

THE MAKIRA PROVINCE FINANCIAL MANAGEMENT  
ORDINANCE 1983

AN  
ORDINANCE  
TO

PROVIDE FOR THE FORM, METHOD, CONTROL, AND  
MANAGEMENT

OF

THE MAKIRA PROVINCIAL FUND, AND FOR  
MATTERS CONNECTED THEREWITH, OR  
INCIDENTAL THERETO.

ENACTED BY THE PROVINCIAL ASSEMBLY

OF

MAKIRA PROVINCE

**THE FINANCIAL MANAGEMENT ORDINANCE 1983**  
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**PART 2**  
**ESTIMATES AND APPROPRIATION**

- Preparation of Estimates
4. The Provincial Principal Accountant, in consultation with the Provincial Secretary and other accounting officers, shall prepare annual estimates of revenue and expenditure for presentation to the Executive at its meeting next prior to the annual budget meeting of the Assembly. (The Draft annual budget as approved by the Executive should be made available to Assembly members at least 2 weeks before the Assembly Budget Meeting).
- Form of Estimates
5. Estimates of revenue and expenditure shall be in the form the Provincial Executive may from time to time decide provided that –
- (a) estimates of revenue shall state each source of revenue and the amount to be collected from it and shall show the estimate and the amount collected from it in previous years.
  - (b) estimates of expenditure shall:-
    - (i) describe the purpose and scope of each head; and
    - (ii) show the sums required for each head in sufficient detail to identify the amounts allocated for each service to be provided; and
    - (iii) show in similar detail the amounts allocated and spent in the previous year; and
  - (c) estimates of statutory expenditure shall show the sums required for each head and refer to the law authorizing such expenditure.
- Executive examination of estimates
6. The Executive shall examine the annual estimates of revenue and expenditure, at their meeting prior to the annual budget meeting of the Assembly; amend them as necessary and adopt them for presentation to the full Assembly as the budget for the next financial year.
- Annual Appropriation Bill
7. The annual estimates of revenue and expenditure shall be presented to the Assembly by the Premier (or by a member of the Executive delegated to do so by the Premier) in the form of an Annual Appropriation Bill at the annual budget meeting.
- Appropriation and Supplementary Appropriation Bills
8. (1) Subject to subsection (2) of this section the Provincial Executive shall present a Bill to appropriate sums for a financial year to the Assembly before the start of the financial year.
- (2) Where a new Provincial Executive is appointed in the last four (4) months of a financial year before an Appropriation Bill has been presented to the Assembly for the next year, the Provincial Executive may present to the Assembly an Appropriation Bill to cover sums sufficient to maintain existing services for a period not exceeding four (4) months and shall then within the first four (4) months of the financial year present a Supplementary Appropriation Bill to cover the remainder of the financial year.
- (3) Subject to subsection (2) of this section a Supplementary Appropriation Bill may be presented to the Assembly at any time after the annual Appropriation Ordinance for that financial year has come into effect.

Other matters to be included in Appropriation Ordinance

9. In addition to making appropriations from the Provincial Fund an Appropriation Ordinance may provide:-

- (a) a financial limit to the powers of the Premier to authorize advances from the Provincial Fund in advance of appropriation under Section 36 of the Act; and
- (b) a financial limit to the powers of the Premier to authorize advances from the Provincial Fund under Section 22 of this Ordinance.

Lapse of authority at end of Financial Year

10. Every appropriation by the Assembly shall lapse and cease to have effect at the end of the financial year.

### **PART 3 WARRANTS FOR EXPENDITURE**

Warrants for appropriation expenditure

11. (1) On the coming into effect of an Appropriation Ordinance, the Premier shall by warrant signed by him authorize the Provincial Principal Accountant to issue from the Provincial Fund the sums appropriated.
- (2) The Premier may at any time limit or suspend any expenditure not being a statutory expenditure with or without cancellation of the warrant if in his opinion financial circumstances or the public interest require such action.

