



MONTSERRAT

## CHAPTER 17.07

# FINANCE (ADMINISTRATION) ACT and Subsidiary Legislation

### Revised Edition

showing the law as at 1 January 2008

This is a revised edition of the law, prepared by the Law Revision Commissioner under the authority of the Revised Edition of the Laws Act.

This edition contains a consolidation of the following laws—

	Page
<b>FINANCE (ADMINISTRATION) ACT</b>	3
Act 3 of 2001 .. in force 1 January 2002 (S.R.O. 14/2002)	
<b>PROCUREMENT AND STORES REGULATIONS – Section 57</b>	29
S.R.O. 15/2002 .. in force 25 January 2002	
<b>FINANCE REGULATIONS – Section 57</b>	63
S.R.O. 16/2002 .. in force 25 January 2002	





MONTSERRAT

## CHAPTER 17.07

# FINANCE (ADMINISTRATION) ACT and Subsidiary Legislation

### Revised Edition

showing the law as at 1 January 2008

This is a revised edition of the law, prepared by the Law Revision Commissioner under the authority of the Revised Edition of the Laws Act.

This edition contains a consolidation of the following laws—

	Page
<b>FINANCE (ADMINISTRATION) ACT</b>	3
Act 3 of 2001 .. in force 1 January 2002 (S.R.O. 14/2002)	
<b>PROCUREMENT AND STORES REGULATIONS – Section 57</b>	29
S.R.O. 15/2002 .. in force 25 January 2002	
<b>FINANCE REGULATIONS – Section 57</b>	63
S.R.O. 16/2002 .. in force 25 January 2002	



**CHAPTER 17.07**

**FINANCE (ADMINISTRATION) ACT**

**ARRANGEMENT OF SECTIONS**

**PART I**

**PRELIMINARY**

**SECTION**

1. Short title
2. Interpretation

**PART II**

**CONTROL AND MANAGEMENT OF PUBLIC FINANCE**

3. Powers and duties of Minister
4. Powers and duties of Financial Secretary
5. Powers and duties of Accountant General
6. Accounting Officers

**PART III**

**PUBLIC FUNDS**

7. Consolidated Fund
8. Payment into the Consolidated Fund
9. Payment from the Consolidated Fund
10. Special Fund
11. Trust Fund
12. Contingencies Fund

**PART IV**

**ACCOUNTS**

13. Public moneys to be accounted for
14. Consolidated Fund General Services Account
15. Departmental Programme Accounts
16. Departmental Accounts
17. Annual Accounts

18. Special Accounts
19. Minister to lay Accounts before the Legislative Council

## PART V

### AUTHORISATION OF EXPENDITURE

20. Annual Estimates
21. Appropriation
22. Supplementary Appropriation
23. Authorization of expenditure in advance of Appropriation
24. Reallocation
25. Virement
26. Appropriations and Warrants to lapse at the end of each financial year

## PART VI

### PAYMENTS

27. Authority for payment
28. General Warrant
29. Provisional Warrant
30. Advance Warrant
31. Imprest Warrants
32. Departmental Warrant
33. Warrant to lapse

## PART VII

### BANK ACCOUNTS

34. Bank Accounts

## PART VIII

### INVESTMENTS

35. Investment of moneys

## PART IX

### PUBLIC DEBT

36. Borrowing by means of advances

37. Loans
38. Authority to sign
39. Proceeds of Loan
40. Restrictions on guarantees
41. Public Debt

## PART X

### DEPOSITS

42. Deposits
43. Investments of deposits
44. Unclaimed deposits

## PART XI

### ABANDONMENT OF CLAIMS AND WRITE-OFF OF PUBLIC MONEYS AND STORES

45. Abandonment of claims and write-off of losses, etc.
46. Gift of stores and other property

## PART XII

### SURCHARGE

47. Power to surcharge
48. Circumstances of action
49. Notification of surcharge
50. Appeal against surcharge
51. Withdrawal of surcharge
52. Recovery of surcharge

## PART XIII

### STATUTORY BODIES

53. Definition
54. Application
55. Estimates of Expenditure
56. Annual report and accounts

## PART XIV

## REGULATIONS

57. Power to make Regulations  
SCHEDULES



**CHAPTER 17.07**

**FINANCE (ADMINISTRATION) ACT**

*(Act 3 of 2001)*

AN ACT TO REPEAL AND REPLACE THE FINANCE (AUDIT AND CONTROL) ACT, TO PROVIDE FOR THE MANAGEMENT OF PUBLIC FUNDS OF MONTSERRAT, THE APPROPRIATION, WITHDRAWAL AND ISSUE OF SUMS THEREFROM, AND FOR THE PUBLIC ACCOUNTS AND MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

**Commencement**

*[1 January 2002]*

**PART I**

**PRELIMINARY**

**Short title**

1. This Act may be cited as the Finance (Administration) Act.

**Interpretation**

2. In this Act—

“**accountable officer**” means any officer, including an accounting officer and a receiver of revenue, responsible for the collection, receipt, custody, issue or payment of public moneys, stores, stamps, securities or negotiable instruments whether or not the same are the property of the Government or on deposit with or entrusted to the Government or to any officer in his official capacity, either alone or jointly with any other officer or any other person;

“**accounting officer**” means any officer designated under the provisions of this Act and charged with the responsibility for revenue collection and accounting for any service in respect of which moneys have been appropriated;

“**Appropriation Act**” means any Act to apply a sum out of the Consolidated Fund to the service of a financial year and includes a Supplementary Appropriation Act;

“**collector of revenue**” means any officer responsible for collecting money, securities or other financial instrument for or on behalf of Government;

- “Consolidated Fund”** means the Consolidated Fund of Montserrat established by section 7;
- “Consolidated Fund General Services Account”** means the General Services Account referred to in section 14 of this Act;
- “Constitution”** means the Constitution of Montserrat contained in Schedule 2 to the Montserrat Constitution Order 1989 (S.I. No. 2401);
- “Development programme account”** means the development programme account referred to in section 15 of this Act;
- “Expenditure vote”** means any sum appropriated to any service or investment authorized by an Appropriation Act;
- “Financial Regulations”** means regulations made under section 57 in respect of public funds, securities and investments;
- “Financial Secretary”** means the officer directly responsible to the Minister for the management of the Department of Finance;
- “financial year”** means the 12 months ending on the thirty-first day of December in any year;
- “Minister”** means the member of Executive Council to whom has been assigned for the time being, responsibility for matters relating to finance;
- “officer”** means an employee of the Government including a public officer and a police officer;
- “Procurement and Stores Regulations”** means Regulations made under section 57 in respect of public stores;
- “Public Accounts Committee”** means the Standing Committee for the examination of the Public Accounts of Montserrat appointed by the Speaker of the Legislative Council in accordance with Legislative Council Standing Order No. 65;
- “public moneys”** includes—
- (a) all revenues or other moneys raised or received for the purpose of the Government; and
  - (b) any other moneys or funds held,  
whether temporarily or otherwise, by any officer in his official capacity, either alone or jointly with any other person, whether an officer or not;
- “Public Stores”** means all chattels of whatsoever nature the property of, or in possession of, or under the control of the Government;
- “Receiver of Revenue”** means the Accountant General or any officer designated by him for the purpose of receiving moneys, securities or other financial instruments collected by collectors of revenue;

**“Supplementary Appropriation Act”** means any Act the purpose of which is the appropriation of moneys in supplementation of the appropriation already made by an Appropriation Act;

**“Supply Vote”** means the total sums appropriated out of the Consolidated Fund for and applied to any purpose by an Appropriation Act.

## PART II

### CONTROL AND MANAGEMENT OF PUBLIC FINANCE

#### **Powers and duties of Minister**

3. The Minister shall supervise the finances of the Government in order to ensure that a full account is made to the Legislative Council and for that purpose, shall, subject to the provisions of this Act, have full responsibility for the management of the Consolidated Fund.

#### **Powers and duties of Financial Secretary**

4. (1) The Financial Secretary shall—

- (a) give such directions and instructions as appear to him to be necessary and expedient for the advantage, economy and safety of public moneys and public property;
- (b) take all proper steps to ensure that any directions and instructions given pursuant to section 3 and regulations made under the provisions of section 57 are brought to the notice of all persons directly affected thereby and are complied with; and the Financial Secretary shall not be bound to cause such regulations to be published by exhibition or to be printed in the *Gazette*;
- (c) be entitled to inspect all Government offices and public property and shall be given access at all times thereto and to all available information he may require with regard to moneys and property in the custody of accounting officers and accountable officers and to all documents and records in respect thereof;
- (d) certify all withdrawals made or authorized from the Consolidated Fund.

(2) The Financial Secretary may delegate in writing under his hand all or any of the powers conferred upon him by paragraph (c) of subsection (1).

## **Powers and duties of Accountant General**

**5. (1)** The Accountant General, in the discharge of his duties as the officer charged with the compilation and management of the accounts of the Government shall, after consultation with the Financial Secretary, give general instructions not inconsistent with the provisions of this Act and any Regulations made thereunder, and shall in his discretion give special accounting instructions.

**(2)** Any such special accounting instructions shall not conflict with or extend, abridge or amend any Regulations made under section 57.

**(3)** Without prejudice to the generality of the duties imposed on him by subsection (1) and subject to the powers conferred on the Minister by section 3 and section 57, and on the Financial Secretary by section 4, the Accountant General shall—

- (a)* receive revenue and other moneys into and make payments from the Consolidated Fund;
- (b)* ensure that all revenues and other moneys received and paid are brought promptly and properly to account;
- (c)* refuse payment on any voucher wrong or insufficient in content or which contravenes Financial Regulations, Procurement and Stores Regulations or any other Regulations, directions or instructions properly made or given under the provisions of this Act for the management of public moneys and stores, or that are in his opinion in any other way unacceptable in support of a charge on public funds;
- (d)* report to the Financial Secretary in writing any defect in departmental control of revenue, expenditure, cash, stamps, stores and other property and any breach or non-observance of Financial Regulations, Procurement and Stores Regulations or any other Regulations made under section 57; and
- (e)* ensure, in so far as is practicable, that adequate provision exists for the safe custody of public moneys, stamps, securities and other accountable documents.

## **Accounting Officers**

**6. (1)** The Minister shall, when the annual estimates of revenue and expenditure of the Consolidated Fund are laid before the Legislative Council, in respect of each head thereof, designate an officer to be the accounting officer for such head.

**(2)** Notwithstanding subsection (1) the Minister may—

- (a)* designate different officers in respect of different parts of a head of revenue or expenditure;

- (b) at any time, designate an officer to be the accounting officer for any head or part thereof and include that designation in the next appropriate supplementary estimates of expenditure or revenue.
- (3) An accounting officer shall be answerable to the Public Accounts Committee of the Legislative Council for the efficient management of and accounting for public funds entrusted to him as accounting officer.
- (4) An accounting officer may with the prior approval in writing of the Financial Secretary, appoint an officer under his control to be the collector of revenues for the collection of any item of revenue for which he is accountable and shall define in writing to the satisfaction of the Financial Secretary the extent to which the powers and duties conferred and imposed on him in respect of the receipt and collection of public moneys for which he is accounting officer shall be exercised or performed on his behalf by that collector of revenue.
- (5) The appointment of a collector of revenue under subsection (4) for the collection of any item of revenue shall not abate or abridge the personal accountability of the accounting officer making the appointment in respect of that item of revenue.
- (6) Every accounting officer shall comply with any Regulation made under section 57 or any directions or instructions given by the Financial Secretary under section 4 and all instructions given by the Accountant General under the authority of section 5.
- (7) Notwithstanding anything contained in this section, where a department is headed by a Permanent Secretary he shall be the accounting officer for that department.

### PART III

#### PUBLIC FUNDS

##### **Consolidated Fund**

7. There shall be one revenue fund which shall be called the Consolidated Fund.

##### **Payment into the Consolidated Fund**

8. Subject to the Constitution and except as otherwise provided in this Act, all revenues and other moneys raised or received for the purposes of the Government, not being revenue or other moneys which are payable by or under any law into some other fund established for a specific purpose, shall be paid into and form part of the Consolidated Fund.

### Payment from the Consolidated Fund

9. (1) No moneys shall be paid out of the Consolidated Fund except—
- (a) to meet expenditure which is chargeable upon it by the Constitution or any law;
  - (b) where the payment has been authorized by an Appropriation Act or by a warrant under the hand of the Minister given in accordance with the provisions of this Act;
  - (c) for the purpose of repaying any moneys received in error into the Consolidated Fund; or
  - (d) for the purpose of paying such sums as may be required for any refund, rebate or drawback where the payment of that refund, rebate or drawback is provided for in any law.

(2) No moneys shall be paid out of the Consolidated Fund except in the manner prescribed by this Act.

- (3) Any moneys forming part of the Consolidated Fund which are—
- (a) deposited with a bank or other financial institution; or
  - (b) invested in an authorized manner,

shall not, for the purpose of this section, be deemed to have been issued from the Consolidated Fund by reason only of that deposit or investment.

### Special Fund

10. (1) The Legislative Council, with the prior concurrence of a Secretary of State, may—

- (a) make provision in any Appropriation Act for the establishment of a Special Fund; and
- (b) by resolution hypothecate revenue for any Special Fund so established.

(2) A Special Fund shall not form part of the Consolidated Fund and shall be administered, and the expenditure therefrom shall be regulated, in accordance with the provisions of this Act.

(3) The Fund set out in the first column of the First Schedule shall be deemed to be a Special Fund and to have been established in accordance with the provision of subsection (1) and the balance standing to the credit of such Special Fund at the close of account on the coming into operation of this Act shall be deemed to have been appropriated by the Legislative Council for the purpose specified in the second column of the said Schedule in respect of such Special Fund.

### Trust Fund

11. (1) For the purpose of this Act “**trust fund**” means—

- (a) any fund established by an Act other than an Appropriation Act; or
  - (b) any moneys held by or deposited with or entrusted to the Government pursuant to the terms of a deed of trust, trust instrument, agreement (whether expressed or implied) or any arrangement governing the use of moneys so held.
- (2) No fund established in accordance with the provisions of subsection (1)(a) shall be deemed a Trust Fund where the Act establishing the same makes provision for the payment of moneys into that fund out of the Consolidated Fund.
- (3) A trust fund shall not form part of the Consolidated Fund and, subject to section 12, shall be administered in accordance with the provisions of this Act.
- (4) The funds set out in Schedule II shall be deemed to be trust funds and the balance standing to the credit of each fund at the close of account on the coming into operation of this Act shall be deemed to be held by the Government for the purposes specified in Schedule II in respect of each trust fund.
- (5) Nothing in this Act shall extend, abridge or alter the terms of any trust or be construed as authorizing the making of any Regulation or the giving of any direction or instruction requiring any person to obey that Regulation, direction or instruction in relation to moneys held on trust which contravene or are inconsistent with the terms of that trust.
- (6) No public officer shall accept appointment as a trustee without the written authority of the Minister and any appointment contrary to this subsection shall be void.

### **Contingencies Fund**

12. (1) A Contingencies Fund is hereby established.
- (2) The Minister may, by resolution passed in the Legislative Council, transfer from the Consolidated Fund any sum or sums as may be required from time to time for the operation of the Contingencies Fund.
- (3) The Minister, if he is satisfied that there has arisen an urgent and unforeseen need for expenditure—
- (a) for which no moneys have been appropriated or for which the sum appropriated is insufficient;
  - (b) for which funds cannot be reallocated as provided for in section 24; and
  - (c) which cannot be deferred without serious detriment to the public service, may, by Contingencies Fund Warrant under his hand and in anticipation of the grant of an appropriation by the Legislative Council, authorize an advance from the Contingencies Fund to meet that need.

(4) The total of the sums authorized under subsection (3) to be advanced from the Contingencies Fund shall not exceed the total sum authorized under subsection (2).

(5) Where any advance is made from the Contingencies Fund under the provisions of this section a supplementary estimate of the sum required for the service for which such advance was made shall be laid before the Legislative Council as soon as possible but in any event not later than 6 months from the date on which the Contingencies Fund Warrant was issued and shall be included in a Supplementary Appropriation Bill for appropriation.

(6) Upon the grant of an appropriation to meet the expenditure in respect of which an advance was made under the provisions of this section, the Contingencies Fund Warrant authorizing that advance shall lapse and shall cease to have effect and the advance shall be deemed to have been made for the purpose of the appropriation and shall be accounted for accordingly.

## PART IV

### ACCOUNTS

#### **Public moneys to be accounted for**

13. All public moneys shall be accounted for in the accounts of Montserrat.

#### **Consolidated Fund General Services Account**

14. (1) In this section the expression “**consolidated fund general services**” means the services of Government, the expense of which is charged on or payable from recurrent revenue receipts or any other source authorized by the Legislative Council.

(2) There is hereby established an account designated “Consolidated Fund General Services Account” to which shall be credited all recurrent revenues and out of which shall be made payments in respect of the consolidated fund general services.

(3) The disbursement of moneys provided in any financial year to meet expenditure on the consolidated fund general services shall be controlled and accounted for by the Accountant General.

#### **Development Programme Account**

15. (1) In this section the expression “**development programme**” means investments made by Government, the expense of which is charged on or payable from revenues specifically allocated thereto, or grants and loans raised specifically for that purpose.



(2) There is hereby established an account designated “Development Programme Account” to which shall be credited all revenues specifically allocated thereto together with grants and loans received for financing the development programme and out of which shall be made payments in respect of the development programme.

(3) The disbursement of moneys provided in any financial year to meet expenditure on development programmes shall be controlled and accounted for by the Accountant General.

### **Departmental Accounts**

16. Notwithstanding the provisions of sections 14 and 15, an accounting officer shall maintain departmental accounts in which shall be recorded all revenue receipts and the disbursement of all appropriation made to the head of expenditure in respect of which he has been designated accounting officer.

### **Annual Accounts**

17. (1) Within a period of 6 months after the close of each financial year the Accountant General shall prepare, certify and submit to the Auditor General as many copies as the Auditor General may require of the accounts of Montserrat for that financial year showing the financial position of Montserrat on the last day of such financial year:

Provided that the Minister may by direction in writing addressed to the Accountant General extend the period within which such accounts may be transmitted and any directions so given shall be laid before the Legislative Council within 30 days of its being given, and if there is no sitting of the Legislative Council, within 14 days of the commencement of its next meeting.

(2) Accounts to be transmitted by the Accountant General under subsection (1) shall show fully the financial position of the Consolidated Fund on the last day of each financial year and shall include—

- (a) a statement of assets and liabilities;
- (b) an annual abstract of revenue and expenditure by heads;
- (c) a comparative statement of actual and estimated revenue by sub-heads;
- (d) a comparative statement of actual and estimated expenditure by sub-heads;
- (e) a statement of balances on advance accounts analyzed under the various categories set out in section 30;
- (f) a statement of balances on deposit accounts;
- (g) a statement of outstanding loans made from the Consolidated Fund, by annual and aggregate receipts and payments;

- (h) a statement of public debt;
- (i) a statement of contingent liabilities;
- (j) a statement of investments showing the funds on behalf of which the investments were made;
- (k) a statement of arrears of revenue by sub-heads;
- (l) a statement of losses of cash and stores and of abandoned claims;
- (m) a statement of the Contingencies Fund Account;
- (n) other statements as the Legislative Council may from time to time require.

(3) The Auditor General shall submit to the Minister, not later than 3 months from the date of receipt of financial statements from the Accountant General, certified copies of such financial statements.

