

Commencement: 29 December 1976

**THE LAWS OF KIRIBATI
REVISED EDITION 1980**

CHAPTER 79

**PUBLIC FINANCE (CONTROL AND AUDIT), including amendments made as of
December 31, 2010**

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SCHEDULES

An Ordinance to provide for the control and management of the Consolidated Fund and public finances of Kiribati, for the collection, issue and payment of public moneys, for the audit and examination of public accounts and of the accounts of statutory bodies, and for other purposes connected therewith and incidental thereto.

*18 of 1976
L.N. 5/80*

Commencement: 29 December 1976

PART I
PRELIMINARY

Short title

1. This Ordinance may be cited as the Public Finance (Control and Audit) Ordinance.

Interpretation

2. In this Ordinance unless the context otherwise requires -

"accountable officer" means any public officer, including an accounting officer, concerned in or responsible for the collection, receipt, custody, issue or payment of public moneys, stores, stamps, investments, securities or negotiable instruments whether the same are the property of the Republic or on deposit with or entrusted to the Republic or to any public officer in his official capacity either alone or jointly with any other public officer or any other person;

"accounting officer" means any public officer appointed under the provisions of this Ordinance and charged with the duty of the accounting for any service in respect of which moneys have been appropriated;

"Crown Agents" means the Crown Agents for Overseas Governments and Administrations;

"Head of Expenditure" or "Heads" means the total sum applied to and appropriated for any purpose specified therein by an Appropriation Ordinance or by a Supplementary Appropriation Ordinance;

"line item" means an individual category of expenditure within a subhead;

"public moneys" include -

(a) all revenue or other moneys raised or received for the purposes of the Government;

(b) any other moneys or funds held, whether temporarily or otherwise, by any public officer in his official capacity either alone or jointly with any other person, whether a public officer or not;

"public officer" means a person employed for a salary or wages in the public service;

"public stores" means all chattels of whatsoever nature the property of the Republic or in the possession of or under the control of the Government;

"subhead" means a division of a Head of Expenditure comprising all of the line items for a particular output under that Head.

PART II PUBLIC

FINANCE

The Consolidated Fund

Consolidated Fund moneys to be kept with specified banks

3. All sums accounted for in the Consolidated Fund shall be kept with such bank or banks as the Minister shall from time to time determine:

Provided that this section shall not apply to moneys invested under the provisions of section 6.

Revenue and other moneys to be paid into Consolidated Fund and general fund of local government council

4. (1) Subject to section 11 all revenues and other moneys raised or received for the purpose of the Government shall be paid into the Consolidated Fund.

(2A) Notwithstanding anything contained in subsection (1) all revenues and other moneys

— (a) raised; or

(b) received,

for the purposes of the government but raised or received under any subsidiary legislation made by any local government council under the Local Government Ordinance or Act as in force from time to time shall be paid into such local government's general fund established under Part VII of such Ordinance or Act.

(2) For the avoidance of doubt it is hereby declared that the reference to moneys raised or received for the purpose of the Government does not include moneys received on deposit.

Payments

5. (1) The Minister shall authorise the Accountant General from time to time on his requisition, if satisfied of the correctness thereof, to issue from the Consolidation Fund the sums falling due for payment during the financial year for statutory expenditure.

(2) On the coming into operation of an Appropriation Ordinance or a Supplementary Appropriation Ordinance the Minister shall authorise the Accountant General by General Warrant under his hand to issue from the Consolidated Fund such sums as may have been applied to the service of the financial year by any such Appropriation Ordinances.

(3) 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 (not being statutory expenditure) with or without cancellation of the Warrant if in his opinion financial exigencies or the public interest so require.

Investment of moneys

6. (1)

The Minister may authorise the investment of moneys forming part of the Consolidated Fund in:-

- (a) cash; or
- (b) stocks and bonds of, or guaranteed by, the Government of Kiribati and approved by the Maneaba ni Maungatabu, or stocks and bonds of other Governments or internationally reputable financial and business organisations (including state, city and local Governments); or
- (c) shares quoted in a Stock Exchange that is approved by the Minister of Finance for the purpose; or
- (d) short-term deposits not exceeding twelve months with a Bank whether in Kiribati or elsewhere, approved by the Minister for the purpose; or
- (e) the joint Consolidated Fund administered by the Crown Agents; or
- (f) In such investment or investments authorised for the investment or property in the hands of trustees by any law for the time being in force or in any combination of them and not otherwise save and except as authorised by resolution of the Maneaba ni Maungatabu; or
- (g) Semi Government securities including promissory notes and approved by the Minister; or
- (h) Australian Wheat Board promissory notes and approved by the Minister; or
- (i) Bank accepted and/or Bank endorsed Bills and approved by the Minister; or
- (j) Lodgement of deposits with official money market dealers and approved by the Minister; or
- (k) Lodgement on an unsecured basis with selected finance companies, merchant banks and industrial companies and approved by the Minister.