Warrants in advance of appropriation

12. The Premier may under the authority of and subject to the limit imposed by an Appropriation Ordinance authorize by warrant the payment of money from the Provincial Fund in advance of appropriation where an urgent need for expenditure has arisen.
- (a) for which no appropriation has been made or for which the existing appropriation is insufficient; and
  - (b) for which funds cannot be provided in accordance with section 14 of this Ordinance; and
  - (c) which cannot be deferred without harm to the public interest.

Supplementary appropriation of advance payment

13. Whenever payments have been made under the authority of a warrant issued under section 12 the Premier shall include the sums authorized in the warrant in a Supplementary Appropriation Bill which shall be presented to the Assembly at the first meeting after the issue of the warrant; and upon the Supplementary Appropriation Ordinance coming into effect the warrant shall cease to have effect.

Changes within heads

14. If it appears to the Premier to be in the public interest to change sums assigned to subheads within a head or to create new subheads within that head to provide new services, he may sign a variation warrant to give effect to such changes provided that:-
- (a) the total sum appropriated to a head is not increased and
  - (b) any new service to be provided is within the purpose and scope of that head.

No expenditure unless

15. No payment shall be made and no commitment made for expenditure from the Provincial Fund without the authority of a warrant by the Premier; provided that to ensure

authorized  
by warrant

the continuation of any service the Premier may in writing authorize the ordering in advance of appropriation stores of such nature and in such quantities as he shall specify.

**PART 4**  
**PROVINCIAL PRINCIPAL ACCOUNTANT ACCOUNTING**  
**STAFF AND FINANCIAL AND STORES INSTRUCTIONS**

Provincial  
Principal  
Accountant

16. There shall be a Provincial Principal Accountant appointed by the Provincial Executive.

Principal duties  
of Provincial  
Principal  
Accountant

17. (1) The Provincial Principal Accountant shall keep records to provide at all times a clear account of the current state of the finances and financial commitments of the Assembly including -
- (a) a record of all receipts into and payments from the Provincial Fund and every other account maintained for the purposes of Section 31 of the Act or special fund authorized under Part 6 of this Ordinance;
  - (b) a record of all revenue received and expenditure made in accordance with the annual estimates as approved by an Appropriation or Supplementary Appropriation Ordinance;
  - (c) records of deposits in accordance with Section 26 of this Ordinance and advances in accordance with Section 22 of this Ordinance;
  - (d) the records required by Parts 6, 7 and 9 of this Ordinance.
- (2) The Provincial Principal Accountant shall at the end of each month and at such other times as he deems prudent:-
- (a) balance and reconcile the records of receipts and payments with the total of moneys held in cash or at the bank;
  - (b) balance the record of revenue and expenditure referred to in subsection 1(b) of this Section;
  - (c) balance and reconcile all other accounts; and
  - (d) submit a financial report to the Provincial Executive together with Summary totals of revenue expenditure and commitment and an explanation of the current state of the finances of the Province.

Accounting  
Officers

18. The annual estimates of revenue and expenditure may designate an accounting officer for any head or part of a head provided that:-

- (a) The Provincial Principal Accountant shall be the Accounting Officer for any head or part of a head for which there is no other accounting officer; and
- (b) the Premier may in writing at any time appoint any other officer to be the accounting officer for a head or part of a head.

Duties of  
accounting  
officers

19. Every accounting officer shall control the expenditure of moneys from the head or part of a head for which he is responsible and shall -

- (a) keep proper records of revenue and expenditure and stores under his Control.
- (b) provide prompt and accurate information to the Provincial Principal Accountant on:-
  - (i) collections and arrears of revenue;
  - (ii) expenditure and commitments;
  - (iii) the condition and value of stores under his control: and
- (c) observe and enforce Financial and Stores Instructions.

Duties of  
other staff

20. All officers employed by or under the Provincial Assembly or the Provincial Executive entrusted with the control or use of cash or other property are accountable for them and shall comply with Financial and Stores Instructions.