### **Special Accounts**

18. Within 6 months after the close of each financial year or the close of any period of accounts as may be provided in any law or trust instrument related thereto or, in the absence of such a provision, the close of any period of account as may be prescribed by directions given by the Minister, any officer administering a special fund or trust fund shall submit to the Minister an account of that Special Fund or trust fund relating to the period of account in such form as may be stated in any law or trust instrument governing the administration of the special fund or trust fund as the case may be, or in the absence of any such directions being given in that law or trust instrument, in the form as the Accountant General may from time to time require.

### **Minister to lay Accounts before the Legislative Council**

19. The Minister shall lay a copy of every document submitted to him under sections 17(3) and 18 before the Legislative Council at its next sitting following the date on which that document was received by him.

## PART V

### AUTHORISATION OF EXPENDITURE

#### **Annual Estimates**

**20. (1)** The Minister shall cause to be prepared and laid before the Legislative Council, not later than 90 days after the commencement of each financial year, estimates of revenue and expenditure for that financial year.

**(2)** The estimates of revenue and expenditure laid before the Legislative Council shall be in such form as the Minister may from time to time direct.

#### **Appropriation**

**21.** When the estimates of expenditure (other than expenditure charged on the Consolidated Fund by the Constitution or any law) have been approved by the Legislative Council, a bill known as an Appropriation Bill shall be introduced in the Legislative Council, providing for the issue from the Consolidated Fund of the sums necessary to meet that expenditure and the appropriation of those sums, under separate votes for several services required for the purposes specified therein.

#### **Supplementary Appropriation**

**22.** If in respect of any financial year it is found—

- (a)* that the amount appropriated by the appropriation law to any purpose is insufficient or that a need has arisen for expenditure for a purpose to which no amount has been appropriated by that law; or
- (b)* that any moneys have been expended for any purpose in excess of the amount appropriated to that purpose by the appropriation law or for a purpose to which no amount has been appropriated by that law, a supplementary estimate showing the sums required or spent shall be laid before the Legislative Council and, when the supplementary estimate has been approved by the Legislative Council, a Supplementary Appropriation Bill shall be introduced in the Legislative Council providing for the issue of such sums from the Consolidated Fund and appropriating them to the purposes specified therein.

### **Authorization of expenditure in advance of Appropriation**

**23.** If, notwithstanding the provisions of section 21, the Appropriation Act has not come into operation at the commencement of any financial year, the Minister shall authorize by Provisional General Warrant under his hand expenditure necessary to carry on the services of Government until the expiration of 4 months from the beginning of that financial year or the coming into operation of the Appropriation Act, whichever is the earlier, but any sum so authorized shall not exceed one third of the aggregate of the sums provided for that service in the Appropriation Act of the previous financial year.

### **Reallocation**

**24. (1)** The Minister may, by means of a Reallocation Warrant direct that any surplus arising from under-expenditure on any item contained in the approved estimates, be applied in aid of any other item therein or in aid of any new item provided that the sum appropriated for that first mentioned item is not thereby exceeded.

**(2)** Any sums reallocated in accordance with subsection (1) shall be submitted for approval of the Legislative Council.

### **Virement**

**25. (1)** If, in the opinion of the Financial Secretary, the exigencies of the public service render it necessary or expedient to vary the sum assigned to any purpose within a supply vote shown in the estimates of expenditure for any financial year or to make provisions for a new purpose within that vote, he may direct by means of a Virement Warrant under his hand that there shall be applied in aid of any purpose for which the sum assigned may be deficient or in aid of any new purpose a further sum out of any surplus arising from under-expenditure on any item within the same supply vote.

**(2)** In the exercise of his powers under subsection (1) the Financial Secretary shall ensure that—

- (a)* the sum appropriated for any supply vote by the Appropriation Act or by a Supplementary Appropriation Act is not thereby exceeded; and
- (b)* any new purpose to which a sum is assigned is within the ambit of the vote.

### **Appropriations and Warrants to lapse at the end of each financial year**

**26.** Except in accordance with this Act, every appropriation made by the Legislative Council of public moneys for the service of any financial year and every warrant issued under the provisions of this Act shall lapse and cease to have effect at the close of that financial year.

## PART VI

### PAYMENTS

#### **Authority for payment**

**27.** Subject to the provisions of section 9, any payment made from the Consolidated Fund shall be authorized by warrant under the hand of the Minister.

#### **General Warrant**

**28. (1)** Subject to sections 21 and 22 and on the coming into operation of an Appropriation Act and any Supplementary Appropriation Act, the Minister shall authorize the Accountant General by General Warrant under his hand to pay out of the Consolidated Fund such sums as may be required to pay for the services approved by the Legislative Council.

**(2)** Notwithstanding the issue of a General Warrant it shall be within the discretion of the Minister to limit or suspend at any time any expenditure excluding statutory expenditure, with or without cancellation of the General Warrant if, in his opinion, financial exigencies of the public interest so require.

#### **Provisional Warrant**

**29.** Where an Appropriation Act has not come into operation the Minister shall authorize the Accountant General to pay out of the Consolidated Fund such sums as may be authorized by Provisional Warrant under section 23.

#### **Advance Warrant**

**30. (1)** Subject to the provision of this section, the Minister may, by Advance Warrant under his hand, authorize the Accountant General to make disbursements of moneys forming part of the Consolidated Fund or of other public moneys for the purposes of making advances—

- (a)* on behalf of, and recoverable from, other Governments and administrations;
- (b)* to, or on account of, the Development Fund or any Special Fund where such advances are recoverable before the close of the financial year in which such advances are made;
- (c)* to meet expenditure authorized by a Loan Act in anticipation of the receipt of any instalment of the loan authorized by such Act;
- (d)* to public or police officers for any purposes and on terms as may be prescribed from time to time.

(2) The total of the sums issued and disbursed for the purpose of making advances under paragraphs (c) and (d) of subsection (1) shall not exceed in the aggregate at any time, after deducting repayments, an amount of \$2,000,000 of the recurrent revenue for the previous financial year.

### **Imprest Warrants**

**31. (1)** The Minister may, by Imprest Warrant under his hand, authorize the Accountant General to issue imprests from the Consolidated Fund to officers for any purpose for which moneys have been appropriated.

(2) Any officer to whom an imprest has been issued pursuant to subsection (1) shall retire that imprest before the end of the financial year in which the imprest was issued or, if some earlier date is specified in the Imprest Warrant, on or before that earlier date.

(3) Notwithstanding subsection (2) where any officer fails to retire an imprest in accordance with the provisions of that subsection, the Accountant General shall forthwith recover the amount of the imprest by deduction from the salary or other emoluments of that officer in any manner as the Financial Secretary directs.

(4) Notwithstanding the provisions of section 2 of this Act and of any other Act, a Minister of the Government shall, for the purpose of this section, be deemed to be a public officer.

### **Departmental Warrant**

**32.** An accounting officer may, by Departmental Warrant under his hand, authorize any officer named in that warrant to incur expenditure against any vote under his control.

### **Warrant to lapse**

**33.** A warrant issued under this Part shall lapse and cease to have effect on the date specified in the warrant or at the end of the financial year in which it is issued, whichever is earlier.

## **PART VII**

### **BANK ACCOUNTS**

#### **Bank Accounts**

**34. (1)** All sums accounted for in the Consolidated Fund shall be kept with a bank or banks as the Accountant General shall from time to time determine or as may be directed by the Minister.

(2) No public or official account shall be opened at any bank without the prior written authority of the Accountant General.

## PART VIII

### INVESTMENTS

#### **Investment of moneys**

**35. (1)** The Financial Secretary may authorize the investment of moneys forming part of the Consolidated Fund—

- (a) with a bank, either at call or subject to notice not exceeding 12 months;
- (b) in deposits with the Eastern Caribbean Central Bank, the Crown Agents Financial Services Limited; or
- (c) in a manner authorized for investments of property in the hands of trustees by any law for the time being in force.

(2) Subject to subsection (1)(c) all investments made under this section together with any interest received therefrom shall form part of the Consolidated Fund.

(3) All investments held by or on behalf of the Government on the date of the coming into operation of this Act shall, if the same are not held on account of Special Funds or Trust Funds set out in Schedule I and Schedule II as the case may be, be deemed to have been made out of moneys issued from the Consolidated Fund and shall be deemed to form part of the Consolidated Fund and may be retained notwithstanding that such investments are not such as may be made under subsection (1).

## PART IX

### PUBLIC DEBT

#### **Borrowing by means of advances**

**36. (1)** The Minister may, by resolution passed in the Legislative Council, borrow money from a bank or other financial institution by means of advances to an amount not exceeding in the aggregate the sum specified in that behalf in the resolution, to meet current requirements:

Provided that any such resolution shall not have effect for any period exceeding 6 months.

(2) Where, by resolution in accordance with this section or in pursuance to any Act, power to borrow money by means of advances from a bank is conferred on the Minister that power may be exercised by means of a fluctuating overdraft.

### **Loans**

37. The Minister may, by resolution passed in the Legislative Council, borrow from any bank or other financial institution for any of the following purposes—

- (a) the capital or recurrent expenditure of Government;
- (b) the purchase of securities issued by any Government or Government agency;
- (c) for on-lending to any statutory body or public corporation; or
- (d) advances or payments to public officers provided by law.

### **Authority to sign**

38. The Minister may authorize in writing the Financial Secretary to sign on his behalf any loan agreement or guarantee made under sections 36 and 37.

### **Proceeds of Loan**

39. Subject to the provisions of a general or specific loans Act, any money borrowed by the Government shall be paid into and form part of the Consolidated Fund.

### **Restrictions on guarantees**

40. No guarantee involving any financial liability shall be binding upon Government unless that guarantee is given in accordance with the provisions of an Act or unless approved by resolution of the Legislative Council.

### **Public Debt**

41. (1) There shall be charged upon and paid out of the Consolidated Fund all debt charges for which the Government is liable.

(2) For the purposes of this section, debt charges include interest, sinking fund charges and any other charges related to the repayment or amortization of loans and advances or in satisfaction of any obligation arising from a guarantee given in accordance with section 40.



**PART X**

**DEPOSITS**

**Deposits**

**42.** Any deposits, not being moneys raised or received for the purpose of the Government, shall not form part of the Consolidated Fund and, except as provided in this Part, shall not be applied in any way for the purpose of the Government.

**Investments of deposits**

**43. (1)** The Financial Secretary may authorize the investment of deposits in like manner to that provided in section 35 in respect of the Consolidated Fund.

**(2)** Any interest or dividend received in respect of deposits invested in accordance with subsection (1) shall be paid into the Consolidated Fund.

**Unclaimed Deposits**

**44. (1)** Any deposit which is unclaimed for 5 years shall be paid into the Consolidated Fund.

**(2)** Notwithstanding subsection (1) the Accountant General shall refund a deposit to a person who claims to the satisfaction of the Accountant General that he has absolute right to that deposit.

**PART XI**

**ABANDONMENT OF CLAIMS AND  
WRITE-OFF OF PUBLIC MONEYS AND STORES**

**Abandonment of claims and write-off of losses, etc.**

**45. (1)** The Legislative Council may by resolution authorize the Minister to abandon or remit any claim by or on behalf of the Government or any service thereof and to write-off any losses of public moneys, stores and other property belonging to Government.

**(2)** The Minister may, by writing under his hand, delegate to the Financial Secretary any of the powers which he is authorized to exercise under this section.

### **Gift of stores and other property**

**46. (1)** The Financial Secretary may authorize the gift of any stores not required by Government purposes to institutions or organizations in Montserrat established solely or principally for educational, scientific, cultural or charitable purposes.

**(2)** Where the value of such gift exceed \$5,000 the prior approval of the Minister shall be obtained.

## **PART XII**

### **SURCHARGE**

#### **Power to surcharge**

**47. (1)** If, at any time, it appears to the Financial Secretary that moneys or public stores have been lost or damaged, and if, within a period specified by the Financial Secretary an explanation satisfactory to him is not furnished by the responsible officer with regard to such loss or damage, the Financial Secretary shall surcharge against that officer the amount which appears to him to be the loss suffered by the Government, or the value of the property lost or damaged as the case may be, or a lesser amount as the Financial Secretary may determine.

**(2)** Any officer who contravenes any provision of this Act or of any Regulations made hereunder shall be liable to a surcharge in such sum as may be determined by the Financial Secretary.

**(3)** The amount of the surcharge made under subsection (2) shall not exceed one-tenth of the annual salary of the officer concerned.

#### **Circumstances of action**

**48.** The circumstances which may give rise to action under section 47 include—

- (a)* failure to collect any moneys owing to Government for the collection of which a person is or was at the time responsible;
- (b)* payment of public moneys in excess of amounts authorized under the Financial Regulations;
- (c)* making, allowing or directing any payment of public moneys without proper authority, or proper evidence that the amount was due;
- (d)* payment of public moneys without obtaining proper evidence of the identity of the payee;

- (e) responsibility for any deficiency in, loss or destruction of or damage to any public moneys, stamps, securities, stores or other public property;
- (f) failure to render accurate accounts by a person whose duties require him to render such accounts;
- (g) signing an incorrect or false certificate on a voucher;
- (h) mixing public moneys with other moneys; or
- (i) failure to observe Financial Regulations or Procurement and Stores Regulations or other directions or instructions given under proper authority.

### **Notification of surcharge**

**49.** The Financial Secretary shall notify in writing the decision to surcharge—

- (a) the person surcharged;
- (b) the accounting officer of the department concerned;
- (c) the Accountant General; and
- (d) the Auditor General.

### **Appeal against surcharge**

**50. (1)** Any person who is aggrieved by any surcharge made against him under the provisions of section 47 may appeal to the Public Service Commission, within one month from the date on which he is notified of the surcharge.

**(2)** The Public Service Commission, after making or causing to be made such investigation as it deems to be necessary, may confirm the surcharge or direct that the person surcharged be released wholly or in part from the surcharge as may appear to be just and reasonable.

### **Withdrawal of surcharge**

**51.** The Financial Secretary may at any time withdraw any surcharge in respect of which a satisfactory explanation is received or if it otherwise appears to him that no surcharge should have been made and in that event the Financial Secretary shall notify all the persons notified under section 49 of his decision to withdraw the surcharge.

### **Recovery of surcharge**

**52. (1)** The Accountant General, on being notified of a surcharge made under section 47, shall cause the amount of the surcharge to be recovered from the person surcharged in such a manner as the Financial Secretary directs.

(2) No recoveries shall be made under subsection (1) until after the expiration of the period allowed under section 50 for the lodging of any appeal, and where the person surcharged appeals under the provisions of that section, no recoveries shall be made until and unless the surcharge has been confirmed or otherwise determined.

(3) The amount of the surcharge made under the provisions of this Part shall be recovered as the Financial Secretary may direct and may be deducted from any salary, pension or other emoluments of the person surcharged:

Provided that—

- (a) no monthly installment payable in respect of a surcharge shall exceed one quarter of the gross monthly salary or pension of the person surcharged; and
- (b) where the person surcharged is due to be paid any moneys by the Government other than by way of salary or pension or other emolument, the Financial Secretary may require the amount of any surcharge imposed on that person to be deducted from such moneys in whole or in part as he considers just and reasonable.

(4) Nothing in this section shall prejudice the right of Government to sue for and recover the amount of any surcharge as a civil debt due to the Government.

### PART XIII

#### STATUTORY BODIES

##### Definition

53. In this Part—

“**appropriate Minister**” means the Minister under whose portfolio the statutory body in question falls.

##### Application

54. The provisions of sections 55 and 56 shall apply to a statutory body except where other provisions are made in the law establishing the statutory body.

##### Estimates of Expenditure

55. (1) A statutory body shall, before the commencement of each financial year of that statutory body, submit to the appropriate Minister for his approval estimates of its recurrent and capital expenditure and the financing thereof for that year in such form as the Minister may direct.

(2) The appropriate Minister shall, before the commencement of each financial year, submit to the Minister for his approval the estimates of recurrent and capital expenditure and the financing thereof in respect of each statutory body falling under his portfolio.

(3) A statutory body shall, whenever the appropriate Minister or the Minister directs, furnish any further information in relation to its estimates of recurrent and capital expenditure and the financing thereof as may be required.

(4) The estimates of recurrent and capital expenditure and the financing thereof as approved by the Minister may not be altered without the approval of the Minister.

(5) The appropriate Minister shall lay the estimates approved by the Minister pursuant to subsection (2), before the Legislative Council not later than 14 days after the Legislative Council next meets.

### **Annual report and accounts**

**56. (1)** A statutory body shall, as soon as possible and in any case not later than 3 months after the end of its financial year, submit an annual report to the appropriate Minister as the Minister may from time to time direct.

(2) An annual report shall include a balance sheet, an income and expenditure statement and the report of the auditor of the statutory body on the accounts.

(3) On receipt of the annual report, the accounts and the auditor's report, the appropriate Minister shall lay them before the Legislative Council not later than 14 days after the Legislative Council next meets.

## **PART XIV**

### **REGULATIONS**

#### **Power to make Regulations**

**57. (1)** The Governor in Council may make such regulations as appear to him to be necessary and expedient for the proper carrying out of the intent and purpose of this Act and, in particular, may make regulations in respect of financial and accounting matters.

(2) Without restricting the generality of subsection (1) any Regulations made by the Governor in Council may provide for the—

- (a) collection, custody, issue, expenditure, due accounting for, care and management of all public funds;
- (b) effectual record, examination, inspection and internal check of all receipts, payments and expenditure;

- (c) forms of all accounts, books, documents and reports whatsoever required for the proper accounting for public moneys and public store;
- (d) purchase, safe custody, issue, same or other disposal or write-off of stores and other property of the Government and the proper accounting for and stock-taking of such stores and property;
- (e) custody, handling and proper accounting for stamps, investments, securities and negotiable instruments whether the property of the Government of Montserrat or on deposit with or entrusted to the Government or to any officer in his official capacity or to any other person;
- (f) reporting of losses by whatever means of public moneys, stamps, accounting or accountable documents of whatever kind and public stores, and the reporting of damage to or destruction of any property of the Government; and
- (g) issue of public tenders, the powers and duties of the Tenders Board, and the award of contracts.

---

### SCHEDULE I

#### SPECIAL FUNDS

NAME	PURPOSE
Nil	Nil

---

### SCHEDULE II

#### TRUST FUNDS

NAME	PURPOSE
Police Reward and Welfare Fund	Payment of awards and bounties etc. to subordinate police officers in accordance with the provisions of the Police Act.

