

# THE FINANCIAL ADMINISTRATION AND AUDIT ACT

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## The Financial Management (Amendment) Regulations, 2015

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In exercise of the power conferred upon the Minister by section 50 of the Financial Administration and Audit Act, and of every other power hereunto enabling, the following Regulations are hereby made:-

1. These Regulations may be cited as the Financial Management (Amendment) Regulations, 2015 and shall be read and construed as one with the Financial Management Regulations, 2011 (hereinafter called the “principal Regulations”).
2. Regulation 2 of the principal Regulations is amended –
  - (a) by deleting the definition of “appropriation-in-aid”; and
  - (b) by deleting the definition of “budget call” and substituting therefor the following –

“ “Budget Call” means a written directive issued by the Minister to accounting officers during a financial year for the submission of proposals for their departments’ –

    - (a) operational plans in respect of the ensuing financial year; and
    - (b) corporate plans and budgets in respect of the ensuing financial year and the three financial years following the ensuing financial year;”.
3. Regulation 12 of the principal Regulations is amended –
  - (a) in paragraph (1), by deleting the words “ Financial Secretary” and “ November 30<sup>th</sup>” and substituting the words “Minister” and “ September

30<sup>th</sup>” respectively;

(b) in paragraph (2)(g), by deleting the words “Financial Secretary” and substituting the word “Minister”;

(c) by inserting next after paragraph (2) the following –

“ (3) The following matters to be approved by the Cabinet as part of the updated Fiscal Policy Paper shall be set out in the Budget Call issued during a financial year –

(a) the policy direction of the Government for the ensuing financial year and for the medium term following the ensuing financial year, having regard to development plans, fiscal policy, public investment policy and analysis of the performance of existing policies and programs;

(b) the priorities of the Government with regard to the budget for the ensuing financial year and for the medium term following the ensuing financial year;

(c) the economic and fiscal parameters that are to govern the preparation of the estimates of revenue and expenditure for the ensuing financial year and for the medium term following the ensuing financial year; and

(d) the expenditure ceilings within which public entities are to prepare their budgets for the ensuing financial year and for the medium term following the ensuing financial year.

(4) For the purposes of paragraph (3), “medium term” in relation to an ensuing financial year means the three financial years following that ensuing financial year.”.

4. The principal Regulations are amended by deleting regulation 16.

5. The principal Regulations are amended by inserting next after regulation 17

the following –

*Introduction of Appropriation Bill*

**“Time for introduction of Appropriation Bill.**

17A. The Minister shall cause the Appropriation Bill in respect of each financial year to be laid in the House of Representatives no later than one week after the Standing Finance Committee has completed its examination of the estimates of revenue and expenditure in respect of that financial year.”.

6. The principal Regulations are amended by deleting regulation 21 and substituting the following therefor –

**“Reallocation of expenditure.**

21. – (1) Subject to paragraphs (2) and (3), where the operating requirements of a department make it necessary to reallocate expenditure within the non-wage recurrent component of the approved budget, the accounting officer for the department may authorize the use of savings on expenditure identified under one or more classifications in the budget to offset expenditure under other classifications in the budget.

(2) An accounting officer may not authorize a reallocation in respect of any of the following –

- (a) reallocation of expenditure that is budgeted as compensation for employees of a department;
- (b) reallocation of expenditure that is budgeted for a public investment project;
- (c) reallocation of expenditure to any service, programme or activity that is not provided for by an Appropriation Act.

(3) All reallocations shall be incorporated in the supplementary estimates.

(4) This regulation shall have effect for the financial year beginning on April 1, 2015 and for subsequent financial years.”.

7. The principal Regulations are amended by deleting regulation 40.

8. Regulation 54 of the principal Regulations is deleted and the following substituted therefor -

**“Duty to inform Accountant General of statutory deductions.** 54. Accountable officers shall, by the 15th day of each month, inform the Accountant General of all statutory deductions to be withheld from employees’ earnings.”.


9. The principal Regulations are amended by inserting next after section 54 the following as section 54A -

**“ Payment of deductions from earnings.** 54A. – (1) Every accountable officer shall remit any deduction from the earnings of an employee to the person entitled to receive that deduction within seven working days of the effective date of the deductions.

(2) Each accountable officer shall, within seven days after the end of each month, provide a written report to the Financial Secretary of all deductions made under this regulation by that accountable officer.”.

9. Regulation 55 of the principal Regulations is amended by inserting immediately after the words “regulation 54” the words “or regulation 54A”.

Dated the 16<sup>th</sup> day of January, 2015.

  
Minister of Finance and Planning