Financial  
and Stores  
Instructions

21. The Provincial Executive shall make Financial and Stores Instructions to provide for carrying out the purposes of this Ordinance, for proper financial management and the procurement, safe keeping, accounting for and disposal of stores.

## **PART 5 ADVANCES AND DEPOSITS**

### **ADVANCES**

Authority for  
advances

12. On the coming into effect of an Appropriation Ordinance the Premier may sign a warrant authorizing the Provincial Principal Accountant to make advances for the purposes of section 23 provided that:-

- (a) no advance may be made if it shall cause the total of unpaid advances outstanding to exceed the limit imposed by the Appropriation Ordinance;
- (b) no advance shall be made to any person while a previous advance to that person is still outstanding;
- (c) no advance shall be made without the prior written consent of the Clerk to the Assembly in respect of members of the Assembly or of the Provincial Secretary in respect of all other advances;
- (d) the Premier may at any time suspend or restrict advances with or without withdrawal of the warrant.

Allowance  
Advances

23. Advances may be made for the following purposes only:-

- (a) for the discharge of functions under section 31 of the Act; or

- (b) to a member of the Assembly as an advance payment of salary and allowances payable in accordance with section 27 of the Act; or
- (c) to a member of the staff of the Provincial Assembly or Provincial Executive in accordance with his conditions of service.

Provincial  
Principal  
Accountant to  
be accounting  
officer

24. The Provincial Principal Accountant shall be the accounting officer for all advances; he shall maintain records of all advances and repayments and ensure that advances are recovered strictly in accordance with the conditions of the advance.

Conditions

25. The conditions on which advances are granted and for their recovery shall be specified in Financial and Stores Instructions.

## DEPOSITS

Deposits  
allowance

26. The Provincial Principal Accountant may hold moneys which do not form part of the Provincial Fund or any special fund in the following circumstances -

- (a) where the money is legally due and payable to a member of the Assembly, an officer or an agent of the Provincial Executive but cannot immediately be paid;
- (b) where the money is due to be withheld from a contractor under the terms of a contract under the terms of a contract; or
- (c) where the money is held in trust where the Assembly, the Provincial Executive or any member or officer is a trustee; or
- (d) where the money is received in advance for the provisions of works or services by the Provincial Executive under a contract.

Records of  
Deposits

27. The Provincial Principal Accountant shall keep separate records for each deposit.

Unclaimed  
deposits

28. Deposits unclaimed after six (6) years from the date of the deposit shall be paid into the Provincial Fund provided that if any person can prove his claim to the deposit the Premier may authorize the release of the money from the Provincial Fund.

## PART 6 SPECIAL FUNDS

Creation of  
Special funds

29. (1) The Assembly, may, subject to Part V of the Act, create special funds which shall not form part of the Provincial Fund.

(2) An Ordinance creating a special fund shall:-

- (a) make a clear statement of the aims and purposes of the fund; and
- (b) specify the sources of income; and
- (c) provide a full list of expenditures which may be made from the fund; and

- (d) appoint the Provincial Principal Accountant as accounting officer for the fund.

Estimates and accounts

30. The Assembly shall not appropriate expenditure from special funds but -
- (a) estimates of revenue and expenditure for each special fund shall be included with the annual estimates of revenue and expenditure presented to the Assembly under Section 4 of this Ordinance; and
  - (b) a detailed statement of the transactions of each special fund signed by the Premier and Provincial Principal Accountant and certified by the Auditor General shall be presented annually to the Assembly.

Special funds established by Parliament

31. Where a special fund for the Province is created by Act of Parliament, the Provincial Executive shall forthwith make rules to provide for the proper management of such fund.

