

SUPPLEMENT to the Solomon Islands Gazette

23rd November 2006

S.I. No. 50

[Legal Notice 135]

SUPPLEMENT

To the

Solomon Islands Gazette

The

RENNELL BELLONA PROVINCE

FINANCIAL MANAGEMENT ORDINANCE

2006

An

ORDINANCE

To

**Provide the control and management of Provincial Finance and to Repeal the
Rennell and Bellona Province financial Management Ordinance 1995**

Enacted by the Rennell Bellona Provincial Assembly

THE RENNELL BELLONA PROVINCE

FINANCIAL MANAGEMENT ORDINANCE 2006

Passed by the Rennell Bellona Provincial Assembly this 14th Day of September 2006

I have carefully compared this printed impression with the ordinance passed by the Rennell Bellona Provincial Assembly and found by me to be a true and correct copy of the said ordinance

.....
Clerk to Rennell Bellona Provincial Assembly

Assented to by the Minister for Provincial Government and Constituency Development under Section 30[2] of the Provincial Government Act 1997 this 21st day of September 2006.

.....
Hon Japhet Waipora, MP
Minister of Provincial Government and
constituency Development

ARRANGEMENT OF SECTIONS**PART 1
PRELIMINARY**

1. Short title
2. Interpretation

**PART 2
ESTIMATES AND APPROPRIATION**

3. Forms of estimates
4. Estimates to be laid before the assembly
5. Appropriation and supplementary appropriation Ordinances
6. Other matters which may be included in Appropriation Ordinances
7. Lapse of authority at end of financial year

**PART 3
WARRANT FOR EXPENDITURE**

8. Warrant for appropriated expenditure
9. Warrant in advance of appropriation
10. Supplementary appropriation of advance payments
11. Changes within heads
12. No expenditure unless authorized by warrants

**PART 4
PROVINCIAL TREASURER, ACCOUNTING STAFF AND PROVINCIAL
STORES REGULATIONS**

13. Provincial Treasurer
14. Principal duties of Provincial Treasurer
15. Accounting Officers
16. Duties of Accounting Officers
17. Duties of other staff
18. Financial and Stores Regulations

**PART 5
ADVANCES AND DEPOSITS**

- 19. Authority for Advances
- 20. Allowable Advances
- 21. Provincial Treasurer to be Accounting Officer
- 22. Conditions
- 23. Deposits Allowable
- 24. Records of Deposits
- 25. Unclaimed Deposits

**PART 6
SPECIAL FUNDS**

- 26. Creation of special funds
- 27. Estimates and accounts
- 28. Special funds estimates by Parliament

**PART 7
WARRANT FOR EXPENDITURE**

- 29. Record of borrowing
- 30. Loans and guarantees
- 31. Records of loans and guarantees

**PART 8
BANKING AND INVESTMENT**

- 32. Bank Accounts
- 33. Investment

**PART 9
LOANS AND WRITE OFF**

- 34. Losses of and damage to property
- 35. Records of losses, etc
- 36. Arrears of revenue
- 37. Disposal of surplus property

**PART 10
ADVANCES AND DEPOSITS**

- 38. Annual Accounts
- 39. Auditor General
- 40. Accounts Committee

**PART 11
SPECIAL FUNDS**

- 41. Repeal of the Rennell and Bellona Province Financial Management Ordinance 1995.

**PART 1
PRELIMINARY**

- Short title 1. This ordinance is called the **Rennell Bellona Province Financial Management Ordinance 2006** and shall come into effect when assented to by the Minister under Section 30[2] of the Provincial Government Act 1997
- Interpretation 2. In this ordinance:-
 “Act” means the Provincial Government Act 1997
 “Financial year” means the 12 months ending 31st of March in any year

**PART 2
ESTIMATES AND APPROPRIATION**

- Forms of estimates 3. Estimates of revenue and expenditure shall be in the form, the Provincial Executive may from time to time decide provided that:
- (a). Estimates of revenue shall state each source of revenue and the amount to be collected from it and shall show the estimate and the amount from it in the previous year;
- (b). Estimate of expenditure shall:
- (i) Describe the purpose and scope of each head
- (ii) Show the sum required for each head in sufficient detail to identify the amounts allocated for each service to be provided
- (iii) Show in similar detail the amount allocated or revised figures of expenditure for the previous year
- Estimates to be laid before the Assembly 4. Estimates of revenue and expenditure shall be presented to the Assembly before the start of each financial year
5. (1). the Provincial Executive shall present an ordinance to appropriate sums for a financial year to the Assembly before the start of the financial year