---

**PROCUREMENT AND STORES REGULATIONS**

ARRANGEMENT OF REGULATIONS

PART I

PRELIMINARY

REGULATION

1. Short title
2. Interpretation

PART II

RESPONSIBILITY FOR THE CARE AND CUSTODY OF STORES

3. Accounting Officer
4. Stores
5. Stores Accountant
6. Key Holders
7. Other officers

PART III

PROCUREMENT OF STORES AND SERVICES

8. Procurement of goods and services
9. Overseas Purchase
10. Local Purchasers
11. Tenders
12. Appointment of Tenders Board
13. Powers of Tenders Board
14. Tenders to be kept confidential
15. Technical Committees
16. Departmental tenders board
17. Contracts
18. Copies of contracts
19. Contracts where no tenders are received or accepted
20. Contracts to be signed
21. Security for contract
22. Advance payment
23. Details of contract
24. Contract payment certificate

25. Variation of contracts
26. Contract Register
27. Works orders

#### PART IV

##### ALLOCATED STORES

28. Use of allocated stores
29. Allocated Stores Ledger
30. Storage of allocated Stores

#### PART V

##### UN-ALLOCATED STORES

31. Accounting for Stores
32. Stock limits
33. Pricing of stores
34. Un-allocated Stores Ledger
35. Stock valuation lists
36. Tabular summary
37. Bin cards

#### PART VI

##### FURNITURE AND OFFICE EQUIPMENT

38. Responsibility for furniture and equipment
39. Sale custody and care of furniture and equipment
40. Master Control Registers to be kept
41. Inventories to be maintained
42. Inventories to be checked
43. Discrepancies in inventory holdings
44. Authority for write-off

#### PART VIII

##### BUILDINGS, PLANT, EQUIPMENT AND TOOLS

45. Responsibility for plant, equipment and tools
46. Register to be kept
47. Plant operating records
48. Log books
49. Stocks to be verified



50. Register of buildings

PART VIII

LIVESTOCK

51. Records to be kept
52. Sale of livestock
53. Death of livestock
54. Checks to be made
55. Surpluses or deficiencies

PART IX

RECEIPTS

56. Stores to be received in stock
57. Stores received vouchers
58. Stores conversion form
59. Unused stores
60. Used stores
61. Surplus stores
62. Verification of deliveries
63. Examination of goods
64. Bulk supplies
65. Delivery of stores
66. Stores received short
67. Accounting procedure where goods are received short or damaged
68. Claims register
69. Reusable containers

PART X

ISSUES

70. Issue of Stores
71. Stores issue vouchers
72. Stores to be charged
73. Stores issued for conversion
74. Sale of Stores
75. Responsibility of officers signing stores issue voucher
76. Issue before stores are priced
77. Monthly summaries of issues

## PART XI

## STOCK VERIFICATION

78. Appointment of stock verifier
79. Duties of stock verifier
80. Stock to be verified
81. Report of stock verifier
82. Inspection of stores

## PART XII

## SURVEY OF STORES

83. Appointment of board of survey
84. Method of conducting
85. Report of board of survey

## PART XII

## CONDEMNATION AND DISPOSAL OF STORES

86. Appointment of board of condemnation
87. Method of conducting board of condemnation
88. Report of board of condemnation
89. Disposal of condemned stores
90. Sale of condemned stores
91. Gift of condemned stores
92. Condemnation by accounting officer
93. Accounting for stores destroyed or disposed of

## PART XIV

## LOSSES OF STORES

94. Definition of loss
95. Initial report of loss
96. Investigation of losses
97. Final report of loss
98. Write-off of losses
99. Accounting for losses written off

PART XV

HANDING OVER OF STORES

- 100. Procedure for handing over of stores
- 101. Procedure when outgoing officer is unable to attend

PART XVI

LOAN, HIRE AND SALE OF STORES

- 102. Authority for loan or hire of stores
- 103. Accounting for stores on loan or hire
- 104. Authority for sale of stores
- 105. Accounting for stores issued on sale

PART XVII

STORAGE AND SECURITY OF STORES

- 106. Storage
- 107. Precautions against deterioration or fire

PART XVIII

ACCIDENTS

- 108. Appointment of Accident Investigation Board
- 109. Accident reports
- 110. Assessment of damage
- 111. Report to be submitted to Accident Investigations
- 112. Proceedings by the Accident Investigation Board
- 113. Action to be taken
- 114. Claims by Government
- 115. Claims against Government
- 116. Repairs to damaged plant or vehicle

PART XIX

MISCELLANEOUS

- 117. Miscellaneous

**PROCUREMENT AND STORES REGULATIONS – SECTION 57**

(S.R.O. 15/2002)

**Commencement**

[25 January 2002]

**PART I****PRELIMINARY****Short title**

1. These Regulations may be cited as the Procurement and Stores Regulations.

**Interpretation**

“**Act**” means the Finance (Administration) Act;

“**Allocated Stores**” means stores the cost of which is chargeable directly to an appropriate sub-head of expenditure;

“**Expendable Stores**” means stores of a consumable nature which may be issued in bulk without subsequent records of detailed issues;

“**Stores**” means stores including stores of plant, equipment, machinery, tools and vehicles being the property or in the possession or under the control of the Government;

“**Un-allocated Stores**” means stores the cost of which is chargeable to a general sub-head of expenditure and which cannot be charged directly to an appropriate sub-head of expenditure until they are issued for the specific work or service concerned;

“**Un-expendable Stores**” means stores which are closing not of a consumable nature and which have a life assigned to them and which will remain on ledger charge whether in use or in store until they are written-off or disposed of.

**PART II****RESPONSIBILITY FOR THE CARE AND CUSTODY OF STORES****Accounting Officer**

3. (1) Every accounting officer shall be responsible for—
  - (a) the care and custody of all stores received, held or disposed of by or on behalf of his department;
  - (b) the proper accounting for all receipts and issues of stores in his department.

(2) Every accounting officer shall ensure that regular checks are made for the verification of physical stocks and ledger balances of stores under his control.

(3) Every accounting officer shall ensure that stores under his control are inspected regularly and reports made to him with respect to the sufficiency and security of storage and the general condition of stores and storage facilities.

(4) At least once every year an accounting officer shall cause all weights, measures, and scales used in his department to be examined by an inspector of weights and measures.

### **Storekeeper**

4. (1) Every storekeeper shall in respect of stores under his control be responsible for—

- (a) the checking, handling and storage of stores received by him;
- (b) the checking, packing and dispatch of stores issued from stocks;
- (c) the correctness of stock balances;
- (d) the occurrence of losses, deterioration, wastage or irregular issues;
- (e) the safe custody and security of allocated or un-allocated stores.

(2) Every storekeeper shall carry out monthly checks of stores on hand against the stores ledger or bin cards and shall report to the accounting officer any surpluses, shortages, deterioration, wastage, damage, un-serviceability or obsolescence of stores under his control.

(3) Every storekeeper shall ensure that stocks are maintained to the required level and shall not permit any shortages or excesses to occur.

(4) Every storekeeper shall ensure that storerooms are kept clean, properly ventilated and secure from fire and unauthorized entry.

### **Stores Accountant**

5. (1) Every accounting officer shall designate a suitable officer to perform the duties of stores accountant.

(2) A stores accountant shall be responsible for—

- (a) maintaining proper records of receipts and issues of stores;
- (b) ensuring that procurement of goods is in accordance with these Regulations;
- (c) reconciling stocks on hand with financial records;
- (d) assist in the annual survey of stores and the verification of stock balances;
- (e) exercising general control over the rate of consumption of expendable stores;
- (f) preparing documents and performing accounting functions for the procurement of goods.

**Key holders**

6. (1) Accounting officers shall nominate in writing officers who will be responsible for holding keys to storage areas.

(2) Store keys, when not in use, shall be secured against unauthorized use by any other person.

(3) Duplicate keys to storerooms shall be secured by the responsible accounting officer.

(4) A key holder shall be responsible for any loss from a storage area due to the loss of a key or to any failure on his part to comply with these Regulations.

**Other Officers**

7. Every officer is responsible for stores under his control or in his custody.

**PART III****PROCUREMENT OF STORES AND SERVICES****Procurement of goods and services**

8. (1) The Governor in Council may, from time to time, issue directions for the procurement of goods and services by tender or by direct purchase and for the sale of stores by tender or direct sale.

(2) Subject to any directions given by the Governor in Council, the Financial Secretary may issue instructions with respect to the condition under which goods may be procured by tender or by direct purchase.

**Overseas purchase**

9. (1) The Governor in Council may designate such agents as may be necessary for the procurement of goods from sources overseas.

(2) Subject to paragraph (1), accounting officers may, with the approval of the Financial Secretary, place orders for the procurement of goods from sources overseas.

(3) Purchases of goods from sources overseas shall be supported by valid invoices and shipping documents.

**Local Purchasers**

10. (1) Except where tenders or contracts for the supply of goods have been awarded, goods may be purchased from any established distributor, wholesaler or retailer, provided that—

(a) where the value of any single item of goods exceeds \$20,000 price quotation from at least 3 different suppliers shall be obtained;

(b) where the total value of any purchase order exceeds \$50,000 the authority of the accounting officer shall be obtained;

- (c) where the total value of any purchase exceeds \$100,000 the prior approval of the Financial Secretary shall be obtained.
- (2) Purchase of goods locally shall be made by local purchase orders signed by an accounting officer or an officer duly authorized by the accounting officer.
- (3) Local purchase orders shall be—
  - (a) in books of serially numbered forms in triplicate;
  - (b) where a computerized system is in use, in such form as may be approved by the Accountant General.
- (4) Any officer making local purchases which are not in accordance with these Regulations may be held responsible for their cost and, if the prices or rates paid are excessive, may be surcharged with any amount charged in excess.

### **Tenders**

11. (1) Tenders may be invited for the procurement or sale of goods or the procurement of services including construction work in accordance with any directions given by the Governor in Council.

(2) Notice of any invitation to tender shall be published in the *Gazette* and at least one local newspaper; a copy of such notice shall be sent to the Chairman of the Tenders Board.

### **Appointment of Tenders Board**

12. (1) The Governor in Council shall appoint a Tenders Board for the purpose of evaluating tenders for the procurement of goods or services and for the sale of public goods.

(2) The Board shall consist of the Financial Secretary, who shall be Chairman and 5 other members.

(3) The Financial Secretary shall designate an officer to serve as secretary of the Board.

### **Powers of Tenders Board**

13. (1) The Board shall have power—

- (a) to accept or reject any tender or part of a tender;
- (b) if all tenders have been rejected, to advise that new tenders be invited or that departmental arrangements be made for procurement:

Provided that each tender for goods and services, including construction works, valued at a sum in excess of \$150,000 shall be approved by the Minister.

(2) The Board shall report to the Minister, not later than 14 days after each meeting of the Tenders Board.

(3) The Secretary of the Board shall notify the successful tenderer in writing that his tender has been accepted.

(4) Copies of all letters of acceptance shall be sent to the accounting officer concerned, the Accountant General and the Auditor General.

### **Tenders to be kept confidential**

14. (1) Tenders shall be in sealed envelopes addressed to the Tenders Board under confidential cover.

(2) Until the decision regarding the acceptance of a tender has been taken by the Tenders Board or a departmental tenders board, tenders must be kept securely locked or otherwise secured by the secretary, and the contents of any tender shall not be divulged to any person.

(3) Tenders shall be received before the closing date and time specified in the notice; tenders received after the closing date and time shall be disallowed other than in very exceptional circumstances.

(4) Tenders shall not be opened before the date and time specified in the notice.

### **Technical Committees**

15. (1) The Board shall have power to appoint technical committees as may be considered necessary to evaluate any tender and for the pre-qualification of contractors.

(2) A copy of any report by such committee appointed under this regulation shall be made available to the Minister.

### **Departmental tenders board**

16. (1) The Financial Secretary may appoint a departmental tenders board to carry out any of the powers and functions of the Tenders Board under regulation 13:

Provided that—

(a) the value of goods and services does not exceed \$100,000; and

(b) the goods and services tendered are in respect of that department only.

(2) Any board appointed under paragraph (1) shall as soon as possible after its meeting submit a report to the Chairman of the Tenders Board.

### **Contracts**

17. (1) The Governor in Council may approve any contract for the procurement of goods or services, including construction works.

(2) The accounting officer concerned shall be responsible for the preparation and processing of contract documents except in the case of supplies of common user goods and services.

(3) The Financial Secretary shall be responsible for the preparation and processing of contracts for common user goods and services.



### **Copies of contracts**

**18. (1)** Copies of each contract document shall be sent to the Accountant General and the Auditor General.

**(2)** Contracts for common user goods and services with priced lists of the goods and services to be supplied by each contractor shall be distributed by the Financial Secretary to all accounting officers.

### **Contracts where no tenders are received or accepted**

**19. (1)** The Financial Secretary, on the recommendation of the technical committee appointed under the provisions of regulation 15 shall maintain a list of pre-qualified contractors for the procurement of services, including construction works.

**(2)** Subject to regulation 17, in the event no tenders are invited, received or accepted for the procurement of services, including construction works, or where a contractor defaults in the performance of a contract, an accounting officer may select from the list of pre-qualified contractors a suitable contractor for providing the services required:

Provided that—

*(a)* where the contract sum exceeds \$20,000, the approval of the Financial Secretary shall be obtained;

*(b)* where the contract sum exceeds \$50,000, the authority of the Minister shall be obtained.

**(3)** Subject to regulation 10, where a contractor defaults in the performance of a contract to supply goods, the Financial Secretary may authorize an accounting officer to make separate arrangements for the purchase of goods against local purchase orders.

### **Contracts to be signed**

**20.** All contracts shall be in the name of the Government of Montserrat and shall be signed by the accounting officer concerned or the Financial Secretary as the case may be.

### **Security for contract**

**21. (1)** An accounting officer shall ensure that any security or bond required to be signed by a contractor and his sureties is verified and lodged with the Accountant General.

**(2)** Re-payment of any amount lodged for security may be made on a certificate signed by the accounting officer that the service to be provided has been satisfactorily completed.

### **Advance payment**

**22.** No advance payment may be made on any contract without the specific approval of the Financial Secretary.

**Details of contract**

**23.** Every contract shall contain the following details as may be applicable—

- (a) detailed specifications of the goods to be supplied or the work or service to be performed;
- (b) drawings, plans and other instructions;
- (c) the commencement and completion dates;
- (d) the maintenance period;
- (e) the sum of money to be retained and the retention period;
- (f) the total sum payable;
- (g) a penalty clause, if applicable;
- (h) any security or bond required;
- (i) any special conditions relating to goods, material, equipment or plant;
- (j) any other special conditions.

**Contract Payment certificate**

**24. (1)** An accounting officer or any officer authorized by him shall sign a certificate in respect of every payment to be made relating to a contract as follows—

- (a) where payment is made for work in progress or services partially completed—

“I certify that the value of work performed (or service provided) exceeds the amount claimed and that the work (or services) have been carried out satisfactorily and in accordance with the terms of the contract.”

- (b) where final payment is being made—

“I certify that the work (or services) have been satisfactorily completed in accordance with the terms and conditions of the contract and that all progress payments and any retention money have been deducted from the amount payable under the contract.”

- (c) where retention money or any balance thereof is to be paid to the contractor at the end of the retention period—

“I certify that there are no further claims against this contractor for defects or other reasons in respect of the work (or services) carried out under contract No..... and I am satisfied that the retention money or remaining balances thereof amounting to \$.... is now payable to the contractor in accordance with the terms and conditions of this contract.”

**(2)** Where a firm of consulting engineers is engaged its certificate shall be attached to any payment voucher in respect of the contract.

### **Variation of contracts**

**25.** The terms and conditions of any contract shall not be varied except with the approval of the Minister.

### **Contract Register**

**26. (1)** Every accounting officer shall maintain a contract register in which shall be recorded—

- (a) the contract number;
- (b) the description of the contract;
- (c) the file number in which the contract documents are filed;
- (d) the name of the contractor;
- (e) the names of the officers signing the contract;
- (f) the head and item of expenditure to which the contract costs will be charged;
- (g) the dates of commencement and completion;
- (h) details of any security or bond deposited;
- (i) the amount of the contract;
- (j) the amount of the contract sum retained;
- (k) the retention period.

**(2)** Accounting officers shall enter into the register details of any variation made, progress payment, final payment of retention money, deductions for penalties and release of any security or bond deposited with respect to the contract.

### **Works orders**

**27. (1)** Works or services not exceeding \$10,000 in value may be authorized by works orders signed by any officer authorized to do so by the accounting officer, without the execution of a contract.

**(2)** Under no circumstances may 2 or more works orders be issued for the same work or service.

**(3)** An officer who signs a works order shall ensure that the work or service is performed and completed satisfactorily.

**(4)** Payment in respect of a works order shall be made on the following certificate signed by the authorizing officer—

“I certify that the work (or service) performed under Works Order No. .... has been completed satisfactorily and in accordance with the terms of the Order.”

## PART IV

## ALLOCATED STORES

**Use of allocated stores**

28. (1) Except as otherwise provided, allocated stores shall be issued to and used on the service or project to which such stores have been charged.

(2) Allocated stores shall not be issued for use on any other service or project except on the authority of the accounting officer.

(3) Allocated stores issued for use on any other service or project shall be accounted for by journal entry transferring the charge to the service or project on which the stores are used.

**Allocated Stores Ledger**

29. An allocated stores ledger shall be maintained in such manner as may be approved by the Accountant General from time to time.

**Storage of allocated Stores**

30. Accounting officers shall ensure that allocated stores are securely stored and physically separate from un-allocated or any other stores.

## PART V

## UN-ALLOCATED STORES

**Accounting for Stores**

31. (1) An accounting officer responsible for maintaining un-allocated stores shall ensure that accurate accounts are maintained for all receipts and issues of such stores.

(2) Un-allocated stores shall be accounted for by both quantities and values and the accounts shall indicate the unit cost of each item of stores.

**Stock limits**

32. Every accounting officer responsible for un-allocated stores shall ensure that the total value of stores on hand at any time does not exceed the authorized stock limit.

**Pricing of stores**

33. (1) The price of un-allocated stores for accounting purposes shall be determined on the basis of a unit of quantity and shall include the invoice price, freight, insurance, inspection fee, local transportation, handling and all other charges related to the purchase and storage of such stores.

(2) No other expense shall be charged against un-allocated stores which are not taken into account in the costing of the value of the stores.

(3) The issue price per unit shall be arrived at by dividing the total cost of an item of stores by the number of units of quantity and will be fixed at the nearest whole cent.

(4) The issue price per unit shall be revised whenever new purchases are made to replenish any particular item of stores.

(5) When on calculating an issue price per unit the total cost is not divisible by the number of units, the amount over or under the cost price shall be accounted for in a price adjustment account.

### **Un-allocated Stores Ledger**

**34. (1)** Un-allocated stores ledgers shall be maintained in such manner as may be determined by the Accountant General from time to time.

(2) Where for any reason it becomes necessary to introduce new un-allocated stores ledgers with the opening balances based on the physical stocks on hand and not on the closing balances in the previous ledgers, the full circumstances necessitating the use of physical stock balances shall be reported to the Accountant General whose prior approval shall be obtained before the new ledgers are put into use.

(3) The balance and value of each item of stores shall be recorded whenever a receipt or issue is made.

### **Stock valuation lists**

**35. (1)** As soon as possible after the end of each financial year, an accounting officer responsible for un-allocated stores shall cause to be prepared a stock valuation list showing the numerical and financial balances for each item of stores in the un-allocated stores ledger.

(2) Signed copies of the stock valuation list shall be submitted to the Financial Secretary and the Auditor General.

(3) If at any time the total value of stock exceeds the authorized limit, the accounting officer concerned shall report immediately to the Financial Secretary explaining the reasons for the excess.

(4) Stock held in excess of the authorized limit may be treated in the accounts in the same manner as unauthorized expenditure and the accounting officer concerned may be held responsible therefor.

### **Tabular summary**

**36. (1)** As soon as possible after the close of each financial year every accounting officer responsible for un-allocated stores shall cause to be prepared a tabular summary in respect of each un-allocated store.

(2) Signed copies of the tabular summary shall be submitted to the Financial Secretary and the Auditor General.

**Bin cards**

37. (1) Bin cards shall be kept by each storekeeper for each item of un-allocated stores for the purpose of recording receipts, issues and balances on hand by quantities.

(2) The officer-in-charge of the un-allocated store shall, at least once every quarter check the balances on the bin cards against the balances shown in the un-allocated store ledger and shall investigate and report any discrepancies.