Section 6(2)

All investments made under this Section together with any interest received therefrom shall form part of the Consolidated Fund.

Section 6(3)

A resolution for the purposes of Section 6(1) may be either general or specific.

Section 6(4)

Notwithstanding anything in the preceding provisions of this Section, no investment or money or money standing to the credit of the Consolidated Fund shall be made otherwise than through –

- (a) a number of a Stock Exchange that is approved for the purpose by the Minister of Finance; or
- (b) a recognised business manager appointed by the Minister of Finance for the purpose; or
- (c) the Accountant General acting on the instructions of the Minister.

Section 6(5)

Nothing in this section affects any investment of money standing to the credit of the Fund as at the effective date of commencement of this Act, but no such money may be reinvested otherwise than in accordance with this Section.

Section 6(6)

The expenses of the management and operation of the Consolidated Fund shall be paid out of the said Fund."

(1)

Advances

7. (REPEALED)

Moneys issued but not spent to be repaid to the Consolidated Fund

8. Every appropriation by the Maneaba ni Maungatabu of public moneys for the service of any financial year shall lapse and cease to have any effect at the close of that financial year, and any moneys issued from the Consolidated Fund but not spent shall be repaid to the Consolidated Fund.

Contingencies Warrants

9. (1A) The provisions of this section take effect for the purposes of section 109 (4) of the Constitution.

(2) Upon being satisfied that due to exceptional circumstances which could not have been foreseen an urgent need for expenditure has arisen -

- (a) for which no provision exists or for which the existing provision is insufficient; and
- (b) for which funds cannot be provided under section 23; and
- (c) which cannot be deferred without detriment to the public interest;

the Minister may by a Contingencies Warrant under his hand and in anticipation of the grant of an appropriation by the Maneaba ni Maungatabu authorise an advance from the Consolidated Fund to meet that need and shall, forthwith, report his action and the reasons therefor to the Cabinet:

Provided that the total of the sums so authorised to be advanced in anticipation of the grant of an appropriation shall not exceed at any one time an amount of \$1,000,000.

(3) Where any advance is made from the Consolidated 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 presented to the Maneaba ni Maungatabu at its sitting next following the date on which the Contingencies Warrant was issued and shall be included in a Supplementary Appropriation bill for appropriation.

(4) Upon the grant of an appropriation to meet the expenditure in respect of which an advance was made from the Consolidated Fund, the Contingencies Warrant authorising such advance shall cease to have effect and the advance shall be deemed to have been made for the purpose of the grant and shall be accounted for accordingly.

Other Public Funds

Development Fund

10. (1) The Development Fund shall consist of the following moneys -

(a) such moneys as may be appropriated by law for the purpose of the Development Fund;

(b) moneys received from any other government, body or person as grants made to the Government for development purposes;

(c) Moneys received from the proceeds of loans raised for development purposes by or on behalf of the Government;

(d) Moneys received by way of interest or dividend on any investment or loan of any moneys belonging to the Development Fund;

(e) moneys earned by or received in reimbursement of any project financed wholly or in part from the Development Fund:

Provided that the moneys referred to in paragraph (b), (d) or (e) may in any case be paid into the Consolidated Fund or such other public fund as the Minister may in each case designate.

(2) The Development Fund is a Special Fund.

Operation of the Development Fund

Schedule 2

11. (1) The Development Fund shall be operated in accordance with the Rules set out in Schedule 2.

(2) The Beretitenti, acting in accordance with the advice of the Cabinet, may by order amend the Rules set out in Schedule 2.

(3) The Minister shall cause a copy of every order made under subsection (2) to be laid before the Maneaba ni Maungatabu at its sitting next following the date on which the order comes into operation.

(4) Subject to the provisions of this section and of any other law for the time being in force moneys forming part of the Development Fund which are not required for immediate use for development purposes may be invested in like manner to that permitted by section 6 in respect of the Consolidated Fund.