- (2). A Supplementary Appropriation Bill may be presented to the Assembly at any time after financial year has come into effect
- 6. In addition to making appropriations from the Provincial Fund an appropriation ordinance may:-
 - (a). in accordance with Section 34[3] of the Act, specify the maximum aggregate amount which may be paid out of the Provincial Fund in advance of appropriation sum for the following year
- 7. Subject to the provision of section 6[a], every appropriation by the Assembly shall lapse and cease to have effect at the end of the financial year

Other matters which may be included in Appropriation Ordinances

Lapse of Authority at end of financial year

**PART 3
WARRANT FOR EXPENDITURE**

- 8. (1). On the coming into effect of an appropriation ordinance, the Premier may by warrant signed by him authorize the Provincial Treasurer to issue from the Provincial Fund the sum or part thereof appropriated
- (2). The Premier may at any time limit or suspend any expenditure not being statutory expenditure with or without cancellation of the warrant if in his opinion financial circumstances or the public interest so require
- 9. The Premier may under the authority of and subject to the limit imposed by an appropriation ordinance authorize by warrant signed by him the payment of money from the Provincial Fund in advance of appropriation where an urgent need for expenditure has arisen:-
 - (a). for which no appropriation has been made or for which the existing appropriation is insufficient and
 - (b). for which funds cannot be provided in accordance with section 11 and
 - (c). which cannot be deferred without harm to the public interest

Warrant for appropriated expenditure

Warrant in advance of appropriation

- Supplementary appropriation of advance payments 10. Whenever payment has been made under the authority of a warrant issued under section 9. The Premier shall include the sums authorized in the warrant in a supplementary appropriation bill which shall be presented to the Assembly at the next meeting after the issue of the warrant.
- Changes within Heads 11. If it appears to the Premier to be in the public interest to change sums assigned to subheads within a head or to create new subheads within that head or to provide new services, he may sign a variation warrant to give effect to such changes provided that: -
- (a) the total sum appropriated to a head is not increased; and
 - (b) any new service to be provided is within the purpose and scope of that head
- No expenditure unless authorized by warrant 12. No payment shall be made and no commitment made for expenditure from the Provincial Fund without the authority of a warrant signed by the Premier.

PART 4

PROVINCIAL TREASURER, ACCOUNTING STAFF AND PROVINCIAL FINANCIAL AND STORES REGULATIONS

- Provincial Treasurer 13. There shall be a Provincial Treasurer appointed by the Public Service Division
- Principal duties of Provincial Treasurer 14. (1). The Provincial Treasurer shall keep records to provide at all times a clear account of the current state of the finances and financial commitments of the Assembly including:-
- (i) record of all receipts into and payment from the Provincial Fund and every other account maintained for the purpose of Section 34 of the Act or special fund authorized under part 6 of this Ordinance
 - (ii) a record of all revenue received and expenditure made in accordance with the annual estimates as approved by an appropriation or supplementary appropriation ordinance

- (iii) records of deposits in accordance with section 24 and advances in accordance with section 21
 - (iv) the records required by part 6, 7 and 9 of this Ordinance.
- (2) The Provincial Treasurer shall at the end of each month and at such other times as he deems prudent:-
- (i) reconcile the records of receipt and payments with the total of moneys held in cash or at the bank;
 - (ii) balance the record of revenue and expenditure referred to in subsection (1) (b);
 - (iii) balance and reconcile all other accounts kept by him and;
 - (iv) submit a financial report to the Provincial Executive together with summary totals of revenue, expenditure and commitments and an explanation of the current state of the finances of the Province
15. (1) Subject to subsection (2) the Provincial Treasurer shall be the accounting officer of all heads of the annual estimates. Accounting Officers
- (2) The Provincial Treasurer in consultation with the Premier may in writing at any time appoint any other officer to be the accounting officer for a head or part of a head
16. Every accounting officer appointed under 15(2) shall control the expenditure of moneys from head or part of a head for which he is responsible and shall:- Duties of Accounting Officers
- (a) keep proper records of revenue and expenditure and stores under his control;

- (b). provide prompt and accurate information to the Provincial Treasurer on:
- (i) collections and arrears of revenue;
 - (ii) expenditures and commitments;
 - (iii) the condition and value of stores under his control;
- (c). observe and enforce financial and stores regulations
- Duties of other Staff 17. All officers employed by or under the Provincial Assembly or the Provincial Executive entrusted with the control or use of cash or other property are accountable for them.
- Financial and Stores Regulations 18. The Provincial Treasurer shall make the financial and stores regulations to provide for carrying out the purposes of this ordinance, for proper financial management and the procurement, safekeeping, accounting for and disposal of stores at the approval of the Provincial Executive.