## **PART 7 BORROWING, LOANS AND GUARANTEES**

Record of borrowing

32. (1) The Provincial Principal Accountant shall keep detailed records of all borrowings by the Provincial Executive.
- (2) The Provincial Principal Accountant shall produce an annual statement of debt outstanding at the end of the financial year showing -
- (a) the aggregate limit fixed by order of the Minister under Section 41(4) of the Act; and
  - (b) the limits imposed by the Appropriation Ordinance; and
  - (c) in respect of each debt outstanding:-
    - (i) the purpose of the borrowing; and
    - (ii) the lender, rate of interest and terms of repayment; and
    - (iii) the total amount borrowed and the dates borrowed; and
    - (iv) the total principal repaid and the total outstanding; and
    - (v) interest due but unpaid; and
  - (d) the amounts of principal outstanding and of interest due but unpaid shall be totaled and the aggregate amount shall be noted as a future liability on the annual Statement of Assets and Liabilities.

Authorization of loans

33. No loan may be made by the Provincial Executive from the Provincial Fund unless prior appropriation has been made for that purpose in an Appropriation Ordinance.

Loans and Guarantees

34. (1) The Provincial Executive may, subject to section 42 of the Act, Section 30 of this Ordinance and this section make loans and guarantee the repayment of loans for the purposes of devolved functions.

(2) No loan may be made or guarantee given where any loan or guarantee in respect of the borrower is still outstanding unless the Provincial Executive is satisfied that there is an adequate charge on the income or assets of the borrower to secure to the Provincial Executive all sums due under the loan or liable for payment under the guarantee.

Records of loans  
and guarantees

35. (1) The Provincial Principal Accountant shall keep detailed records of loans made and guarantees given and shall prepare a statement at the end of each financial year showing:-
- (a) In respect of each loan outstanding:-
- (i) the borrower; and
  - (ii) the date the loan was made, the rate of interest and the terms of repayment; and
  - (iii) the total amount lent, principal unpaid, principal outstanding and principal due but not repaid; and
  - (iv) interest due but unpaid; and
  - (v) any authority for deferment of any repayment of principal;
- (b) in respect of guarantees outstanding:-
- (i) the total amount still subject to guarantee; this amount shall be noted as a future liability on the Annual Statement of Assets and Liabilities.

## **PART 8 BANKING AND INVESTMENT**

Bank Accounts

36. (1) The Provincial Principal Accountant shall keep such accounts at such Banks as the provincial Executive shall require.
- (2) All revenues of the Provincial Fund and Special Funds, all moneys received on deposit and all other moneys paid to the Provincial Executive shall forthwith be paid into such accounts provided that the Provincial Principal Accountant may retain sufficient in cash to meet daily requirements.

Investment

37. (1) The Provincial Executive may where moneys of the Provincial Fund or moneys held on deposit are not needed for immediate purposes invest such moneys in Government securities or place them on deposit with a bank in Solomon Islands.
- (2) Nothing in this section shall prevent the investment in commercial enterprises of the moneys of a special fund established for that purpose under section 29 of this Ordinance.

## **PART 9 LOSSES AND WRITE OFF**

Losses of and

38. (1) The loss of cash or other property and all damage to property shall

damage to property immediately be reported to the Provincial Secretary who shall attempt to recover losses or the costs of repair.

- (2) If recovery is not possible or the cost of recovery of repair is uneconomical the Premier may in writing authorize the write off of the value of the loss or cost of repair and issue a certificate of disposal/destruction for that purpose.

Records of losses, etc. 39. The Provincial Principal Accountant shall keep records of losses, damages, recoveries and amounts written off and shall produce a detailed statement at the end of the year.

Arrears of Revenue 40. (1) Accounting officers shall attempt to recover revenue due but not paid and at the end of the year shall give to the Provincial Principal Accountant Return stating details of all revenue due but unpaid.

- (2) If the Premier is satisfied that any revenue cannot be collected or that the Cost of collection is uneconomical he may in writing authorize its abandonment.

Disposal of surplus property 41. (1) The Premier may in writing authorize the disposal of property which is surplus to Provincial needs.

- (2) Such property shall be advertised for tender in the Province but if no reasonable tender is received shall be advertised nationally.

- (3) If no reasonable tender is received the Premier may then authorize that the property be disposed of in the manner most likely to be of advantage to the Province.