(5) All investments made under subsection (4) shall form part of the Development Fund.

Special Funds

Schedule 1

12. The Special Funds set out in Schedule 1 shall be deemed to have been established by law and the balance standing to the credit of each such Special Fund at the close of account on the coming into operation of this Ordinance shall be deemed to have been appropriated by the Maneaba ni Maungatabu to the purposes specified in respect of each such Special Fund.

Management of Special Funds

13. (1) Whenever financial provisions for the establishment of Special Funds is made in accordance with section 107(2) of the Constitution, the Accountant General shall establish Special Funds to which moneys appropriated shall be credited and from which moneys may be expended for the purposes for which the Special Funds were established.

(2) The Minister shall, subject to the provisions of this section, have the management of Special Funds establish or deemed to have been established in accordance with section 12 and for such purposes may -

Section 13(2)(a)

Authorise the investment of moneys standing to the credit of Special Funds in –

- (a) cash; or
- (b) stocks and bonds of, or guaranteed by, the Government of Kiribati and approved by the Maneaba ni Maungatabu, or stocks and bonds of other Governments or internationally reputable financial and business organisations (including state, city and local Governments); or
- (c) shares quoted in a Stock Exchange that is approved by the Minister of Finance for the purpose; or
- (d) short-term deposits not exceeding twelve months with a Bank whether in Kiribati or elsewhere, approved by the Minister for the purpose; or
- (e) the joint Consolidated Fund administered by the Crown Agents; or
- (f) In such investment or investments authorised for the investment or property in the hands of trustees by any law for the time being in force or in any combination of them and not otherwise save and except as authorised by resolution of the Maneaba ni Maungatabu; or
- (g) Semi Government securities including promissory notes and approved by the Minister; or
- (h) Australian Wheat Board promissory notes and approved by the Minister; or
- (i) Bank accepted and/or Bank endorsed Bills and approved by the Minister; or
- (j) Freehold property and leasehold property of which the unexpired term at the time of investment is not less than sixty years, whether in Kiribati or elsewhere.

(b) direct that any Special Fund shall be wound up;

(c) make rules subject to the approval of the Maneaba ni Maungatabu for the control and operation of Special Funds.

(d) by order under his hand authorize the transfer of any sum or sums from any Special Fund to the Consolidated Fund to form part of the general revenues of the Government.

(3) Where the Minister directs that any Special Fund shall be wound up, after all liabilities of such fund have been paid, the Fund shall be closed accordingly and the balance of moneys standing to the credit of such Fund shall be paid into the Consolidated Fund.

PART III

CONTROL AND MANAGEMENT OF PUBLIC FINANCE

Control by the Minister

Duties of Minister

14. (1) The Minister shall so supervise the finances of the Government as to ensure that a full account is made to the Maneaba ni Maungatabu and for such purpose shall, subject to the provisions of this Ordinance, have the management of the Consolidated Fund, the Development Fund and Special Funds and the supervision, control and direction of all matters relating to the financial affairs of the Government.

(2) In the discharge of the duties imposed upon him by subsection (1) the Minister -

(a) shall take all proper steps to ensure that any regulations made or directions and instructions given pursuant to the provisions of section 19 are brought to the notice of all persons directly affected thereby but subject as aforesaid and notwithstanding the *Gazette*;

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(b) shall be entitled to inspect all offices and shall be given access at all times thereto and shall be given all available information he may require with regard to the moneys and property specified in section 16 and to all documents and records in respect thereof so far as may be necessary for the purpose of compliance with subsection (1).

(3) The Minister may delegate by writing under his hands all or any of the powers conferred upon him.

Duties of Accountant General

15. The Accountant General, in the discharge of his duties as the officer charged with the management and operation of the Government's accounting organisation and central treasury, and without prejudice to the generality of those duties and the powers of the Minister under section 14 to direct him, shall -

(i) ensure the maintenance of a system that brings promptly and properly to account all moneys received and paid by the Government;

(ii) refuse payment on any voucher wrong or insufficient in content, or that contravenes any regulations, directions or instructions properly made or given under this or any other Ordinance for the management of public moneys, or that is in his opinion in any other way unacceptable as a charge on the public moneys;

(iii) report to the Minister in writing any apparent defect in department control of revenue, expenditure, cash, stamps and other property of the Republic that may be brought to his notice;

(iv) ensure, in so far as it is practicable, that adequate provision is made for the safe custody of public moneys and stamps and the control of property of the Republic.