(3) A copy of any report prepared by the officer-in-charge shall be submitted to the accounting officer concerned.

**PART VI****FURNITURE AND OFFICE EQUIPMENT****Responsibility for furniture and equipment**

38. Responsibility for the accounting for and control of furniture and equipment rests with the following departments, which for the purpose of this Part shall be termed "the controlling department".

Furniture and equipment for Government offices	The Ministry or Department in possession
Furniture, furnishings and equipment for Government Quarters	Establishment Department
Furniture and Equipment for institutions and other establishments	The Ministry or Department responsible for the institution or Department

**Sale custody and care of furniture and equipment**

39. (1) The controlling department shall be responsible for furniture and equipment issued to it or to institutions and establishments under its control.

(2) The occupants of Government quarters or other residences assigned to them shall be personally responsible for any furniture, furnishings or equipment provided for their use.

**Master Control Registers to be kept**

40. (1) The controlling department shall maintain a master control register in which shall be recorded all purchases and issues of furniture and equipment.

(2) The master control register shall include a record of the departments, institutions and establishments to which furniture and equipment have been issued.

**Inventories to be maintained**

41. (1) Accounting officers shall ensure that inventories of furniture and equipment are maintained in all offices, institutions and establishments under their control.

(2) No item of furniture and equipment shall be removed from any inventory except on the written authority of the Financial Secretary.

#### **Inventories to be checked**

42. Accounting officers shall ensure that all inventories are checked against physical stocks on hand at least once a year and whenever there is any change of the officer in charge of an office, institution or establishment or of an occupant of Government quarters or Government assigned residence.

#### **Discrepancies in inventory holdings**

43. (1) Accounting officers shall report to the controlling department any discrepancies found during inventory checks of furniture and equipment.

(2) Discrepancies found at a handing over of inventory holdings shall be dealt with in accordance with regulation 100.

#### **Authority for write-off**

44. (1) All furniture and equipment shall remain on charge in the master control register and in departmental inventories until authority to write-off has been given by the Financial Secretary.

(2) Un-serviceable or obsolete items of furniture and equipment shall be dealt with in accordance with regulation 89.

## PART VII

### BUILDINGS, PLANT, EQUIPMENT AND TOOLS

#### **Responsibility for plant, equipment and tools**

45. (1) Accounting officers shall be responsible for all buildings, plant, equipment and tools assigned to departments under their control.

(2) Notwithstanding paragraph (1), any officer to whom plant, equipment and tools have been issued shall bear personal responsibility for such plant, equipment and tools until they are returned into store or are condemned and disposed of in accordance with regulation 89.

#### **Register to be kept**

46. (1) All items of plant and equipment shall be entered in a plant and equipment register which shall record—

- (a) the description of the plant or equipment;
- (b) the name of the manufacturer;
- (c) the registration and serial numbers;
- (d) the date received;
- (e) the source of supply;

- (f) any period of warranty;
- (g) ancillary equipment and spares supplied.

(2) A tools register shall be maintained for all items of tools received and issued for use.

### **Plant Operating records**

47. Accounting officers shall ensure that plant operating records are maintained for plant equipment in which shall be recorded details of operating hours, down time, servicing, overhauls and repairs.

### **Log books**

48. (1) Accounting officers shall ensure that log books are kept in respect of each vehicle or other equipment assigned to his department.

(2) Log books shall be in such form as the Accountant General may approve from time to time and shall be used to record—

- (a) details of travelling done or work performed;
- (b) details of oils, fuels and spares used;
- (c) details of servicing or repairs;
- (d) authorization for travel or other operation.

(3) Accounting officers shall designate authorized officers who shall be responsible for checking log books and reporting on any misuse of or damage to vehicles or equipment assigned to their departments.

(4) Accounting officers shall ensure that log books are checked at least once every month and that reports of misuse of or damage to vehicles or equipment are submitted to the Financial Secretary.

(5) If it is proved to the satisfaction of the Financial Secretary that an officer should be held responsible for any misuse of or damage to any vehicle or equipment assigned to him or to his control, such officer may be liable under Part XII of the Act.

### **Stocks to be verified**

49. (1) At least once every 6 months accounting officers shall cause checks to be made to verify stocks of plant, equipment and tools against the balances shown in the plant and equipment register or the tools register as the case may be.

(2) Any deficiencies found in stocks shall be reported at once to the Financial Secretary.

(3) A copy of any report on deficiencies discovered shall be sent to the Auditor General.

### **Register of buildings**

50. The Accountant General shall maintain a register of all permanent Government buildings in which shall be recorded—



- (a) the description of designation of the building;
- (b) date of completion or purchase;
- (c) plan reference;
- (d) site reference;
- (e) prime cost or purchase price;
- (f) cost and date of structural alterations.

## PART VIII

### LIVESTOCK

#### **Records to be kept**

**51. (1)** Accounting officers shall ensure that records are kept of any livestock assigned to or maintained by their departments.

**(2)** Such records shall show the date of receipt, sale, transfer or death of the animals, any additions due to re-production and the total number of each category on charge.

#### **Sale of livestock**

**52.** When any animal is sold the weight, selling price and receipt number shall be entered in the records.

#### **Death of livestock**

**53. (1)** In the event of death of any animal any certificate of death and disposal shall be obtained from a Veterinary Officer or any other officer authorized to issue such certificate.

**(2)** The cause of death and the manner of disposal shall be entered in the records.

#### **Checks to be made**

**54.** Accounting officers shall ensure that at least twice every year the number of animals in stock is checked against the number shown in the records.

#### **Surpluses or deficiencies**

**55. (1)** Accounting officers shall investigate any surpluses or deficiencies in stock reported to them, and if it becomes necessary to do so, submit a report to the Financial Secretary.

**(2)** A copy of any report on deficiencies discovered shall be sent to the Auditor General.

(3) If it is proved to the satisfaction of the Financial Secretary that any officer should be held responsible for the death of any animal or for any loss or deficiency in stock, such officer may be liable under Part XII of the Act.

## PART IX

### RECEIPTS

#### Stores to be received in stock

56. Except for goods purchased in small quantities for immediate use, all goods received shall be taken into allocated or un-allocated stores as may be appropriate.

#### Stores received vouchers

57. (1) All goods received shall be entered on a stores received voucher which shall be supported by one of the following—

- (a) invoices or bills;
- (b) the triplicate copy of local purchase orders;
- (c) in the case of stores received from un-allocated stores into allocated stores a copy of the stores issue vouchers;
- (d) the original copy of a stores conversion form.

(2) Stores received vouchers shall be in duplicate and shall be pre-numbered serially or in such other form as may be approved by the Accountant General.

#### Stores conversion form

58. (1) Where stores are issued from a store for conversion into a different article, the article produced shall be received back into the same store and shall be supported by a stores conversion form.

(2) Stores conversion forms shall be prepared in duplicate and shall record in detail the quantities and values of the stores converted and the quantities and values of the article produced.

#### Unused stores

59. Stores which have been issued but not used shall be returned to the original store and taken on charge on a stores received voucher at the current issue price irrespective of the price at which they were originally issued.

#### Used stores

60. (1) Used stores which are no longer required for the purpose for which they were issued shall be returned to the original store and taken on charge on a stores received voucher.

(2) Used stores shall be kept separate from general stores whether allocated or un-allocated.

### **Surplus stores**

**61.** Surplus stores found by a board of survey or as a result of stock verification, internal stock-taking or over-delivery shall be taken on charge on a stores received voucher.

### **Verification of deliveries**

**62. (1)** It shall be the responsibility of any officer receiving goods to ensure that goods received are in accordance with goods invoiced.

**(2)** No payment for goods shall be made except on a certificate by the receiving officer that such goods have been correctly delivered and received into store.

### **Examination of goods**

**63. (1)** As soon as possible after the receipt of goods, the receiving officer shall examine every item, package or other container to ensure that the goods making up the consignment are exactly equal to the quantity and specifications shown on the accompanying invoices, delivery notes, packing-slips or other documents.

**(2)** A certificate of examination shall be prepared and signed by the receiving officer.

**(3)** Any damaged or spoilt goods shall be recorded in detail on the certificate of examination.

**(4)** Perishable food items shall be examined immediately and any spoilage or any item considered to be unfit for the purpose intended shall be reported to a Public Health Officer who shall issue a certificate of condemnation in respect of such items.

### **Bulk supplies**

**64. (1)** Bulk supplies shall be checked on discharge and on receipt into stores.

**(2)** The contents of broken containers and any quantities retrieved from sweepings shall be accounted for before any shortages are determined.

### **Delivery of stores**

**65. (1)** All stores transferred on any vehicle or vessel shall be accompanied by a delivery slip which shall be signed by the officer consigning the stores and the driver of the vehicle or vessel.

**(2)** The officer receiving such stores shall check the quantities delivered against the quantities shown on the delivery slip.

**(3)** A copy of the delivery slip signed by the receiving officer shall be returned to the consigning officer with notation of any shortages or surpluses discovered.

### **Stores received short**

**66. (1)** In all cases where stores have been received short or damaged the receiving officer shall immediately report the shortage or damage to the accounting officer.

(2) The accounting officer shall immediately investigate such shortage or damage and shall, as soon as possible thereafter, report the matter to the Financial Secretary.

(3) If it is proved to the satisfaction of the Financial Secretary that any officer should be held responsible for any such shortage or damage, such officer may be liable under Part XII of the Act.

### **Accounting procedure where goods are received short or damaged**

67. (1) Where goods are received short or damaged the quantity shown on the invoice or bill shall be taken on charge.

(2) A stores issue voucher shall be issued for the quantity of goods found short or damaged which shall be charged against the appropriate head of expenditure.

### **Claims register**

68. (1) Goods received short or damaged shall be accounted for in a claims register.

(2) No claim shall be considered settled until either the value has been recovered in full or the authority of the Financial Secretary has been granted to write-off or waive the claim.

(3) Any recovery in respect of a claim shall be entered in the claims register.

### **Reusable containers**

69. Wherever it is economical to do so reusable containers shall be returned to the suppliers as soon as possible after the discharge of goods.

## **PART X**

### **ISSUES**

#### **Issue of Stores**

70. Stores shall not be removed from allocated or un-allocated stores except on the authority of a stores requisition duly signed by an authorized officer.

#### **Stores issue vouchers**

71. (1) On receipt of a requisition for un-allocated stores, the officer in charge of stores, if he is satisfied that the requisition is in order and the stores requisitioned are in stock, shall prepare or caused to be prepared a serially numbered stores issue voucher in triplicate.

(2) Stores issue vouchers shall be signed by the officer in charge of stores or any other officer specifically authorized to do so.

(3) The officer receiving the stores shall sign the original and duplicate copies of the store issue voucher in acknowledgement of the receipt of the stores.

(4) The original copy of the store issue voucher shall be retained by the officer in charge of stores for accounting purposes.

(5) The duplicate copy of the stores issue voucher shall be returned to the requisitioning officer.

(6) The triplicate copy shall be sent to the Auditor General.

### **Stores to be charged**

72. Subject to the provisions of regulations 73 and 74 stores issue vouchers shall indicate the expenditure head and item number to which the charge should be made.

### **Stores issued for conversion**

73. Stores may be issued from un-allocated stores for conversion to a different article on the authority of a conversion form duly signed by an authorized officer.

### **Sale of Stores**

74. (1) Un-allocated or allocated stores may be sold to private persons only on the authority of the accounting officer.

(2) An official receipt for the full value of stores to be sold shall be presented together with the requisition for the release of stores.

(3) The officer in charge or any other officer authorized by him shall prepare a stores issue voucher for the quantity and value of the stores sold.

### **Responsibility of officers signing stores issue voucher**

75. Any officer who signs a stores issue voucher shall be responsible for ensuring that the voucher is accurate and complete in all respects and that the stores to be issued correspond with the requirements for the stores requisition signed by the authorized officer.

### **Issue before stores are priced**

76. (1) If, in an emergency, stores are required to be issued before the prices are determined, a store issue voucher shall be prepared showing the quantities of stores issued with the notation "prices to follow".

(2) As soon as possible after the prices of the stores have been determined, a debit advice shall be sent to the requisitioning officer for the full cost of the stores issued.

### **Monthly summaries of issues**

77. (1) As soon as possible after the end of each month the officer in charge of stores shall prepare a monthly summary of stores issued from un-allocated stores in such form as may be approved by the Accountant General.

(2) The original copy of the monthly summary of stores issued shall be submitted to the Accountant General for accounting purposes.

## PART XI

## STOCK VERIFICATION

**Appointment of stock verifier**

78. The Financial Secretary shall have the power to appoint a stock verifier whenever it becomes necessary to verify stock holdings in any department.

**Duties of stock verifier**

79. The duties of a stock verifier shall include—

- (a) the detailed comparison of stores ledger balances, bin card balances and inventory balances with the physical stock on hand;
- (b) the initial investigations into the reasons for any discrepancies;
- (c) an assessment of the security and storage arrangements and safeguards against loss, fraud and other irregularities;
- (d) an assessment of the management of stocks with special regard to overstocking, wastage and obsolescence;
- (e) checking and evaluating inventory holdings;
- (f) the identification of unserviceable or obsolete stores;
- (g) supervising the disposal of condemned stores;
- (h) any other duties assigned by the Financial Secretary.

**Stock to be verified**

80. The Financial Secretary may at any time arrange for stores held in any department to be verified by a stock verifier.

**Report of stock verifier**

81. (1) The stock verifier shall report to the Financial Secretary on any discrepancy, defects, obsolescence or damage or any deficiency in the arrangements for accounting, storage, security and other safeguards which have come to his notice during the stock verification.

(2) The Financial Secretary, on receipt of the stock verifier's report, may require the accounting officer concerned to answer to any discrepancy, defect, damage or deficiency discovered by the stock verifier.

**Inspection of stores**

82. (1) Every accounting officer shall arrange for stores under his control to be inspected at least twice each year.

(2) The inspecting officer shall report to the accounting officer any loss, leakage, damage, wastage, deterioration or irregularity observed in the course of his inspection.

(3) The accounting officer shall, on receipt of the inspecting officer's report, take immediate action to correct any defects, deficiencies or irregularities reported.

## PART XII

### SURVEY OF STORES

#### **Appointment of board of survey**

**83. (1)** The Financial Secretary may at any time appoint a board of survey to check allocated or un-allocated stores held in any department.

(2) A board of survey shall consist of not less than 2 persons one of whom shall be designated chairman.

(3) Copies of the letters of appointment of the members of a board of survey shall be sent to the accounting officer concerned and the Auditor General.

(4) No officer of the Audit Department or of the department in which the survey is to be carried out shall be appointed as a member of the board of survey.

#### **Method of conducting**

**84. (1)** Unless otherwise directed in the letter of appointment, a survey of stores shall include a complete check of quantities of all stores on hand or in the process of conversion.

(2) The quantities found shall be compared with the quantities shown in the stock ledger and bin cards and any discrepancies found shall be noted for inclusion in the survey report.

(3) Stores which appear to be unserviceable or obsolete shall be entered on a form prescribed for that purpose with recommendations for their condemnation or disposal.

(4) Stores which are found to be in excess of the balances shown in the stores ledger shall be brought to account on a stores receipt voucher.

#### **Report of board of survey**

**85. (1)** The chairman of a board of survey shall, immediately after the completion of a survey, submit a report on the survey signed by him and the other members of the board, to the Financial Secretary.

(2) Copies of the report shall be sent to the accounting officer concerned and the Auditor General.

(3) The board of survey's report shall include the following—

(a) the opinion of the board on the condition and adequacy of storage and storage facilities;

(b) the opinion of the board on the effectiveness of security arrangements and safeguards against fire and deterioration;

- (c) a statement on any difficulties experienced by the board in carrying out its duties;
- (d) a list unexplained surpluses and shortages together with any comments or remarks thereon which the board may consider necessary;
- (e) a list of stores which, in the opinion of the board, are unserviceable or obsolete;
- (f) a certificate that the procedure laid down in regulation 84 have been followed.

(4) The Financial Secretary may after considering the recommendations of the board of survey issue such directions as he deems necessary.

(5) Within 3 months of any directions given by the Financial Secretary the accounting officer concerned shall report to him of actions taken in pursuance of such directions.

## PART XII

### CONDEMNATION AND DISPOSAL OF STORES

#### **Appointment of board of condemnation**

**86. (1)** The Financial Secretary may, on the recommendation of an accounting officer, a stock verifier or a board of survey, appoint a board of condemnation to inspect stores which have been reported to be unserviceable or obsolete and to make recommendations for their disposal.

(2) Any board of condemnation appointed under paragraph (1) shall consist of—

- (a) a stock verifier; or
- (b) not less than 2 officers, one of whom shall be designated chairman.

(3) Except where technical considerations make it unavoidable, no officer of the department responsible for the stores to be condemned shall be appointed to the board of condemnation.

(4) An officer of the Audit Department shall not be appointed to any board of condemnation.

(5) The Financial Secretary shall notify the accounting officer concerned of the appointment of the board of condemnation.

(6) The stock verifier or the chairman of the board of condemnation as the case may be shall notify the accounting officer concerned of the place and time of the inspection of the stores to be condemned.

(7) Any officer appointed to serve on a board of condemnation shall report immediately to the Financial Secretary if he is unable to do so and shall give valid reasons for his inability to serve.



### **Method of conducting board of condemnation**

**87. (1)** The board of condemnation shall inspect each item of the stores to be condemned.

**(2)** The board of condemnation shall identify each item listed and shall determine whether or not the items identified are unserviceable or obsolete.

**(3)** The accounting officer concerned or any officer authorized by him shall be present during the inspection by the board of condemnation.

### **Report of board of condemnation**

**88. (1)** The stock verifier or the chairman of the board of condemnation shall, immediately after the inspection, submit a report signed by himself and, in the case of a board, by the other members of the board, to the Financial Secretary.

**(2)** Copies of the report shall be sent to the accounting officer concerned and the Auditor General.

**(3)** The report shall identify the stores which, in the opinion of the board, should be condemned and shall include recommendations for their disposal.

**(4)** The board shall report on any cases of misuse, abnormal damage or deterioration or any other cause which, in the opinion of the board, have contributed to the unserviceable or obsolete condition of the stores inspected.

**(5)** The Financial Secretary may after considering the recommendations of the board of condemnation issue such directions as he deems necessary.

### **Disposal of condemned stores**

**89. (1)** Accounting officers shall ensure that condemned stores authorized to be written off and destroyed are disposed of in the manner directed by the Financial Secretary.

**(2)** The accounting officer concerned shall appoint an officer or officers of his department to carry out the destruction or disposal of the stores.

**(3)** The stock verifier or a member of the board of condemnation shall witness the destruction or disposal of the stores.

**(4)** The accounting officer concerned shall prepare a list of the stores destroyed or disposed of for submission to the Financial Secretary together with the following certificate—

“I hereby certify that the stores listed have been destroyed or disposed of by ..... (method of destruction or disposal) ..... in accordance with the Financial Secretary’s directions as given in ..... (reference to authority) ..... dated ..... in the presence of the witness who has signed below.

Signed .....  
(witness) Accounting Officer

Name ..... Designation .....

Designation..... Department .....

Date ..... Date ....."

(5) Copies of the list together with the certificate shall be sent to the Financial Secretary, the Auditor General and the Accountant General.

**Sale of condemned stores**

90. Condemned stores may be sold by public auction, by public tender or in any other manner authorized by the Financial Secretary.

**Gift of condemned stores**

91. Subject to regulation 43 of the Act, the Financial Secretary may authorize the gift of condemned stores to educational, scientific, cultural or charitable institutions or organizations.