PART 5 ADVANCES AND DEPOSITS

- Authority for Advances 19. On the coming into effect of an appropriation ordinance the Premier may sign a warrant authorizing the Provincial Treasurer to make advance for the purposes of section 20 [a] and [b]
- Allowable Advances 20. Advances may be made for the following purposes only:
- (a). for the discharge of function under section 34 of the Act;
 - (b). to a direct employee of the Provincial Government by way of salary advance for reason of unexpected or unforeseen tragedy to himself, his immediate or extended family provided that no salary advance shall be made to such employee whilst a previous salary advance to him was still outstanding
- Provincial Treasurer to be Accounting Officer

- | | | |
|-----|---|--|
| 21. | The Provincial Treasurer shall be the accounting officer for all advances; he shall maintain records of all advances and repayments and ensure that advances are recovered strictly in accordance with the condition of the advance. | Provincial
Treasurer to be
Accounting
Officer |
| 22. | The conditions on which advances are granted and for their recovery are specified in financial and stores instructions. | Conditions |
| 23. | The Provincial Treasurer shall hold moneys, which do not form part of the Provincial Fund or any special fund in the following circumstances: | Deposits
Allowable |
| | (a) where the money is legally due and payable to a member of the Assembly, an officer or an agent of the Provincial Executive but cannot immediately be paid; | |
| | (b) moneys due to but withheld from a contractor under the terms of a contract; | |
| | (c) moneys held in Trust where the Assembly, the Provincial Executive or any member or officer is a trustee; | |
| | (d) moneys received in advance for the provisions of works or services by the Provincial Executive under a contract; | |
| | (e) moneys held on behalf of another authority; | |
| | (f) any other moneys which cannot be brought to immediate account. | |
| 24. | The Provincial Treasurer shall keep separate records for each deposit | Records of
Deposits |
| 25. | Deposits unclaimed after 6 years from the date of the deposit shall be paid into the Provincial Fund, provided that, if any person can prove his claim to the deposit, the Premier may authorize the release of the money from the Provincial Fund. | Unclaimed
Deposits |

**PART 6
SPECIAL FUNDS**

- | | | |
|---------------------------------------|-----|---|
| Creation of special funds | 26. | <p>(1). The Assembly may, subject to Schedule 6 of the Act, create special funds, which shall not form part of the Provincial Fund.</p> <p>(2). An ordinance creating a special fund shall:-</p> <ul style="list-style-type: none"> (a) make a clear statement of the aims and purposes of the fund; (b) specify the sources of income; (c) provide a full list of expenditures which may be made from the fund; (d) appoint the Provincial Treasurer as accounting officer for the fund. |
| Estimates and Accounts | 27. | <p>The Assembly shall not appropriate expenditure from special funds but:-</p> <ul style="list-style-type: none"> (a) estimates of revenues and expenditure of each special fund shall be included with the annual estimates of revenue and expenditure presented to the Assembly under section 4; (b) a detail statement of the transactions of each special fund signed by the Premier and Provincial Treasurer shall be presented annually to the Assembly. |
| Special funds estimated by Parliament | 28. | <p>Where a special fund for the Province is created by Act of Parliament, the Provincial Treasurer shall forthwith make rules to provide for the proper management of such fund with Provincial Executive approval.</p> |

PART 7
BORROWING, LOANS AND GUARANTEES

- | | | | |
|-----|-------|--|-------------------------|
| 29. | (1). | The Provincial Treasurer shall keep detailed records of all borrowings by the Provincial Executive. | Record of
Borrowing |
| | (2). | The Provincial Treasurer shall produce an annual statement of debt outstanding at the end of the financial year and showing:- | |
| | (a) | The aggregate limit fixed by order of the minister under section 41(2) of the Act; | |
| | (b) | In respect of each debt outstanding:- | |
| | (i) | the purpose of the borrowing; | |
| | (ii) | the lender, rate of interest and terms of repayment; | |
| | (iii) | the total amount borrowed and the dates borrowed; | |
| | (iv) | the total principal repaid and the total outstanding; and | |
| | (v) | the total interest paid and interest due but unpaid | |
| | (c) | The amounts of principal outstanding and of interest due but unpaid shall be totalled and the aggregate amount shall be noted as a future liability on the annual statement of assets and liabilities. | |
| 30 | (1) | The Provincial Executive may, subject to section 41 of the Act and this section make loans and guarantee the repayment of loans for the purposes of devolved functions | Loans and
Guarantees |
| | (2) | No loan may be made or guarantee given:- | |
| | (a) | where any loan or guarantee in respect of borrower is still outstanding; | |

- (b) until the Provincial Executive is satisfied that there is an adequate charge on the income or assets of the borrower to secure to the Provincial Executive all sums due under the loan or liable for payment under the guarantee

- Records of loans and guarantees
31. The Provincial Treasurer shall keep detailed records of loans made and guarantees given and shall prepare a statement at the end of each financial year showing:-
- (a) In respect of each loan outstanding:-
 - (i) the borrower;
 - (ii) the date the loan was made, the rate of interest and the terms of repayment;
 - (iii) the total amount lent, principal unpaid, principal outstanding and principal due but not repaid;
 - (iv) interest paid and interest due but not paid;
 - (v) any authority for deferment of any repayment of principal or interest.
 - (b) In total amount still subject to guarantee and this amount shall be noted on the annual statement of assets and liabilities.