Reference to financial and Stores Instructions 42. Section 38 – 41 are to be read in conjunction with Provincial Financial & Stores Instructions.

## **PART 10 COUNCIL ACCOUNTS**

Council Accounts 43. The Provincial Principal Accountant is authorized to maintain banking accounts on behalf of Councils.

Annual Statements 44. (1) Within six (6) months of the end of the financial year each Council shall prepare an annual statement of account in the form set out in Schedule 1.

- (2) Such account shall be signed and dated by the President of the Council and shall be laid before the Assembly.

- (3) A signed copy of the account shall be sent to the Auditor General who may examine and report on it to the Assembly.

Regulations 45. The Provincial Executive shall make regulations about the accounting practices And the control and management of the finances and property of Councils.

**PART 11**  
**ANNUAL ACCOUNTS, AUDITOR GENERAL AND**  
**ACCOUNTS COMMITTEE**

Annual  
Accounts

46. The accounts to be prepared pursuant to section 40 of the Act shall be signed by the Premier and Provincial Principal Accountant and shall include:-
- (a) a statement of assets and liabilities at the end of the financial year; and
  - (b) a statement of receipts and payments; and
  - (c) a comparative statement of estimated and actual revenue and expenditure.
  - (d) a summary statement of special funds showing for each:-
    - (i) the balance at the beginning of the financial year; and
    - (ii) the revenue during the year; and
    - (iii) the expenditure during the year; and
    - (iv) the balance at the end of the financial year; and
  - (e) statements of advances outstanding and moneys held on deposit; and
  - (f) statements of loans made and guarantees given and outstanding; and
  - (g) a statement of provincial debt; and
  - (h) a statement of losses, claims abandoned and amounts written off.

Auditor  
General

47. (1) The Auditor General may at any time report to the Provincial Executive on any matter concerning the finances and accounts of the Province.
- (2) The powers and duties of the Auditor General extend to the accounts of the Assembly, any agent appointed under Section 31 of the Act, any Council and to any committee, joint-committee or joint-venture established or joined by the Provincial Executive.
- (3) In the exercise of his functions the Auditor General shall have the same discretion and powers as are conferred upon him by Section 30, 31, 32, and 36 of the Public Finance and Audit Act 1978.

(Act 21 of  
1978)  
Accounts  
Committee

48. (1) The Provincial Executive shall within four (4) weeks of the receipt of the report of the Auditor General under Section 40(3) of the Act, lay before the Accounts Committee a detailed commentary thereon and such commentary shall be published together with the committee's report.
- (2) The Committee may request the Auditor General or his representative to attend any of its meetings and may require any member of the Provincial Executive, accounting officer or accountable officer to appear before it and to give written and oral evidence.

SCHEDULE 1

FORM OF ANNUAL ACCOUNT: COUNCILS  
 STATEMENT OF ACCOUNT: YEAR ENDED 31.3.8X

.....COUNCIL

	\$	\$
COUNCIL FUND BALANCE AT 1.4.8X.	XXX.XX	XXX.XX
REVENUE		
Rates		
Other Internal Receipts:		
1. (Specify type)	XXX.XX	
2. " "	XXX.XX	
3. " "	XXX.XX	
Grants:		
1. (Specify source & purpose)	XXX.XX	
2. " " " "	XXX.XX	
3. " " " "	XXX.XX	
Total Revenue for the Year:		XXX.XX
TOTAL DISPOSABLE FUNDS:		XXX.XX
EXPENDITURE	\$	
Administration:	XXX.XX	
Salaries & Wages	XXX.XX	
Members Expenses	XXX.XX	
Travelling	XXX.XX	
Office Expenses	XXX.XX	
Works and Services		
1. (Specify project)	XXX.XX	
2. " "	XXX.XX	
3. " "	XXX.XX	
TOTAL EXPENDITURE		XXX.XX
COUNCIL FUND BALANCE AT 31.3.8X		XXX.XX

Certified and a true record of the Council's  
 Financial transactions for the year.

.....  
 President

.....  
 Treasurer

Date: .....