**Condemnation by accounting officer**

92. (1) Notwithstanding any other provisions in these Regulations (but subject to paragraph (4), accounting officers may, in any financial year, condemn and dispose of small quantities of un-expendable stores which normally have a short life (as in the case of glass ware, china, cooking utensils, small tools, and medical instruments, brushes and similar articles.

(2) The accounting officer shall submit a list of the items of stores, including the value of each item condemned and disposed of to the Financial Secretary together with the following certificate—

“I hereby certify that I have personally inspected the stores listed which have become unserviceable through fair wear and tear and that they have been disposed of by ..... (method of destruction or disposals) .....

Signed .....  
Accounting Officer

Designation .....

Department .....

Date ....."

(3) Copies of the list of stores destroyed or disposed of shall be sent to the Auditor General and the Accountant General.

(4) In any financial year the value of stores condemned or disposed of under paragraph (1) shall, in the case of—

- (a) a single item, not exceed \$ .....; and
- (b) more than one item, not exceed \$..... .

**Accounting for stores destroyed or disposed of**

**93.** Whenever the destruction, disposal, sale or gift of condemned stores has been authorized by the Financial Secretary or the accounting officer as the case may be, a stores issue voucher shall be prepared by the officer in charge of stores before such stores are removed from stock.

PART XIV

LOSSES OF STORES

**Definition of loss**

**94.** In this Part, the term “loss” includes damage or deterioration arising other than from fair wear and tear.

**Initial report of loss**

**95. (1)** An accounting officer shall report immediately to the Financial Secretary any loss of stores which occur in the department for which he is responsible.

**(2)** An initial report shall be made in every instance whether or not restitution has been made and such report shall not be delayed to enable investigation to be carried out or restitution to be sought.

**Investigation of losses**

**96.** An accounting officer shall cause an immediate investigation to be made into any loss of stores occurring in the department for which he is responsible, and in cases where misappropriation, theft or fraud is suspected, he shall report the loss immediately to the Police.

**Final report of loss**

**97. (1)** An accounting officer shall, as soon as possible after the investigation into any loss is complete, report to the Financial Secretary on the result of the investigation.

**(2)** Any such final report shall include the following—

- (a) the nature of the loss and the quantity and book value of the stores involved;
- (b) the place and date of the loss;
- (c) the circumstances in which the loss occurred;
- (d) an opinion as to whether the loss was due to a fault in the accounting or store-keeping system;

- (e) a statement on whether misappropriation, fraud, negligence or irregularity was involved;
- (f) the name and designation of the officer or officers responsible for the loss;
- (g) the reasons why internal checks and controls failed to prevent the loss;
- (h) the measures taken or recommended to prevent a recurrence of similar losses;
- (i) an account of any restitution or recovery of the loss;
- (j) advice on any action already taken against the office responsible for the loss;
- (k) recommendations for any disciplinary or other action required;
- (l) a report by the Police, if applicable.

### **Write-off of losses**

**98.** The Financial Secretary may authorize the write-off of any loss reported to him if he is satisfied that it is just and reasonable to do so.

### **Accounting for losses written-off**

**99.** A Stores Issue Voucher shall be prepared for any lost stores for which authority to write-off has been granted, provided that in the case of negligence or other irregularity the value of the stores shall be charged against an advance account in the name of the officer responsible for the loss.

## PART XV

### HANDING OVER OF STORES

#### **Procedure for handing over of stores**

**100. (1)** Whenever a storekeeper or other officer responsible for stores is proceeding on leave or transfer or will be absent from his office for any other reason, the accounting officer responsible for such stores shall arrange for the handing over of the stores to another officer.

**(2)** The procedure for handing over of stores shall be as follows—

- (a) the physical stock of stores shall be checked in detail by the incoming officer and by the outgoing officer and compared with the balances in the stores ledger or inventory;
- (b) the incoming officer and the outgoing officer shall sign a handing over certificate in the form prescribed for that purpose.

**(3)** The outgoing officer shall endorse a statement listing any deficiencies or defects found during the handing over, which shall be attached to the handing over certificate.

(4) The incoming officer shall submit the handing over certificate to the account officer immediately after it has been signed.

(5) The outgoing officer shall be responsible for all deficiencies or defects reported at the handing over.

**Procedure when outgoing officer is unable to attend**

**101. (1)** If the outgoing officer is unable to attend the handing over because of illness or has been authorized by the accounting officer to leave his office before the handing over takes place, the accounting officer shall apply to the Financial Secretary for a board of survey to be appointed to survey the stores to be handed over.

(2) The incoming officer shall be in attendance during the survey and shall sign the handing over certificate prepared and endorsed by the board of survey.

PART XVI

LOAN, HIRE AND SALE OF STORES

**Authority for loan or hire of stores**

**102. (1)** Except for the hire of plant and equipment where an authorized procedure and standard hire charges are in operation, no stores may be issued on loan or hire without the prior authority of the Financial Secretary.

(2) Any hiring out of stores shall be supported by an agreement signed by the hirer in a form approved by the Attorney General.

**Accounting for stores on loan or hire**

**103. (1)** The officer in charge of stores shall ensure that stores issue vouchers are prepared and signed by the borrower or hirer in respect of all stores issued on loan or hire.

(2) Whenever stores which have been issued on loan or hire are returned into store, such stores shall be accounted for on a stores receipt voucher.

**Authority for sale of stores**

**104. (1)** Stores may be sold by auction, tender or in any other manner authorized by the Minister.

(2) The Financial Secretary shall have the power to authorize the sale of stores not exceeding \$10,000 in value.

**Accounting for stores issued on sale**

**105. (1)** The selling price of stores to be issued on sale shall be determined by taking the ledger price and adding a charge of not less than 33 and 1/3 percent for departmental costs.

(2) No issue on sale shall be made until the selling prices of the stores has been received in full.

- (3) A store issue voucher shall be prepared for any stores issued on sale.

## PART XVII

### STORAGE AND SECURITY OF STORES

#### Storage

- 106. (1)** Stores shall be secured against interference by unauthorized persons.
- (2) No unauthorized person shall be permitted to enter a store room or building except in the presence of the storekeeper.

#### Precautions against deterioration or fire

- 107. (1)** Clothing and other stores susceptible to deterioration by damp or pests or other cause shall be examined regularly and shall be stored above floor level.
- (2) Fluids in tins or drums shall, whenever possible, be stored above ground level.
- (3) Inflammable stores and explosives shall be stored in accordance with any legislation relating to such substances or in the absence of any legislation, any instructions issued by the manufacturers of such stores.

## PART XVIII

### ACCIDENTS

#### Appointment of Accident Investigation Board

**108.** The Financial Secretary shall appoint an Accident Investigation Board to inquire into the causes and costs of any accidents reported to him and to assess the extent of any blame or negligence on the part of any driver or operator responsible for or in control of the vehicle or plant involved.

#### Accident reports

**109.** Whenever an accident involving a Government vehicle or plant occurs, the driver or operator as the case may be shall immediately complete an accident report and submit such report to the accounting officer.

#### Assessment of damage

**110.** The accounting officer, on receiving an accident report, shall refer the report to the officer in charge of the mechanical workshop or garage for an assessment of the damage or damages sustained and an estimate of the cost of repair, or, in the case where the vehicle or plant is beyond repairs, the cost of replacement.

**Report to be submitted to Accident Investigation Board**

**111.** The accounting officer shall submit the accident report together with the assessment made by the officer in charge of the mechanical workshop or garage and police report, if any, to the Accident Investigation Board.

**Proceedings by the Accident Investigation Board**

**112. (1)** The Accident Investigation Board may summon any person to give any evidence or explanation concerning the accident which it may consider to be necessary.

**(2)** The Accident Investigation Board shall submit a report on its findings together with any recommendations as to the action to be taken against the driver or operator responsible for the accident, to the accounting officer.

**Action to be taken**

**113. (1)** The accounting officer shall submit the accident report and the Accident Investigation Board's report together with his recommendations on the extent of any surcharge against the driver or operator responsible for the accident, to the Financial Secretary.

**(2)** Any surcharge imposed on the driver or operator by the Financial Secretary shall be recovered in accordance with any directions given by the Financial Secretary.

**Claims by Government**

**114.** Where the Accident Investigation Board recommends that a claim be made against any person or insurance company in respect of any liability for an accident, the accounting officer shall prepare the claim and submit it to the Attorney General for his approval before it is issued.

**Claims against Government**

**115.** In the event of a claim being made against the Government for liability in respect of an accident, the claim shall be referred immediately to the Attorney General for his advice on the action to be taken.

**Repairs to damaged plant or vehicle**

**116.** As soon as possible after an assessment has been made by the officer in charge of the mechanical workshop or garage and except as may be advised by the Accident Investigation Board or Attorney General, the accounting officer shall proceed to carry out repairs to the vehicle or plant involved in the accident.

## PART XIX

## MISCELLANEOUS

**Miscellaneous**

**117.** The Accountant General may prescribe such forms as are required for the efficient working of these Regulations.

---



## **FINANCE REGULATIONS**

### **ARRANGEMENT OF REGULATIONS**

#### **PART I**

##### **PRELIMINARY**

###### **REGULATION**

1. Short title
2. Interpretation
3. Reference to matters to Financial Secretary

#### **PART II**

##### **ACCOUNTING OFFICERS**

4. Accountant General
5. Accounting Officer
6. Delegation by Accounting Officer
7. Public Accounts Committee
8. Accounting Officer not absolved from responsibility

#### **PART III**

##### **ACCOUNTS**

9. Accounting unit
10. Vote accounting
11. Records relating work to cost
12. Charges incurred by external agents
13. Sufficiency of votes
14. Review of expenditure
15. Commitments
16. Use of vote balances
17. Charges incurred by procurement agents
18. Advance or suspense accounts
19. Form of accounts
20. Security of accounts
21. Alteration of accounts and documents
22. Use of green pencil and ink
23. Inspection of Accounts

## PART IV

## SUB-ACCOUNTANTS

24. Sub-Accountant's Accounts

## PART V

## PREPARATION OF ESTIMATES

25. Revenue estimates
26. Expenditure of estimates
27. Economy in estimating
28. Inclusion of commitments
29. New expenditure proposals
30. Inclusion does not imply sanction
31. Estimates to be accurately stated
32. Supporting statements
33. Separation of estimates
34. Estimates of statutory bodies

## PART VI

## RESTRICTIONS ON EXPENDITURE

35. Warrants to be numbered
36. Copies to be distributed
37. Reserved vote
38. Liability of officers

## PART VII

## REVENUE COLLECTION

39. Accounting officers responsible for collection and claims
40. Liability of collector of revenue
41. Responsibility of Police
42. Record to be kept
43. Reports of arrears of revenue

## PART VIII

## RECEIPTS OF PUBLIC MONEY

44. Receipts of money to be accounted for
45. Receipts of public money to be vouched

46. Receipts to be issued to and by collectors of revenue
47. Lodgements
48. Verification of receipts
49. Receipts by officers not being collectors of revenue
50. Alterations in paying-in slips
51. Alterations in receipts
52. Cancellation of receipts
53. Lost receipt
54. Public notice regarding receipts
55. Facsimile signature stamps not to be used
56. Maintenance of cash accounts
57. Receipts to be posted in cash accounts
58. Verification of cash accounts
59. Accounting officer's responsibility to examine cash accounts
60. Receipt forms
61. Definition of "general revenue receipt"
62. Issue of receipt forms
63. Auditor General to be advised of issues
64. Custody of receipt forms
65. Used receipt forms
66. Obsolete receipt forms
67. Responsibility for checking receipt forms
68. Transfer of receipt forms
69. Stock Register
70. Half-yearly returns of receipt forms

#### PART IX

#### PAYMENTS

71. Authority for payment
72. Unauthorized payment
73. Payment instrument
74. Responsibility when signing
75. Payment instruments to contain full particulars
76. Payment instruments to be certified
77. Certifying officers to exercise care
78. Payment instruments to be written and signed in ink
79. Original instrument to be signed
80. Payment instrument to be pre-audited
81. Payment to persons
82. Payments to persons other than those named in payment instrument
83. Lost payment instruments

84. Payments to be made within the financial year
85. Departmental warrant

#### PART X

##### SALARIES, WAGES AND ALLOWANCES

86. Records to be kept
87. Authority for payment of salaries
88. Unpaid salaries and wages
89. Salaries and wages unpaid for more than 3 months
90. Daily paid workers
91. Overtime
92. Computation of salaries
93. Certificates required
94. Delayed claims

#### PART XI

##### PENSIONS

95. Records of retiring benefits
96. Notice of retirement
97. Deferred payments of retiring benefits

#### PART XII

##### OVERPAYMENT RECOVERED

98. Unauthorized or incorrect payment
99. Steps to recover unauthorized payment or overpayment
100. Overpayments recovered

#### PART XIII

##### LOANS AND PUBLIC DEBT

101. Resolution for borrowings
102. Authority for expenditure from loans

#### PART XIV

##### DEPOSITS

103. Deposit accounts
104. Payment from deposit account

105. Closure and handing over of deposit accounts
106. Refunds
107. Unclaimed deposits

## PART XV

## ADVANCES

108. Advances to Government owned Companies and other Statutory Bodies
109. Advances to officers
110. Recovery of advances

## PART XVI

## IMPRESTS

111. Issue of imprests
112. Purpose of imprests
113. Payment from imprests
114. Accounting for imprests
115. Imprest cash account
116. Reimbursements of imprest payments
117. Retirement of imprest
118. Imprests not fully accounted for until pre-audit of payments

## PART XVII

## BANK ACCOUNTS

119. Opening of bank accounts
120. Overdrafts prohibited
121. Cash register to be maintained
122. Signatories to be designated
123. Reconciliation of bank accounts

## PART XVIII

## CHEQUES

124. Cheques to be signed
125. Computerized cheques
126. Cheque books to be secured
127. Spoilt cheques
128. Cheques may be accepted in payment
129. Cheques to be lodged

- 130. Dishonoured cheques
- 131. Cheques not to be cashed

#### PART XIX

##### DIRECT DEPOSIT

- 132. Direct deposit
- 133. Form of deposit
- 134. Authentication of direct deposit
- 135. Termination of direct deposit

#### PART XX

##### CUSTODY OF CASH, STAMPS, RECEIPT BOOKS, SECURITIES, KEYS, ETC.

- 136. Security of cash
- 137. Security of stamps, securities, receipts forms, etc.
- 138. Control of securities
- 139. Bonds, Securities, and Agreements
- 140. Provision of strong room and safes
- 141. Inventory of safes and strong rooms
- 142. Custody of keys
- 143. Loss of keys
- 144. Repairs to safes and strong rooms
- 145. Private moneys and effects

#### PART XXI

##### HANDING OVER OF CASH, STAMPS, RECEIPT FORMS, CHEQUE BOOKS AND KEYS

- 146. Handling over statement
- 147. Items handed over to be checked
- 148. Absence of officer handing over

#### PART XXII

##### BOARDS OF SURVEY OF CASH AND STAMPS

- 149. Appointment of boards
- 150. Constitution of boards
- 151. Duties of boards
- 152. Conduct of board of survey

153. Attendance of accounting officers
154. Suspension of business during survey
155. Procedure when survey lasts more than one day
156. Report of the board
157. Substantial shortages to be reported immediately

PART XXIII

SHORTAGE OR LOSS OF MONEY, STAMPS, SECURITIES AND  
OTHER FINANCIAL INSTRUMENTS

158. Shortage and loss to be reported immediately
159. Loss or irregularity discovered by Audit
160. Investigation and recommendations
161. Accounting procedures for shortages and losses
162. Write-off of losses

PART XXIV

ACCOUNTING RECORDS

163. Custody of accounting records
164. Destruction of accounting records

PART XXV

SPECIAL FUNDS AND TRUST FUNDS

165. Administration of special fund
166. Dissolution of special
167. Administration of trust funds

PART XXVI

MISCELLANEOUS

168. Miscellaneous





**FINANCE REGULATIONS – SECTION 57**

*(S.R.O. 16/2002)*

**Commencement**

*[25 January 2002]*

PART I

PRELIMINARY

**Short title**

1. These Regulations may be cited as the Finance Regulations.

**Interpretation**

2. (1) In these Regulations—

“**Act**” means the Finance (Administration) Act;

“**Department**” means a Ministry or a non-ministerial department of Government.

“**Head of Division**” means an officer who is in charge of a Division of a Department;

“**Sub-Accountant**” means an officer who is entrusted with the receipt, custody and disbursement of public money and who is required to keep one of the recognized cash accounts, the transactions in which are accounted for to the Accountant General and subsequently embodied in the final accounts of Montserrat.

(2) Any term defined in the Finance (Administration) Act shall bear a corresponding meaning in these Regulations.

**Reference of matters to Financial Secretary**

3. Where any doubt exists in respect of any duties or responsibilities of any person or procedures to be followed in carrying out the provisions of these Regulations the matter shall be referred to the Financial Secretary for his directions.

PART II

ACCOUNTING OFFICERS

**Accountant General**

4. (1) The Accountant General is designated chief accounting officer and shall be responsible for the accounting arrangements in all departments.

(2) Subject to section 5 of the Act, the duties of the Accountant General shall be—

- (a) to control the issues out of the Consolidated Fund and ensure that no payment is made which has not been authorized in accordance with PART VI of the Act;
- (b) to maintain accounts of all appropriations made by Legislative Council;
- (c) to ensure that there is sufficient unencumbered balance available out of every appropriation to discharge any commitments payable during the financial year in which the commitment is made;
- (d) to pre-audit or examine before issue all vouchers and acquittances for payment of money in order to ensure that they comply with these Regulations;
- (e) to provide accounting services to departments in connection with the collection of revenue and the expenditure of public moneys;
- (f) to exercise control over all officers in his Division and sub-Accountants entrusted with the receipt or payment of public moneys and to take precautions by the maintenance of efficient checks, including surprise inspections, against the occurrence of fraud, embezzlement or negligence;
- (g) to act as custodian of all Government securities and other financial instruments;
- (h) to receive all moneys accruing to the Consolidated Fund and other funds entrusted to him;
- (i) to maintain the central financial accounts of Government including revenue, expenditure, assets and liabilities;
- (j) to ensure that, so long as Montserrat is budget-aided, all resolutions for borrowings by the Government of Montserrat are subject to the prior written consent of a Secretary of State;
- (k) prepare monthly and annual financial statements and periodic and special accounting and financial statements as are required for audit and management purposes.

### **Accounting Officer**

5. An accounting officer shall be responsible for ensuring that—

- (a) the financial business of Government for which he is responsible is properly conducted;
- (b) the public funds entrusted to his care are properly safeguarded and are applied only to the purposes approved by Legislative Council;
- (c) all payments from the votes or funds under his control are properly authorized;
- (d) any information required by the Accountant General and the Auditor General concerning his accounts is promptly made available;

- (e) departmental records are maintained in accordance with these Regulations and any other accounting instructions issued by the Accountant General;
- (f) an efficient system of internal control with respect to all financial transactions is maintained;
- (g) his financial and accounting records are produced for audit on demand by the Auditor General.

#### **Delegation by Accounting Officer**

6. (1) If, in the exercise of his responsibilities under regulation 5, an accounting officer may in dealing with the responsibilities of affecting the financial administration of his department, delegate to an officer subordinate to him in writing such duties as he considers the officer capable of executing.

(2) The subordinate accounting officer shall accept it and act thereon only on the written instructions of the accounting officer concerned, making reference to such decision if the need arises for him to defend his action.