**PART 8
BANKING AND INVESTMENT**

- Bank Accounts
32. (1) The Provincial Treasurer shall keep such accounts at such banks as the Provincial Executive shall direct.
- (2) All revenues [Provincial Funds and special funds] shall forthwith be paid into such account.
- Investment
33. (1) The Provincial Executive may where moneys of the provincial fund or moneys held on deposit are not needed for immediate purposes invest such moneys in government securities or place them on deposit with a bank in Solomon Islands.

- (2) Nothing in this section shall prevent the investment in commercial enterprises of the moneys of a special fund established for that purpose under section 26.

**PART 9
LOSSES AND WRITE OFF**

- | | | | |
|-----|-----|---|--|
| 34. | (1) | The loss of cash or other property and all damages to property shall immediately be reported to the Provincial Secretary who shall attempt to recover losses or the cost of repair | Losses of and
Damage to
property |
| | (2) | If recovery or repair is not possible or practicable the Premier may in writing, authorize the write off of the value of the loss or cost of repair. | |
| 35. | | The Provincial Treasurer shall keep records of losses, damages, recoveries and amounts written off and at the end of the year shall produce a detailed statement thereof. | Records of
losses. etc |
| 36. | (1) | The Accounting Officers shall attempt to recover revenue due but not paid and at the end of the year shall give to the Provincial Treasurer a return stating details of all revenue due but unpaid. | Arrears of
Revenue |
| | (2) | If the Premier is satisfied, that it is not possible or practicable to collect any revenue, he may, in writing, authorize its abandonment. | |
| 37. | (1) | The Premier may, in writing, authorize the disposal of property, which is surplus to Provincial needs | Disposal of
Surplus property |
| | (2) | Such property shall first be advertised for tender and if no reasonable tender is received, the Premier may then authorize that the property be disposed of in the manner most likely to be of advantage to the Province. | |

PART 10
ANNUAL ACCOUNTS, AUDITOR GENERAL AND
ACCOUNTS COMMITTEE

- Annual Accounts 38. The Accounts to be prepared pursuant to section 39 of the Act shall be signed by the Premier and the Provincial Treasurer and shall include:-
- (a) a statement of assets and liabilities at the end of the financial year;
 - (b) a statement of receipts and payments;
 - (c) a comparative statement of estimated and actual revenue and expenditure;
 - (d) a summary statement of special funds showing for each:-
 - (i) the balance at the beginning of the financial year;
 - (ii) the revenue during the year;
 - (iii) the expenditure during the year; and
 - (iv) the balance during the year;
 - (e) statements of balances outstanding and money held on deposit;
 - (f) statements of loans made and guarantees given and outstanding;
 - (g) a statement of provincial debt; and
 - (h) a statement of losses, claims abandoned and amounts written off.

39. (1) The Auditor General may at any time report to the provincial Executive on any matter concerning the finances and accounts of the Provinces. Auditor General
- (2) The powers and duties of the Auditor General extend to the Accounts of the Assembly, any agent appointed under section 29 of the Act, and any committee, joint committee or joint venture established or joined by the Provincial Executive.
- (3) In the exercise of his functions, the Auditor General shall have the same discretion and powers as are conferred upon him by sections 34, 35, 36 and 41 of the Public Finance and Audit (cap. 120)
40. (1) The Provincial Executive shall within four (4) weeks of the receipt of the report of the Auditor General under section 41 (3) of the Act, lay before the Accounts Committee a detailed commentary thereon and such commentary shall be published together with Committee's report Accounts Committee
- (2) The Committee may request the Auditor General or his representative to attend any of its meetings and may require any member of the Provincial Executive, accounting officer or accountable officer to appear before it and to give written and oral evidence.

**PART 11
REPEAL**

41. The Rennell and Bellona Province Financial Ordinance 1995 is hereby repealed. Repeal of Rennell Bellona Province Financial Management Ordinance 1995.

..... *End of FMO Document*

Honiara, Solomon Islands
Printed under the authority of the
Solomon Islands Government

Printed by Solomon Islands Printers Ltd.