Accounting officers and accountable officers to obey regulations and directions

16. Every accounting officer and every accountable officer shall obey all regulations made and directions or instructions given under sections 14 and 19 and all instructions that may from time to time be issued by the Accountant General in respect of the custody and handling of and the accounting for public moneys, public stores, stamps, investments, securities or negotiable instruments whether the property of the Republic or on deposit with or entrusted to the republic or to any public officer in his official capacity either alone or jointly with any other public officer or any other person.

Control of Expenditure

Accounting officers

17. (1) An accounting officer shall be appointed in respect of each Head of Expenditure for each financial year to control and account for the expenditure of moneys applied to that Head by any Appropriation Ordinance.

(2) An accounting officer shall be personally accountable for all public moneys received, collected or disbursed and for all public stores received, held or disposed of by or an account of the department or service for which the Head for which he is the accounting officer is provided.

(3) An accounting officer may, and shall if so required by the Minister, define in writing the extent to which the powers and duties conferred or imposed upon him may be exercised or performed on his behalf by any public officer under his control and give such directions as may be necessary to secure the proper exercise or performance of such powers and duties.

Disbursement of and accounting for expenditure on the Consolidated Fund services

18. (1) In this section the expression "Consolidated Fund services" means the services of Government the expense of which is charged on or payable from the Consolidated Fund under or by virtue of any law other than the Appropriation Ordinance, but including this Ordinance.

(2) Subject to section 5, the disbursement of moneys provided in any financial year to meet expenditure on the Consolidated Fund services shall be controlled and accounted for by the Accountant General.

Power to make regulations and give directions

19. The Beretitenti, acting in accordance with the advice of the Cabinet, may make regulations and, subject to the regulations, the Minister may give such directions and instructions as may appear to him to be necessary or expedient for carrying out the intent and purposes of this Ordinance and for the safety, economy and advantage of the public revenue and public property:

Provided that such regulations, directions and instructions as are in force for like purposes at the

coming into operation of this Ordinance shall continue in force so far as they are applicable until superseded or cancelled by regulations, directions or instructions made or given under this section.

Saving in relation to trust

20. Nothing in this Ordinance shall extend to abridge or alter the terms of any trust or shall be construed as authorising the making of any regulations or the giving of any directions or instructions requiring any person to obey such regulations, directions or instructions in relation to moneys held on trust which contravene or are inconsistent with the terms of such trust.

General

Existing investments to be part of Consolidated Fund

Schedule 1

21. All investments held by or on behalf of the Republic on the date of coming into operation of this Ordinance shall, if the same is not held on the account of the Special Funds set out in Schedule be deemed to have been made out of moneys issued from the Consolidated Fund and shall be deemed to form part of the Fund and, notwithstanding that such investments are not such as may be made under section 6, may be retained.

Restrictions on Borrowing

22. (1) The Republic shall not borrow money except in accordance with the provisions of a written law.

(2) The powers conferred by any general or specific Loans Ordinance or by an Appropriation Ordinance to borrow money by means of advances from a bank or from the Crown Agents may be exercised by means of fluctuating overdraft or by borrowing on loan account and in any case either upon the security of assets charged or against a guarantee or unsecured.

(3) Except as otherwise provided by or under any other law for the time being in force any money borrowed by the Republic shall be paid into and form part of the Consolidated Fund or such other public fund as the Minister may in each case designate and shall be available in any matter in which the Consolidated Fund or such other public fund, as the case may be is available.

(4) An account set up by an advance made in accordance with a specific agreement under section 7(1) (e) may be overdrawn in accordance with that agreement but shall be promptly reimbursed by the Accountant General.

(5) Except as otherwise provided by or under any other law for the time being in force the principle money and all interest and other charges on any money borrowed by the government, and the interest upon any account overdrawn under subsection (4), shall be charged upon and paid out of the Consolidated Fund or such other public fund of Kiribati as the Minister may in each case designate without further appropriation than this Ordinance.

Reallocations within Heads of Expenditure

23. (1) An accounting officer, may, in writing and with notice to the Accountant General, transfer any unspent amount in a line item within a subhead administered by that accounting officer to another line item within that subhead, except in the case of a line item declared in writing by the Accountant General as being an item to or from which transfers are not permitted.