(3) The subordinate accounting officer concerned shall be answerable to the accounting officer and may consult the accounting officer as to when he thinks necessary.

#### **Public Accounts Committee**

7. An accounting officer is answerable to the Legislative Council through the Public Accounts Committee for the carrying out of his responsibilities under regulation 5.

#### **Accounting Officer not absolved from responsibility**

8. (1) An accounting officer is not absolved from his responsibility for complying or ensuring compliance with the provisions of the Act, these Regulations and any instructions given to him, or by him within the scope of his responsibility, by reason of the responsibility of the Accountant General or the Auditor General in connection with the public accounts and finances.

(2) An accounting officer shall not be relieved from responsibility for any act which he is required to perform by the Act, these Regulations and any instructions given to him, the performance of which he has delegated to an officer subordinate to him.

(3) Where it is proved to the satisfaction of the Financial Secretary that an officer to whom an accounting officer has delegated authority for the doing of an act has exceeded the authority delegated to him, then that officer shall be held jointly responsible with the accounting officer.

## PART III

## ACCOUNTS

**Accounting unit**

9. (1) There shall be an accounting unit in each department under the overall supervision of the accounting officer.

(2) The accounting officer shall ensure that proper arrangements are made in the unit for the disposal of its work.

**Vote accounting**

10. (1) Expenditure shall be classified in strict accordance with the approved Estimates.

(2) An accounting officer shall maintain control over expenditure of his department to ensure that the amounts provided in the Estimates are not exceeded.

(3) In pursuance of his obligation under this regulation, an accounting officer shall keep a departmental vote account in the prescribed form which shall clearly show at all times in respect of each service—

- (a) the original amount approved by the Legislative Council for the year;
- (b) supplementary amounts approved by the Legislative Council;
- (c) the amount, if any, reserved by the Minister;
- (d) reallocations made by the Minister under section 24 of the Act;
- (e) virements approved by the Financial Secretary under section 25 of the Act;
- (f) credits to the vote;
- (g) transfers to be added or deleted;
- (h) charges or payments made against the vote;
- (i) expenditure to date;
- (j) actual balance on the vote;
- (k) outstanding commitments;
- (l) uncommitted balance on the vote.

(4) Vote accounts shall be maintained in the following manner—

- (a) as soon as a voucher is authorized for payment it shall be entered in the vote account and the entry initialled by the accounting officer or any officer authorized by him to do so;
- (b) the accounting officer or the officer authorized by him shall ensure that expenditure commitments in respect of goods invoiced but not yet paid for, and all other commitments are noted in the commitments column of the vote account;

- (c) at the end of every month the vote account shall be reconciled item by item with the Accountant General's accounts;
- (d) liabilities, including outstanding commitments, incurred but not paid during the financial year must be charged to the appropriate vote account at the end of the financial year.

### **Records relating work to cost**

**11. (1)** Where expenditure covers a variety of services or projects, accounting officers shall maintain appropriate departmental accounts to enable them to control the progress of each service or project.

- (2) Separate accounts must be maintained for each service or project.

### **Charges incurred by external agents**

**12.** Where any charge is incurred by an external agent or agency against any loan or grant in respect of which an appropriation has been made, it shall be the duty of the accounting officer to ensure that the charge is brought to account against the appropriate vote.

### **Sufficiency of votes**

**13.** Accounting officers shall ensure that at all times the balance of votes are sufficient to meet all commitments against the vote for the remainder of the year.

### **Review of expenditure**

**14.** Accounting officers shall undertake regular reviews of their vote accounts and report any unfavourable trends to the Financial Secretary.

### **Commitments**

**15. (1)** A commitment incurred before the end of the financial year for goods or services or any amounts due or owing under a contract that remains unpaid at the end of the financial year shall be recorded as a charge against the vote to which it relates and credited to a deposit account.

(2) Subject to paragraph (3), payment may be made from a deposit account for the purpose of settling a commitment recorded as a charge against the vote in accordance with paragraph (1).

(3) Any payment made in respect of a commitment that is in excess of the amount charged under paragraph (1) shall—

- (a) be charged against the appropriate vote in the year in which the payment is made;
- (b) be a reduction of the amount available for spending under the vote.

### Use of vote balances

16. (1) The unexpended portion of any vote shall not be used for the purpose of setting up any reserve to meet future payments and shall not be carried to a deposit or suspense account except with the approval of the Financial Secretary.

(2) Stores may not be drawn from unallocated stores or purchased for use before they are required so as to utilize balances in the vote account which would otherwise lapse at the end of the financial year.

(3) Expenditure properly chargeable to the account of a financial year shall not be deferred or placed in suspense for the purpose of avoiding an excess in the vote account for that financial year.

### Charges incurred by procurement agents

17. (1) An accounting officer shall be notified by the Accountant General of any charges incurred through procurement agents against the votes under his control and such charges shall be duly recorded in his vote accounts.

(2) A copy of the debit advice issued by the Accountant General shall be returned to him endorsed by the accounting officer that the charges have been entered in his vote account.

### Advance or suspense accounts

18. (1) The authority of the Financial Secretary is required for opening any personal advance account.

(2) The Accountant General may authorize temporary advance accounts incidental to the business of Government provided that such account is cleared by the end of the financial year.

(3) Suspense accounts may be opened only when the incidence of a charge is not known and in such cases prompt action shall be taken to determine the incidence of the charge and to remove the charge from the suspense account to the appropriate vote account.

### Form of accounts

19. (1) Accounts may be maintained in the form approved by the Accountant General.

(2) Without limiting the generality of paragraph (1), accounts may be kept—

(a) in bound or loose-leaf registers;

(b) in photographic film;

(c) by any system of mechanical or electronic data processing;

(d) by any other information storage device that is capable of reproducing information required in intelligible written form within a reasonable period of time.

### **Security of accounts**

- 20. (1)** The pages of all account books must be serially numbered.
- (2)** Where mechanical or electronic devices are used to maintain and store accounts—
- (a)** adequate measures shall be taken to secure the accounts against unauthorized entry;
  - (b)** the pages of all print-outs of the accounts shall be serially numbered and secured in a binder.
- (3)** Computer tapes, discs, diskettes or other mechanical or electronic devices used for recording accounts or accounting data, when not in use, shall be secured by the accounting officer.
- (4)** Computer tapes, discs, diskettes or other mechanical or electronic devices used for recording accounts or accounting data shall not be erased except on the authority of the accounting officer.
- (5)** No cards or loose leaves issued for use should be removed or destroyed without the authority of the accounting officer.

### **Alteration of accounts and documents**

**21.** Audited accounts and documents shall not be altered without the consent in writing of the Auditor General.

### **Use of green pencil and ink**

**22.** The use of green pencil and ink on account books and records is reserved for audit purposes and is prohibited to all other officers.

### **Inspection of Accounts**

- 23. (1)** The Accountant General shall from time to time, without giving notice, cause inspection of the accounts of departments.
- (2)** The Financial Secretary shall be informed of any irregularity in connection with such accounts that may have been discovered.

## **PART IV**

### **SUB-ACCOUNTANTS**

#### **Sub-Accountant's Accounts**

- 24. (1)** Every sub-Accountant shall maintain records as may be required by the Accountant General.
- (2)** Every sub-Accountant shall balance his cash account daily. Details of the cash on hand at the close of business each day shall be shown in the cash register.

(3) A monthly reconciliation between the opening and closing cash balances and the totals of receipts and payments shall be prepared by each sub-Accountant and endorsed in the cash register.

## PART V

### PREPARATION OF ESTIMATES

#### Revenue estimates

25. (1) Accounting officers shall, before the deadline stipulated by the Financial Secretary, each year submit to him in such form as may be approved for the purpose, estimates of the sums of revenue to be collected by their departments in the following financial year together with revised estimates of revenue collection in respect of the current financial year and forecasts in respect of the 2 financial years succeeding the following financial year.

(2) Accounting officers shall review the estimates of revenue for the current financial year and the following financial year on the last working day of the month of October, in each year and shall inform the Financial Secretary of changes that appear to be necessary.

#### Expenditure estimates

26. Accounting officers shall, before the deadline stipulated by the Financial Secretary, each year submit to him in such form as may be approved for the purpose, estimates of the sums required for recurrent and capital expenditure to be incurred by their departments during the following financial year together with revised estimates of expenditure in respect of the current financial year and forecasts in respect of the 2 financial years succeeding the following financial year.

#### Economy in estimating

27. Accounting officers shall carefully scrutinize all items of expenditure to ensure—

- (a) that services which are no longer essential are eliminated;
- (b) that all necessary services are provided at the lowest cost possible;
- (c) that new projects or programmes are analyzed in detail giving—
  - (i) the financial requirements for the budget years, and
  - (ii) an operation plan covering material and other inputs and personnel required;
- (d) that public funds are spent to the best advantage.

#### Inclusion of commitments

28. Accounting officers shall ensure that—



- (a) all Executive Council decisions which affect their estimates are adequately provided for;
- (b) all known commitments arising out of the implementation of any project or programme are included in the expenditure estimates.

### **New expenditure proposals**

**29. (1)** Proposals for new staff proposals, increases in salary (other than normal increments) or new or expanded services shall not be included in the estimates of expenditure unless prior approval has been obtained from the Minister.

**(2)** Recommendations in respect of paragraph (1) should be submitted to the Financial Secretary not later than 15th November in each year unless otherwise directed.

**(3)** Each proposal should be submitted separately with a full explanation together with relevant extracts from any prior correspondence or report.

### **Inclusion does not imply sanction**

**30.** Authority for expenditure shall not be inferred from the fact that provision for such expenditure has been included in the draft estimates, and no such authority shall be taken to exist until the approval of the Legislative Council has been obtained.

### **Estimates to be accurately stated**

**31.** Estimates shall be stated to the nearest \$100, shall be accurate and shall be based on the latest current information on revenue and expenditure trends. Explanations should be given for any marked difference between—

- (a) the original and revised estimates for current financial year;
- (b) the revised estimates for the current financial year and the estimates for the following financial year.

### **Supporting statements**

**32.** Accounting officers shall forward with the draft estimates a statement in support of each item of personal emoluments showing the names of officers, the dates on which increments (if any) will accrue to them, the actual salary payable to each officer in the current financial year and the salary provided for each officer in the following financial year.

### **Separation of estimates**

**33. (1)** Estimates of expenditure shall show separately items of recurrent and non-recurrent expenditure.

**(2)** Accounting officers shall clearly indicate in respect of each item in the draft estimates which sums are to be appropriated by the Legislative Council and which sums are already charged upon the Consolidated Fund under the Constitution or provided for under any existing law. In all cases reference should be made to the relevant section of the Constitution or the law as the case may be.

**Estimates of statutory bodies**

34. Where any law creating a statutory body or other similar body requires that its annual budget be approved by Government, that body shall comply with any specific instructions which may be given by the Minister or any officer authorized by him.

**PART VI****RESTRICTIONS ON EXPENDITURE****Warrants to be numbered**

35. All warrants issued under Part VI of the Act should be classified according to type and numbered serially in respect of each financial year.

**Copies to be distributed**

36. Copies of warrants issued should be distributed to the Accountant General, the Auditor General and the accounting officer concerned.

**Reserved vote**

37. (1) Where the Minister, in the exercise of his powers under section 28 (2) of the Act, reserves any item of expenditure he shall indicate such reservation in the General Warrant or Provisional General Warrant, as the case may be, issued by him or by letter under his hand addressed to the accounting officer concerned.

(2) Where an accounting officer considers expenditure essential under a vote for which he is responsible but which has been reserved, he shall apply to the Minister for the release of the whole or part of the amount reserved.

(3) In any application under paragraph (2) the accounting officer shall give full reasons why the release is necessary and, in particular, any reason why expenditure should not be deferred.

(4) A copy of the authority to incur expenditure under a reserved vote shall be sent to the Accountant General, the Auditor General and the accounting officer concerned.

**Liability of officers**

38. An accounting officer and any officer duly authorized by him, incurring expenditure in excess of amounts appropriated or otherwise approved by the Minister or the Financial Secretary as the case may be or incurring expenditure without proper authority, shall be liable either jointly or severally, under PART XII of the Act.

**PART VII****REVENUE COLLECTION**

### **Accounting officers responsible for collection and claims**

**39. (1)** Accounting officers are responsible for the prompt collection of all revenue relating to their departments.

**(2)** It is the duty of accounting officers to ensure—

- (a)* that persons indebted to Government are informed by notice of all debts about to fall due or which become due by that notice;
- (b)* that such persons are reminded of debts which have become due—
  - (i)* by regular request or demand for payment, or
  - (ii)* where the debt is in the nature of an annual or periodic licence fee, by adequate notification in the *Gazette* and any newspaper circulating in Montserrat or by notice on the radio;
- (c)* that prompt action is taken for the collection of the debts in a court of competent jurisdiction or by any other legal process;
- (d)* that cases referred to Court for prosecution are actively pursued and that any Court orders are executed.

**(3)** Accounting officer shall ensure that all claims in respect of expenditure against externally financed projects are promptly submitted for reimbursement and that reimbursements received are correctly accounted for and brought into revenue.

### **Liability of collector of revenue**

**40.** Where any debt due to Government becomes unrecoverable and there has been unreasonable delay by a responsible officer in making a request or demand for payment or in instituting legal action for the recovery of such debt, such officer shall be liable under section 47(2) of the Act.

### **Responsibility of Police**

**41. (1)** It is the duty of the Police to ensure that all persons are in possession of licences which they are required by law to possess.

**(2)** The Commissioner of Police shall issue reminders to police officers of the dates on which the various licence fees fall due for payment.

### **Record to be kept**

**42.** A record should be kept in each department of—

- (a)* the date of issue of all notices of debts about to become due or which become due by such notice;
- (b)* the date of issue of all requests or demands for payment of debts which have become due;
- (c)* the date on which legal action was instituted for the recovery of overdue debts.

### **Reports of arrears of revenue**

**43. (1)** Accounting officers responsible for the collection of revenue shall submit to the Accountant General annual returns of arrears of revenue and monthly reports of arrears of revenue recovered by 31st March following. Returns and reports must be rendered in the form prescribed by the Accountant General and shall reach him not later than one month after the end of each period indicated in paragraph (2).

**(2)** Annual returns shall be submitted in respect of each financial year ending December 31st.

**(3)** Annual returns or monthly reports shall be submitted by each accounting officer whether or not arrears have accrued or recovery made as the case may be in his department.

## **PART VIII**

### **RECEIPTS OF PUBLIC MONEY**

#### **Receipts of money to be accounted for**

**44.** All receipts of public money shall be properly accounted for in such books or records of account as may be prescribed by the Accountant General.

#### **Receipt of public money to be vouched**

**45.** All receipt entries in the accounts must be vouched for in the form prescribed.

#### **Receipts to be issued to and by collectors of revenue**

**46. (1)** A collector of revenue other than a Sub-Accountant who receives any duties, taxes, licences fees, levies, rents or other public moneys, whether or not forming part of the revenues of Montserrat shall pay the whole of the amounts received daily or at the earliest opportunity either into a bank to the credit of the Consolidated Fund Services Account or to the Accountant General or to a Sub-Accountant and shall obtain a receipt for the amounts paid in.

**(2)** A collector of revenue shall issue an official receipt for each sum received by him except that, in the case of the Comptroller of Customs, a duly stamped, signed and numbered copy of a customs entry shall serve as a receipt.

#### **Lodgements**

**47.** A collector of revenue or a Sub-Accountant who deposits money into a bank shall obtain from the bank a deposit receipt for the amount of the deposit in such form as the Accountant General may prescribe.

#### **Verification of receipts**

**48. (1)** All payments of money or submissions of deposit receipts to the Accountant General or to a sub-Accountant shall be supported by—

- (a) a paying-in slip quoting the serial numbers of the receipts issued by the collector of revenue in respect thereof; and
  - (b) the used receipt books from which the receipts were issued; or
  - (c) a certified statement of a computer print-out showing details of all receipts issued.
- (2) The Accountant General or the Sub-Accountant as the case may be shall verify the serial numbers of the receipts appearing on the paying-in slip and enter the serial number of the paying-in slip on the Treasury receipt issued by him.
- (3) Deposit receipts shall be submitted to the Accountant General at the earliest opportunity after the deposit was made.

### **Receipts by officers not being collectors of revenue**

49. Whenever an officer other than the Accountant General, a Sub-Accountant or a collector of revenue receives public money he shall as soon as possible pay it to the Accountant General or a Sub-Accountant and obtain a receipt for it.

### **Alterations in paying-in slips**

50. Any alterations in paying-in slips must be initialled by the payer.

### **Alterations in receipts**

51. (1) Revenue receipts shall be issued in serial number order and they shall not be altered in any way without the approval of the Accountant General.

(2) Revenue receipt books shall not be cut or divided. Where electronic systems are in use, measures shall be taken to secure the receipt-writing device.

(3) No alterations shall be made in the amounts shown as received on receipts or licences. Where a correction is necessary the receipt or licence must be cancelled and a new one issued.

### **Cancellation of receipts**

52. (1) When it becomes necessary to cancel a receipt all copies bearing the same serial number shall be endorsed "Cancelled" and signed by a responsible officer and securely attached to the relevant receipt book.

(2) Where electronic systems are in use, the cancellation of a receipt should be done in accordance with procedures approved by the Accountant General.

### **Lost receipt**

53. (1) If an issued receipt is lost and a copy is applied for, a certified true copy on departmental stationery may be furnished. A new receipt shall not be issued from a receipt book or electronic system.

(2) In no case may a duplicate copy of a receipt or licence be issued except with the approval of the Accountant General.

**Public notice regarding receipts**

54. Accounting officers shall display in each office where money is collected a notice stating that a printed official receipt must be obtained by every person paying money to the account of Government.

**Facsimile Signature stamps not to be used**

55. Facsimile signature stamps shall not be used in signing receipts or any other revenue documents.

**Maintenance of cash accounts**

56. All collectors of revenue shall be required to maintain a manual or electronic cash account in a form prescribed or approved by the Accountant General.

**Receipts to be posted in cash accounts**

57. Every revenue receipt issued for money received shall be entered in serial order number in the cash account.

**Verification of cash accounts**

58. Collectors of revenue shall submit their cash accounts at intervals not exceeding one month to the Accountant General or to a Sub-Accountant for verification and certification of any amounts paid in.

**Accounting officers responsibility to examine cash accounts**

59. The examination of a cash account by the Accountant General or a sub-accountant shall not in any way absolve an accounting officer from his responsibilities under regulation 5.

**Receipts forms**

60. (1) All licences, permits, certificates, passage orders and other documents on which payments are received shall be issued from receipt forms capable of producing one or more duplicate copies or a counterfoil. Printed receipt forms shall be bound and pre-numbered serially.

(2) When a specially printed receipt has not been prescribed a general revenue receipt shall be used.

(3) Notwithstanding the provisions of paragraphs (1) and (2), the Accountant General may prescribe the forms to be used in the receipt of revenue.

**Definition of “general revenue receipt”**

61. “General revenue receipt” includes all forms, licences, permits, tickets, discs, electronic devices prescribed or approved by the Accountant General for use in the collection of revenue.

### **Issue of receipt forms**

**62. (1)** General revenue receipt forms shall not be issued to persons other than authorized collectors of revenue.

**(2)** The Accountant General shall order the printing of general receipt forms and the manufacture of plates, discs or other forms of articles used in acknowledgement of receipt of revenue.

