody of public money, documents and books of account;
- (b) Fails to account for Government funds;
- (c) Fails to be responsible for the due performance of financial duties, for the proper revenue collection and custody of all administration money, stores, and assets receivable.

92. (1) Any provincial employee or elected member who commits an offence under Section 91 shall be liable to disciplinary action as imposed by Provincial Staff Instructions, Leadership Code Commission and Public Service Commission Regulations or other relevant regulations.

Penalties

(2) In addition to subsection (1), where a loss or deficiency of Provincial Government funds or assets occurs and the Provincial Executive or the Minister is satisfied after due enquiry, that the negligence or misconduct of a provincial employee or elected member caused or contributed to the loss or deficiency:

- (i) The amount of the loss or deficiency;
- (ii) The value of the property destroyed; or
- (iii) The cost of replacing or repairing the damage to that property, as the case may be,

shall be a debt due to the Provincial Government and should be recovered from the provincial employee or elected member through an action in a court of competent jurisdiction.

(3) In this section, reference to a provincial employee includes a person who has been a provincial employee but is now retired.

(4) In this section, reference to an elected member includes a person who was, but is no longer a member of the Provincial Assembly.

(5) Where the negligence or misconduct of the provincial employee or elected member is not the sole cause of any loss, deficiency or destruction resulting in an action, the amount recoverable from the provincial employee or elected member may be restricted to only the cost of replacing or repairing the loss, deficiency, damage or destruction that the Court considers, after due enquiry, to be just and equitable, having regard to the contribution made by the provincial employee or elected member to that loss, deficiency, damage or destruction.

Part XVII – Miscellaneous

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| Financial Instructions and Stores Instructions | 93. | The Financial Instructions and Stores Instructions published by order of Section 3 (2) of this Ordinance shall be legally binding on all elected members and provincial employees. |
| Format of Financial Statements | 94. | The format of the Annual Financial Statements to be submitted to the Auditor General each year will be in the format specified by the MPG. |
| Format of Other Reports | 95. | The Provincial Government will prepare and present any other report requested by the MPG in the required format. The format of such reports is to be determined by the MPG. |
| Timing of Financial Statements and Audit | 96. | The Provincial Government's annual financial statements will be prepared and lodged with the Auditor General within 6 months of the end of the Financial Year. |
| Inspection of Financial Statements and Audit | 97. | Once the audit of the annual financial statements is completed such documents will be open to public inspection. The Provincial Government will ensure that the public are advised that they can view the audited financial statements as soon as possible after the documents are returned from the Auditor General. |

Part XVIII – Repeal

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| Repeal | 98. | The previous Financial Management Ordinance of Isabel Province is hereby repealed. |
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Approved by the Isabel Provincial Assembly this twentieth day of November, 2014.

.....	20 Nov. 2014	20 Nov. 2014
Clerk to the Assembly	Date	Speaker to the Assembly	Date

.....	08/01/15
Premier of Isabel Province	Date

Assented to by the Honourable Minister for Provincial Government and Institutional Strengthening this second day of February, 2015.

.....
Minister for Provincial Government and Institutional Strengthening

.....
2/2/2015
Date

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