### **Auditor General to be advised of issues**

**63.** All issues of general receipt forms by the Government Printer shall be advised to the Auditor General.

### **Custody of receipt forms**

**64. (1)** All revenue receipt forms of whatever description shall be secured in the custody of the collector of revenue or an officer authorized by him.

**(2)** An officer to whom revenue receipts forms have been issued for use shall be responsible for them until they have been returned to the collector of revenue.

### **Used receipt forms**

**65.** Used receipt forms shall be retained by the collector of revenue until they have been checked by an Audit Officer. Audited used forms shall be returned immediately after audit to the Accountant General.

### **Obsolete receipt forms**

**66.** Revenue receipts forms which are obsolete and no longer required for use shall be listed and returned to the Accountant General; a copy of the list acknowledged by the Accountant General shall be retained by the collector of revenue.

### **Responsibility for checking receipt forms**

**67. (1)** Revenue receipt forms shall be carefully checked on receipt and the officer receiving such receipt forms shall certify to that effect.

**(2)** Any error either in the numbering or in the quantity supplied shall be reported immediately to the Accountant General and the Auditor General.

### **Transfer of receipt forms**

**68.** Revenue receipt forms shall not be transferred from one officer to another without the consent of the Accountant General, provided that in the case of the handing over of responsibilities from one officer to another a transfer may be made after the signing of a handing over statement by the officer receiving the revenue receipt forms and the officer handing over.

### **Stock Register**

**69. (1)** The Accountant General shall maintain a stock register showing the receipt, issues and balances of each type of revenue receipt form.

(2) Every collector of revenue holding stocks of revenue receipt forms shall maintain a stock register as prescribed by the Accountant General.

(3) Each bound book of revenue receipt forms received or issued for use shall be entered on a separate line. A separate page shall be reserved for each type of revenue receipt form.

### **Half-yearly returns of forms receipt**

70. (1) Every collector of revenue having the custody of revenue receipts forms, shall render a return on the prescribed form to the Accountant General as at 30th June and 31st December each year, showing every revenue receipt form or book of forms, as the case may be, recorded in his stock register with a notation to indicate—

- (a) whether it is used, partly used or unused;
- (b) whether audited or not audited;
- (c) whether returned to the Accountant General or still held in custody.

(2) Every return shall be checked by the Accountant General and any discrepancy shall be promptly investigated and reported to the Auditor General.

## **PART IX**

### **PAYMENTS**

#### **Authority for payment**

71. No payment shall be made out of the Consolidated Fund except with the specific authority of the Minister. Authority shall be given by the Minister under his hand by the issue of any one of the following—

- (a) Provisional General Warrant;
- (b) General Warrant;
- (c) Advance Warrant
- (d) Imprest Warrant;
- (e) Development Fund Warrant.

#### **Unauthorized payment**

72. (1) Any officer making, allowing or directing any unauthorized payment to be made shall be held personally responsible for the amount of the payment and any officer whose duties require him to prepare, submit or check any such payment shall be similarly responsible for the amount of such payment.

(2) In the event of any unauthorized payment being made in consequence of an incorrect certificate on a voucher, the certifying officer shall be held responsible and may be liable to surcharge.



### **Payment instrument**

**73. (1)** Every payment made shall be on the authority of an accounting officer or any other officer duly authorized by him. In executing payment, any one of the following instruments may be used—

- (a) a payment voucher in a form prescribed by the Accountant General;
- (b) a procurement invoice specifically designed and approved by the Accountant General for use as a payment instrument;
- (c) a machine-readable instruction that is either transmitted electronically by a data communication network or is recorded on magnetic tape, disk, diskette or other electronic device, accepted for use by the Accountant General.

**(2)** The Accountant General shall consult with the Auditor General on the security of payment instruments adopted for use.

**(3)** Every payment instrument shall be in favour of the person or persons to whom payment is due.

### **Responsibility when signing**

**74.** An accounting officer or an officer duly authorized by him who signs or authorizes a payment instrument certifies to the accuracy of every detail set out in the instrument and is responsible for ensuring—

- (a) that the service specified has been satisfactorily delivered;
- (b) that the prices charged are either according to contract or approved scales or fair and reasonable according to current local rates;
- (c) that proper authority has been obtained for the expenditure in respect of which payment is made;
- (d) that computation and costings have been verified and are arithmetically correct;
- (e) that the person or persons named in the instrument are entitled to receive payment; and
- (f) that stores purchased have been correctly received and put to use or taken on charge.

### **Payment instruments to contain full particulars**

**75.** All payment instruments shall—

- (a) contain full particulars of each service such as dates, numbers, quantities, distances and rates so as to enable them to be checked without reference to any other document;
- (b) be supported by claims, invoices or other relevant documents;
- (c) quote the appropriate authority for expenditure or payment;

- (d) quote the head, sub-head and item number of the Estimates or the appropriate expenditure code in the case of non-appropriated items;
- (e) contain the required certificates and endorsements;
- (f) contain the amount of the payment in figures in the appropriate column and in words in the appropriate spaces.

### **Payment instruments to be certified**

**76. (1)** Every payment instrument shall be certified by an officer duly authorized to do so.

**(2)** The power to delegate authority to sign or certify payment instruments rests with the accounting officer.

**(3)** The accounting officer shall obtain specimen signatures of all officers to whom he has delegated authority to sign or certify payment instruments, one copy of each of which should be sent to the Accountant General and Auditor General and another copy retained by him.

### **Certifying officers to exercise care**

**77.** Every certifying officer shall exercise the greatest care to ensure that certificates they sign are true and correct.

### **Payment instruments be written and to signed in ink**

**78. (1)** Payment instruments shall be written or printed and signed in ink.

**(2)** Except as authorized in regulation 125, stamped facsimile signatures should not be used.

### **Original instrument to be signed**

**79.** The original copy of each payment instrument must be signed by the certifying officer and the authorizing officer and all other copies shall be initialled by the certifying officer and clearly marked "copy not for payment".

### **Payment instrument to be pre-audited**

**80.** The Accountant General or any officer authorized by him before passing any payment instrument for payment, shall ensure—

- (a) that the head, sub-head and item of expenditure charged with the payment is correctly charged according to the Estimates for the current financial year;
- (b) that the authority for the payment is correctly stated;
- (c) that the person signing as accounting officer is properly authorized to do so;
- (d) that the appropriate certificate has been attached to the payment instrument;
- (e) that the amount to be paid is correctly stated in words and figures;

- (f) that the payment represents an appropriate charge against funds;
- (g) that all alterations on the face of the payment instrument or any particulars related thereto are correctly initialled by the authorized officer;
- (h) that all deductions due to be made from such payment are duly and correctly made.

### **Payment to persons**

**81.** Payments shall be made only to persons named in the payment instrument or their representatives.

### **Payments to persons other than those named in payment instrument**

**82. (1)** When payment is to be made to a representative of the person named in the payment instrument, the appropriate authority for the payment must be presented to the Accountant General. Such authority shall include powers of attorney, letters of administration and other written warranty of authority or order.

**(2)** A copy of the authority presented shall be retained by the Accountant General or a suitable notation shall be made in respect thereof on the payment instrument.

### **Lost payment instruments**

**83. (1)** If an original payment instrument is lost, any payment instrument prepared in substitution therefor shall contain an endorsement that the original has been lost.

**(2)** The loss of an original payment instrument shall be noted in the relevant section of the vote account register.

**(3)** A payee presenting for payment a payment instrument which has been prepared in substitution for a lost original payment instrument shall sign an indemnity to refund the full amount paid to him in the event of double payment.

### **Payments to be made within the financial year**

**84. (1)** It is the duty of the accounting officer to ensure that payment in respect of any charge incurred during the financial year is made during that financial year.

**(2)** Subject to regulation 15 and except with the approval of the Financial Secretary no payment in respect of a charge incurred during a financial year shall be made in any subsequent period.

### **Departmental warrant**

**85. (1)** Where it becomes necessary for work to be done by one department on behalf of another, the accounting officer of the department on whose behalf the work is to be done may authorize the accounting officer of the department undertaking the work, by means of a departmental warrant, to incur expenditure against a vote under his control.

(2) An accounting officer to whom such authority is given shall maintain an account of all expenditures incurred against the vote stated in the warrant and shall submit monthly reports in respect thereof to the accounting officer from whom authority was received.

(3) An accounting officer to whom a warrant is issued shall be personally responsible for all expenditure incurred in excess of the amount stated in the warrant.

## PART X

### SALARIES, WAGES AND ALLOWANCES

#### Records to be kept

86. Accounting officers shall keep records of all officers paid from personal emoluments votes as will enable them to determine at all times in respect of each officer—

- (a) the rate of salary and any allowance payable;
- (b) the authorized deductions to be made from each officer's salary;
- (c) the dates on which increments become due;
- (d) the leave due and taken;
- (e) any other matter affecting the personal emoluments payable;
- (f) the establishment position held and the station to which he is posted.

#### Authority for payment of salaries

87. No salaries or allowances shall be paid in respect of new appointments, acting appointments or changes in office or rates except with the written authority of the Permanent Secretary, Administration.

#### Unpaid salaries and wages

88. Accounting officers shall ensure that unpaid salaries and wages are properly accounted for and secured and that subject to regulation 15 procedures that apply to the regular payment of salaries and wages are applied to the payment of such unpaid salaries and wages.

#### Salaries and wages unpaid for more than 3 months

89. (1) Any salaries and wages unpaid for more than 3 months shall be paid to the Accountant General and credited to the account "Deposits: Unpaid Salaries, Wages and Allowances".

(2) When the payee concerned makes a claim, the accounting officer shall prepare a payment instrument charged to the account "Deposits: Unpaid Salaries, Wages and Allowances" to be sent to the Accountant General for payment.

### Daily paid workers

**90. (1)** Officers employing daily paid workers are required to keep the records of the days or hours worked by each worker for the purpose of determining the amount wages to be paid to be paid, gratuities, leave entitlements and similar benefits due to the worker.

**(2)** The records referred to in paragraph (1) shall be prepared daily on the spot where the work is being done and shall be open for inspection by any authorized officer.

**(3)** The accounting officer shall arrange that such records are checked before payment is made by officers assigned to such duties in his department.

### Overtime

**91.** Whenever overtime is to be paid, the time records shall clearly distinguish between ordinary time and overtime.

### Computation of salaries

**92. (1)** Where salaries and allowances are paid by monthly instalments of one-twelfth of the annual rates, such payments shall be final settlements for the periods to which they relate.

**(2)** The computation for a broken period of a month shall be made with reference to the number of days in each month.

**(3)** Where salaries and allowances are paid by quarterly instalments of one-fourth of the annual rate the computation for a broken period shall be made with reference to the number of days in each quarter.

### Certificates required

**93. (1)** Payment instruments in respect of claims for re-imbusement or allowances shall be certified by the claiming officer.

**(2)** The following certificates shall be used as appropriate—

*(a)* For ordinary claims—

*“Certified Correct”*

*(b)* For transport allowance—

“I certify that vehicle No. .... has been maintained in running order during the period for which allowance is claimed”.

*(c)* For subsistence allowance—

“I hereby certify that..... was travelling on duty on the days specified and I am satisfied that the amount claimed in respect of such travel is fair and reasonable”.

*(d)* For claims where supporting receipts or invoices are not obtainable—

“I certify that the charges have been incurred solely upon the public business, receipts/invoices being unobtainable”.

### **Delayed claims**

94. Any negligence or delay on the part of an officer in presenting claims for reimbursement may result in the claims being totally or partially disallowed.

## PART XI

### PENSIONS

#### **Records of retiring benefits**

95. The Accountant General shall maintain a record of all approved retiring benefits showing in respect of each retired officer—

- (a) the name of the officer and the office held on the date of his retirement;
- (b) the date of birth and date of retirement;
- (c) the cause of retirement;
- (d) the date from which pension is payable;
- (e) the amount of gratuity;
- (f) the rate of pension;
- (g) the file reference number;
- (h) the address of the pensioner.

#### **Notice of retirement**

96. (1) Accounting officers shall submit to the Permanent Secretary, Administration not later than 4 months before the end of each financial year the names and pensionable emoluments of all officers in their department who will be retiring from the public service during the following financial year.

(2) An officer shall not later than 6 months before the end of a financial year give notice to the accounting officer in his department of intention to retire from the service during the following financial year.

#### **Deferred payments of retiring officer**

97. Any failure on the part of an officer to give the required amount of notice of his intention to retire from the public service may result in the deferment of the payment of any retiring benefits due to him in respect of his service with Government for not more than one year after such payment is due.

PART XII

OVERPAYMENT RECOVERED

**Unauthorized or incorrect payment**

**98.** When an unauthorized payment or overpayment is discovered the person overpaid shall be informed and the unauthorized or incorrect payment shall be stopped immediately.

**Steps to recover unauthorized payment or overpayment**

**99. (1)** If the unauthorized payment or overpayment has already been made, the accounting officer shall—

- (a) take steps to determine liability if any, of the person responsible for the unauthorized payment or overpayment;
- (b) report the circumstances to the Financial Secretary;
- (c) take steps to recover the unauthorized payment or the amount overpaid.

**(2)** In the event of an unauthorized payment or overpayment the accounting officer may, with the written consent of the Financial Secretary, accept proposals for the repayment by installments of any unauthorized payment or overpayment on such terms and conditions as the Financial Secretary may direct.

**(3)** In fixing repayment terms the Financial Secretary shall take cognisance of any voluntary payments made by the person to whom an unauthorized payment or overpayment was made.

**Overpayments recovered**

**100. (1)** Receipts on account of unauthorized payments or overpayments recovered in respect of expenditure incurred in a previous financial year shall be credited to an appropriate revenue head.

**(2)** Unauthorized payments or overpayments recovered in respect of expenditure incurred within the same financial year in which the unauthorized payment or overpayment was made shall be credited to the expenditure vote to which the unauthorized payment or overpayment was charged.

PART XIII

LOANS AND PUBLIC DEBT

**Resolution for borrowings**

**101.** Any resolution passed in accordance with section 36 or 37 of the Finance (Administration) Act shall require the prior written consent of a Secretary of State where—

- (i) the Government of Montserrat is budgetary aided;
- (ii) repayments and interest cannot be reasonably met from the revenues collected.

### **Authority for expenditure from loans**

**102. (1)** Expenditure shall not be incurred against funds deriving from loans unless such loans have been authorized by the Legislative Council.

**(2)** The Accountant General shall ensure that all payments made against loan funds are accounted for in the appropriate loan accounts and that all payments made are kept within the loan amount authorized.

## PART XIV

### DEPOSITS

### **Deposit Account**

**103. (1)** Deposit Accounts may only be opened with the approval of the Accountant General.

**(2)** The responsibility for keeping proper accounts for deposits lies with the accounting officer concerned; the Accountant General shall be responsible for investigating and taking action in respect of any deposit account which is overdrawn or which has remained dormant for a long time or not been reconciled with the Treasury accounts.

**(3)** The Accountant General shall be responsible for all Deposit Accounts which do not fall within any other Ministry or Department.

### **Payment from deposit accounts**

**104. (1)** The accounting officer or the Accountant General shall maintain—

- (a) control account which will show at any time the balance standing to the credit of each deposit account; and
- (b) subsidiary records as approved by the Accountant General to show the full details of the balance of each deposit accounts, so that the individual sums outstanding can be readily ascertained.

**(2)** Accounting officers shall be responsible for ensuring that all the items making up the balance of any deposit account are listed and Closure and handing over of deposit accounts totalled at 31st March, 30th June, 30th September and 31st December in each year and reconciled with the control account and with Treasury accounts and that copies of the reconciliation statements and the list of balances as at 31st December in each year are sent to the Accountant General and Auditor General.

**(3)** The Accountant General shall ensure that all reconciliation statements at 31st December are duly received by him and he shall be responsible for reconciling all deposit accounts which are the primary responsibility of the Treasury, or which do not fall under any other Ministry or Department.



### **Closure and handing over of deposit accounts**

**105. (1)** All deposit accounts will be ruled off at the 31st December each year and the individual items making up the balance will be carried forward in detail at the beginning of the new year.

**(2)** A detailed list of balances shall be prepared and the deposit accounts reconciled whenever a change of officers responsible for deposit accounts takes place, and a copy of that list shall be forwarded to the Accountant General and the Audit General.

### **Refunds**

**106.** Whenever a claim is received for the refund of a deposit, the Accountant General shall first see the original official receipt issued when the deposit was made, and shall attach it to the payment voucher for the refund of the deposit, having satisfied himself that the person claiming the refund is entitled to it.

### **Unclaimed deposits**

**107.** In accordance with section 44 of the Finance (Administration) Act any deposit which has remained unclaimed for 5 years may, with the approval of the Accountant General, be paid into the Consolidated Fund. If any person subsequently claims the said deposit, the Accountant General shall refund the amount provided he is satisfied that the claim is authentic.

## **PART XV**

### **ADVANCES**

#### **Advances to Government owned Companies and other Statutory Bodies**

**108. (1)** The Accounting Officers shall be responsible for ensuring that no loan is made from public money to any Government owned company or any other statutory body except strictly in accordance with the specific purposes for which the moneys were voted, or with the precise terms and conditions attached to loan funds made available from outside sources. In the performance of their duties Accounting Officers shall ensure that—

- (a) loans are made only to persons entitled to them;
- (b) suitable legal documents are processed to safeguard the repayment of the loans;
- (c) interest is charged where applicable;
- (d) repayments are not overlooked or delayed;
- (e) proper accounts and controls are kept and necessary reconciliations effected.

**(2)** The following accounts shall be maintained—

- (a) a Control Account to record the total sum provided for each category of loans, the amount of the loans issued, the repayments received and the balance of the loans outstanding;
- (b) an individual account for each borrower which, apart from the accounting transactions, shall record the name of the borrower, the amount of the loan authorized, the term of the loan, the rate of interest payable (if any) and the due dates and amounts of repayments.

(3) The balances on the individual loan accounts at 30th June and 31st December each year shall be listed and agreed with the balance on the Control Account. Copies of the lists as at 31st December shall be sent to the Auditor General and the Accountant General together with reconciliation statements accounting for any difference between the departmental and the Treasury Loan Accounts. The Accountant General shall be responsible for verifying the reconciliations and for enquiring into and adjusting any errors or misallocations.

#### **Advances to officers**

**109.** Advances may be made to public officers on such terms and conditions as may be determined by the Financial Secretary from time to time.

#### **Recovery of advances**

**110. (1)** An advance shall be repaid within the time and in accordance with the terms and conditions stipulated.

(2) In any case in which an advance is not repaid within the time or in accordance with the terms and conditions stipulated, the Accountant General shall take such measures for the recovery of the amount due as he thinks appropriate.

(3) Except as may otherwise be directed by the Financial Secretary, the outstanding balance of any advance is recoverable in full from any emoluments, pension or gratuity payable to any officer who leaves the public service on transfer, retirement, resignation, termination of appointment, dismissal or for any other cause.

### PART XVI

### IMPRESTS

#### **Issue of imprests**

**111.** The Accountant General shall issue such imprests as may be authorized by warrant under the hand of the Minister.

#### **Purpose of Imprests**

**112.** Imprests shall be made only for the specific purpose for which they were issued.

### **Payments from imprests**

**113.** Imprests shall not be used except where immediate payments are required to be made which for purposes of efficiency and exigencies of the service cannot be made by the submission of payment vouchers to the Accountant General.

### **Accounting for imprests**

**114. (1)** The Accountant General shall maintain an account for every imprest issued to an accounting officer.

**(2)** Every accounting officer in receipt of an imprest shall keep an account of every payment made from that imprest.

### **Imprest cash account**

**115.** Every accounting officer in receipt of an imprest shall keep a cash account in which shall be recorded every sum received on the issue of that imprest and every payment made out of the sums received.

### **Reimbursements of imprest payments**

**116.** An accounting officer may obtain reimbursement for payments made out of an imprest by submitting to the Accountant General or a Sub-Accountant receipted claims and payment instruments in respect of such payments together with a signed journal voucher duly completed to debit the expenditure head to which the payment is charged and to credit the imprest account.

### **Retirement of Imprest**

**117. (1)** Imprests shall be retired by the date indicated in the warrant or before the end of the financial year whichever is the earlier.

**(2)** Imprests shall be accounted for in full by the date stipulated in the warrant and any unexpended balance at the date of such accounting shall be paid to the Accountant General.

### **Imprests not fully accounted for until pre-audit of payment**

**118.** An accounting officer to whom an imprest is issued shall not be relieved of responsibility for such imprest until all payment instruments and claims paid from the imprest have been examined by the Accountant General and found correct.

## **PART XVII**

### **BANK ACCOUNTS**

#### **Opening of bank accounts**

**119. (1)** Bank accounts shall not be opened or operated except with the approval of the Accountant General.

(2) The Accountant General may issue such instructions as may be necessary for the opening and operation of bank accounts.

(3) Authority or operate a bank account shall be granted only to an accounting officer.

### **Overdrafts prohibited**

120. Accounting officers are prohibited from overdrawing bank accounts opened or operated by them.

### **Cash register to be maintained**

121. (1) An accounting officer shall ensure that a cash ledger is properly maintained for each bank account opened or operated by him.

(2) Any sums paid into or out of the bank account shall be brought to account in the cash ledger immediately.

### **Signatories to be designated**

122. An accounting officer shall designate 2 or more public officers as signatories in respect of any cheques or other instruments drawn against a bank account operated by him.

### **Reconciliation of bank accounts**

123. (1) The balance of the bank account as shown in the bank statement shall be verified with the balance shown in the cash ledger at least monthly.

(2) A monthly reconciliation statement shall be prepared by the Accounting Officer in respect of each such verification and forwarded to the Accountant General no later than the fifteenth day of the month following.

## PART XVIII

### CHEQUES

#### **Cheques to be signed**

124. (1) Cheques drawn on Government bank accounts shall be signed by at least 2 officers designated by the Accountant General.

(2) The counterfoil or machine copy of each cheque shall be initialled by each signing officer.

#### **Computerized Cheques**

125. (1) Cheques may be issued by the use of mechanical or electronic equipment.

(2) Adequate security measures shall be taken to restrict entry to mechanical or electronic cheque-writing devices to persons specifically authorized by the Accountant General.

(3) The Accountant General may authorize the signing of cheques by the use of mechanical or electronic equipment capable of reproducing facsimiles of signature or signatures of the person or persons duly authorized by him to sign cheques.

#### **Cheque books to be secured**

126. (1) Cheque books issued for use of an officer shall be secured when not in use.

(2) The counterfoil of used cheques shall be secured for audit checking and verification.

#### **Spoilt cheques**

127. (1) Spoilt cheques shall be retained and clipped to the matching counterfoil.

(2) Each spoilt cheque shall be marked or stamped across its face "Cancelled" and initialled by a designated officer.

#### **Cheques may be accepted in payment**

128. (1) Cheques drawn on a bank in Montserrat may be accepted in payment of revenue or for any other service.

(2) Accounting officers and collectors of revenue shall ensure that reasonable steps are taken to establish the validity of such cheques and the good standing of the account against which the cheques are drawn.

#### **Cheques to be lodged**

129. Cheques received by the accounting officers and collectors of revenue shall be lodged to the appropriate bank account or with the Accountant General immediately.

#### **Dishonoured cheques**

130. In the event that a cheque accepted in payment of revenue or for any other service is dishonoured upon presentation, the accounting officer or collector of revenue accepting such cheque shall be responsible for taking appropriate action to recover the payment.

#### **Cheques not to be cashed**

131. In no circumstances should a collector or receiver of revenue convert into cash cheques received by him or cheques presented to him by any person whether or not that person is an officer.

## PART XIX

## DIRECT DEPOSIT

**Direct deposit**

**132. (1)** The Accountant General may authorize direct deposits to be made in a bank or other financial institution to the account of a person to whom a payment is due—

- (a) where payments are of a continuous or recurring nature;
- (b) in compliance with the conditions of a contract or agreement;
- (c) on the specific written instruction of the payee.

**(2)** A person to whom a direct payment is made is responsible for any inaccuracies in the information submitted by him with respect to the bank or financial institution or the account to which the payment is made.

**Form of deposit**

**133. (1)** Every direct deposit shall be made on electronic media and the instrument of deposit shall be in the form and contain the information as prescribed by the Accountant General.

**(2)** The Accountant General shall ensure the security and safekeeping of media containing direct deposit instructions or transactions while in his custody and while they are in-transit to the bank or other financial institution into which the deposit is to be made.

**Authentication of direct deposit**

**134. (1)** All media containing direct deposit instructions or transactions—

- (a) shall contain internal labels or records indicating, in respect of each file of instructions or transactions—
  - (i) the originator of the file;
  - (ii) the date that the file was created;
  - (iii) the creation sequence number of the file;
  - (iv) the number of debit transactions;
  - (v) the total value of debit transactions;
  - (vi) the number of credit transactions;
  - (vii) the total value of credit transactions;
  - (viii) the bank or financial institution to which the media is to be delivered for processing;
- (b) shall, when delivered to the bank or financial institution for processing, be accompanied by a transmittal document signed by an officer authorized to do so by the Accountant General.

(2) The Accountant General shall notify a bank or financial institution in which a direct deposit is to be made of the names and specimen signatures of the officers authorized by him to sign transmittal documents.

### **Termination of direct deposit**

**135. (1)** An accounting officer is responsible for notifying the Accountant General that a direct deposit should cease in the event that—

- (a) the service in respect of which payment is made is terminated;
- (b) any instruction from the payee in respect of the direct deposit has been withdrawn;
- (c) a contract under which the direct deposit is made comes to an end;
- (d) the payee dies or is otherwise ineligible for payment.

(2) Notwithstanding paragraph (1), the Accountant General may at any time suspend or revoke direct deposit instructions if he has reason to believe that there has been impropriety or a breach of security.

## **PART XX**

### **CUSTODY OF CASH, STAMPS, RECEIPT BOOKS SECURITIES, KEYS, ETC.**

#### **Security of cash**

**136. (1)** Any cash held in excess of daily requirements shall be lodged in a commercial bank.

(2) Where banking facilities are not available, any cash held in excess of daily requirements shall be secured in a strong room or safe.

#### **Security of stamps, securities, receipt forms, etc.**

**137.** Supplies of stamps, receipt forms, cheque books and any securities and other financial instruments received on behalf of Government shall be secured in a strong room or safe and shall not be removed except on requisition by an authorized officer.

#### **Control of securities**

**138.** Securities given into the hand of any officer shall as soon as possible be deposited with the Accountant General and the Accountant General shall give an acquittance therefor and shall record them in a register kept for that purpose.

#### **Bonds, Securities, Agreements**

**139.** Bonds, sureties and agreements shall be secured in a strong room or safe and shall be recorded in a register kept for that purpose.

### **Provision of strong room and safes**

**140. (1)** Accounting officers and receivers of revenue shall ensure that a strong room, safe or other suitable receptacle is provided for securing cash, stamps, receipt books, securities and other financial instruments in their possession or in the possession of officers in their departments.

**(2)** Strong rooms and safes shall be secured by a combination lock or by 2 or more different locks.

**(3)** Moveable safes shall be further secured by attachment to the structure of the building in which they are kept.

**(4)** Strong rooms shall be examined by the Director of Public Works to ensure that they are secured against entry or damage.

### **Inventory of safes and strong rooms**

**141.** Accounting officers shall keep proper inventory records of all safes and strong rooms in use in their departments.

### **Custody of keys**

**142. (1)** The keys to strong rooms and safes shall be issued to officers on the permanent establishment and where there are 2 or more locks the key to each lock shall be kept by a different officer.

**(2)** Keys to safes and strong rooms shall be issued by the accounting officer or receiver of revenue.

**(3)** Officers to whom keys to strong rooms have been issued are personally responsible for the safe custody thereof and are jointly responsible for the contents of the strong room or safe.

**(4)** Where a strong room or safe is not open for use all the locks thereof shall be secured.

**(5)** Duplicate keys of safes, strong rooms, cash boxes and any alternative security accommodation will be kept securely by the Accountant General who will give a formal receipt to the Accounting Officers concerned. The combination of any lock will also be deposited in a sealed envelope with the Accountant General who will be responsible for ensuring that it is held under maximum security.

### **Loss of keys**

**143. (1)** Where the key of any strong room or safe is lost the keeper of such key shall—

- (a)* forthwith report such loss to the accounting officer or receiver of revenue with a detailed explanation of the circumstances surrounding such loss;
- (b)* forthwith inform the other joint keepers of keys;
- (c)* seal the door of the strong room or safe and note the time of such sealing.



(2) A duplicate key shall not be used except for the removal of the contents of the strong room or safe in the presence of the accounting officer or any other officer authorized by him.

(3) The strong room or safe shall not thereafter be used until the locks have been replaced or altered and new keys have been issued.

(4) An officer responsible for losing a key to a strong room or safe may be required to meet the cost of replacing or altering the locks and of providing new keys.

### **Repairs to safes and strong rooms**

**144.** Repairs and alterations to safes, strong rooms and locks and the replacement of keys shall be effected only on the authority of the accounting officer.

### **Private money and effects**

**145. (1)** Private moneys and effects shall not be kept in any strong room or safe provided for the security of public money, stamps, securities and other financial instruments.

(2) Where private money is found in any strong room or safe provided for Government use, it is liable to be confiscated and deposited to general revenue.

## **PART XXI**

### **HANDING OVER OF CASH, STAMPS, RECEIPT FORMS, CHEQUE BOOKS AND KEYS**

#### **Handing over statement**

**146. (1)** Whenever cash, stamps, securities and other financial instruments, receipt books, cheque books and accounting records are handed over from one officer to another, a handing over statement shall be prepared and submitted to the Accountant General.

(2) Every handing over statement shall be endorsed by the accounting officer concerned.

#### **Items handed over to be checked**

**147. (1)** Every item to be handed over shall be checked in the presence of the officer handing over and the officer taking over and recorded in detail in the handing over statement.

(2) The handing over of keys of strong rooms, safes and cash boxes shall be recorded on the handing over statement.

(3) Copies of all orders, circulars, books, regulations and instructions issued to the officer handing over shall be handed over to the officer taking over.

(4) Cash ledgers, stamp registers and other accounting records shall be balanced as at the date of the handing over and signed by both officers.

**Absence of officer handing over**

**148. (1)** In the event of an officer handing over being unable to attend due to illness or any other cause, the accounting officer shall appoint a board of 2 officers including the officer taking over to check the stocks of cash, stamps, securities and other financial instruments, receipt forms, cheque books and any other items to be handed over, with the appropriate cash ledgers.

**(2)** Copies of the board's report and handing over statement shall be submitted to the Accountant General.

**PART XXII****BOARDS OF SURVEY OF CASH AND STAMPS****Appointment of boards**

**149. (1)** The Financial Secretary shall from time to time appoint boards to carry out surveys of cash and stamps in the custody of accounting officers or receivers of revenue.

**(2)** The appointment of boards to carry out surprise surveys shall be confidential.

**Constitution of boards**

**150. (1)** A board will consist of not less than 2 officers, one of whom shall be designated chairman.

**(2)** Any officer appointed to a board shall report immediately to the appointing officer if he is unable to serve.

**(3)** The Chairman of a board shall arrange with the other members the time of assembly.

**Duties of boards**

**151.** A board appointed to carry out surveys of cash and stamps shall—

- (a)* count the cash and stamps on hand, including the contents of all strong rooms, safes and cash boxes;
- (b)* reconcile balances of cash and stamps counted with the balances shown in the cash register and bank statement and the stamp register;
- (c)* report their findings and any discrepancies to the Financial Secretary.

**Conduct of board of survey**

**152. (1)** Boards of survey shall be held after the close of business on the last business day of each year or before the commencement of business on the first day of the new year, to count the stock and cash and stamps held by the Accountant General, the Postmaster General and Sub-Accountants.

(2) Boards of survey shall be held at least once each year on the main stock of postage stamps held by the Accountant General and the Post Master General to determine obsolescence and to make recommendations for the destruction of obsolete stamps.

**Attendance of accounting officers**

**153.** An accounting officer designated by him shall be present while a survey is being held on cash or stamps in his charge.

**Suspension of business during survey**

**154.** No cash transaction shall take place between the close of business at the end of the year and the completion of the survey except with the approval of the Chairman of the Board of Survey.

**Procedure when survey lasts more one day**

**155. (1)** Where the verification of stock of cash and stamps extends beyond the day appointed for the survey, the strong room or safe containing the verified portion of the stock shall be sealed by the members of the board at the end of each day while the survey continues.

(2) The seal shall not be broken except in the presence of the members of the board.

**Report of the board**

**156. (1)** The report of the board shall be completed in triplicate signed by each member.

(2) The report shall contain the date and hour of the commencement and completion of the survey.

(3) The original copy of the report shall be submitted to the Financial Secretary and one copy each shall be sent to the Accountant General and the Auditor General.

**Substantial shortages to be reported immediately**

**157.** A board which discovers any substantial shortage in cash or stamps shall report the shortage at once to such senior officer as may appear to be the proper person to take immediate action.

PART XXIII

SHORTAGE OR LOSS OF MONEY, STAMPS,  
SECURITIES AND OTHER FINANCIAL INSTRUMENTS

**Shortage and loss to be reported immediately**

**158. (1)** An officer who discovers any shortage in or loss of public moneys shall make an immediate report to the accounting officer or receiver of revenue.

(2) The accounting officer or receiver of revenue to whom such report is made shall immediately submit a report to the Financial Secretary and the Auditor General.

(3) The accounting officer or receiver of revenue shall, if he has reasonable grounds for suspecting theft or any other irregularity, report the loss immediately to the Police.

### **Loss of irregularity discovered by Audit**

**159. (1)** If a loss, shortage or irregularity is discovered by the Audit, the Auditor General shall inform the accounting officer or receiver of revenue concerned.

(2) The Auditor General and the accounting officer or receiver of revenue as the case may be shall submit independent reports to the Financial Secretary.

### **Investigation and recommendations**

**160. (1)** An accounting officer or receiver of revenue shall investigate every shortage in or loss of money, stamps, securities and other financial instruments discovered by or reported to him and shall submit a report of such investigation to the Financial Secretary as soon as possible after such investigation has been completed.

(2) A report required under paragraph (1) shall include—

- (a) the name of the department, office or place the shortage or loss occurred;
- (b) the date on which the shortage or loss occurred and the date on which it was discovered;
- (c) where there has been a delay in discovering the loss, the reasons for the delay;
- (d) details of the amounts of cash, stamps, securities or other financial instruments short or lost;
- (e) any amount of the shortage or loss recovered;
- (f) the name and designation of the office responsible for the shortage or loss;
- (g) a statement as to whether the shortage or loss was due to negligence on the part of any officer;
- (h) an assessment of the arrangements made for security, accounting and periodical checking;
- (i) details of the last check made including the name of the officer by whom such check was made;
- (j) a statement on any grounds for suspicion of fraud or any other irregularity;
- (k) the result of any police investigation;
- (l) recommendations for improved security or accounting arrangements;

(m) recommendations for any action to be taken against the officer responsible for the shortage or loss.

### **Accounting procedures for shortages and losses**

**161. (1)** As soon as shortage or loss has been certified by the accounting officer or the receiver of revenue, prompt action shall be taken to account for such shortage or loss.

**(2)** The amount of the shortage or loss shall be accounted for against an advance account in the name of the officer deemed to be responsible for such shortage or loss.

### **Write-off of Losses**

**162.** Subject to section 45 of the Act, if the Minister is satisfied that any shortage or loss is irrecoverable from the officer who has been charged with that shortage or loss or that the circumstances of that shortage or loss are such that the officer deemed to be responsible therefor should be absolved from that responsibility, he may give approval in writing for the write-off of the shortage or loss, and the advance account in the name of the officer charged with the shortage or loss shall be credited with the amount of the shortage or loss authorized to be written-off.

## PART XXIV

### ACCOUNTING RECORDS

#### **Custody of accounting records**

**163. (1)** An accounting officer is responsible for the care and safe-keeping of receipts, payment instruments and other accounting records in his custody and shall retain them until they are destroyed in accordance with regulation 162.

**(2)** Where a receipt, payment instrument or other accounting record is in the form of electronic media, the information contained therein shall be reproduced on microfilm or printed form for retention until the microfilm or printed form is destroyed. The electronic media may be reused after the information contained in it has been reproduced on microfilm or printed form.

#### **Destruction of accounting records**

**164. (1)** Accounting records may be destroyed with the approval of the Minister after the expiration of the following periods:

Principal Treasury ledgers, Cash ledgers and journal	20 years
Abstract, Subsidiary Journals Cheques, Receipts Forms and Counterfoil	7 years
Payment instruments, and subsidiary records	5 years
Special ledgers and records e.g. Savings Bank records	20 years

Loans ledger, Trust Fund ledger	After the closing of the last account
Salaries and wages	35 years.

(2) Where, in the opinion of the Minister, a receipt, payment instrument or other accounting record or a reproduction made in accordance with regulation 161 is required for the purpose of any litigation, inquiry, investigation or other examination, he may direct the Accountant General or accounting officer as the case may be to delay the destruction of the receipt, payment instrument or other accounting record until it is no longer needed for that purpose.

## PART XXV

### SPECIAL FUNDS AND TRUST FUNDS

#### Administration of special fund

**165. (1)** The Minister shall appoint an accounting officer to administer each special fund and to control and account for the receipt of moneys into and payments made out of such funds.

(2) The Financial Secretary may give directions for the administration of each special fund and for regulating the receipt of moneys into and payments made out of that fund.

(3) A separate account shall be maintained by each special fund.

(4) Any balances standing to the credit of a special fund at the end of each financial year shall be retained for the purposes of that fund.

#### Dissolution of special funds

**166. (1)** The Minister may, by Order, dissolve a special fund if—

- (a) the moneys in that fund are exhausted and no legal provision exists whereby further moneys may be paid into the fund;
- (b) the objects for which the fund was established are fulfilled or cease to exist, and, in the opinion of the Minister, there is no likelihood that any of the objects for which the fund could lawfully be used will arise in the future.

(2) Any moneys remaining in any special fund dissolved by the Minister by virtue of an Order made under paragraph (1) shall be paid into and shall form part of the Consolidated Fund.

#### Administration of trust funds

**167. (1)** A trust shall be administered and the payment of moneys therefrom shall be governed by the terms of the law, deed of trust, trust instrument or agreement, as the case may be, creating that trust.

(2) If, in relation to any trust, no law, deed of trust, trust instrument or agreement exists or, in the opinion of the Financial Secretary a law, deed of trust, trust instrument or agreement is inadequate for its proper administration, the Financial Secretary shall give directions in respect of matters in relation to the trust as he considers appropriate.

PART XXVI

MISCELLANEOUS

**Miscellaneous**

**168.** The Accountant General may prescribe such forms as are necessary for the efficient working of these Regulations.

---