(2) The Minister may, by means of a Virement Warrant under his or her hand, authorise the

transfer of any unspent amount in a subhead to another subhead within that head of expenditure:

Provided that-

- (i) the sum appropriated to any head by the Appropriation Act and by any Supplementary Appropriation Act is not thereby exceeded; and
- (ii) any new purpose to which any sum is assigned shall be within the ambit of the relevant head.

(3) Any Virement Warrant issued under subsection (2) must be laid before the Maneaba ni Maungatabu at its sitting next following the date on which such Virement Warrant was signed.

PART IV

DEPOSITS

Deposits

24. Any moneys, not being money raised or received for the purposes of the Government which may be deposited with the Accountant General or with any other public officer authorised by the Accountant General or by regulations made under this Ordinance to receive the same (such moneys being hereinafter referred to as deposits), shall not form part of the Consolidated Fund and except as provided in this Part shall not be applied in any way for the purposes of Government.

Investment of deposits

25. (1) The Minister may authorise the investment of deposits in like manner to that provided by section 6(1) shall be paid into the Consolidated Fund.

(2) Any interest or dividend received in respect of the deposits invested in accordance with subsection (1) shall be credited to the account of any person entitled to such deposits.

Deposits may be used to finance advances

26. **(REPEALED) No. 9/93**

Unclaimed deposits

27. Any deposit which is unclaimed for 5 years shall be paid into the Consolidated Fund for the public purpose of the Government:

Provided that if any person entitled thereto shall subsequently prove to the satisfaction of the Accountant General his claim to any such deposit the Accountant General shall thereupon refund to such person his deposit.

Accountant General to administer deposits and make refunds

28. Subject to the provisions of this Part, the Accountant General is hereby authorised to administer and, in appropriate cases, to refund deposits to the person or persons entitled to them.

PART V

POWERS AND DUTIES OF THE AUDITOR GENERAL

Duties of Auditor General

29. The Auditor General shall, on behalf of the Maneaba ni Maungatabu examine, inquire into and audit the accounts of the Accountant General and of accounting officers and of all accountable officers.

Powers of Auditor General

30. (1) In the exercise of his duties to audit, inquire into and examine accounts the Auditor General may, *inter alia* -

(a) call upon any officer for any explanations and information which the Auditor General may require in order to enable him to discharge his duties;

(b) authorise any person publicly carrying on the profession of accountant or any public officer to conduct on his behalf any inquiry, examination or audit and such person or officer shall report thereon to the Auditor General;

(c) without the payment of any fee cause search to be made in and extracts to be taken from any book, document or record pertaining to matters of finance or accounts in any public office;

(d) lay before the Attorney-General a case in writing as to any question regarding the interpretation of any Ordinance or regulation concerning the powers of the Auditor General or the discharge of his duties, and the Attorney-General shall give a written opinion upon such question.

(2) In the exercise of his duties the Auditor General or any person duly authorised by him in writing shall have access to all records, books, vouchers, documents pertaining to matters of finance and accounts, and to all cash, stamps, securities, stores or other property of the Republic of any kind whatsoever in the possession of any public officer.

(3) In exercising his powers of audit and examination of accounts, the Auditor General shall satisfy himself -

(a) that all reasonable precautions have been taken to safeguard the collection and custody of revenue and that the Ordinances, directions and instructions relating thereto have been duly observed;

(b) that all moneys which have been appropriated and disbursed have been applied to the purposes for which they were appropriated, and that the expenditure conforms to the authority which governs it;

(c) that all public moneys other than those which have been appropriated have been dealt with in accordance with proper property;

(d) that all reasonable precautions have been taken to safeguard the receipt, custody, issue and proper use of cash, stamps, securities and stores and that the regulations, directions and instructions relating thereto have been duly observed; and

(e) that adequate regulations, directions or instructions exist for the guidance of accounting officers and accountable officers.

Powers of Auditor General not subject to direction

31. (Repealed by Public Finance (Control and Audit) (Amendment) Act 1981)

Auditor General not to be required to undertake pre-audit or any duties incompatible with his office

32. (1) The Auditor General shall not be required to undertake any examination of accounts in the nature of a pre-audit if he would be precluded thereby from full criticism of any accounting transaction whether or not such transaction had been duly recorded.

(2) The Auditor General shall not be required to undertake any duties outside those pertaining to his office if in his opinion such duties are incompatible with the responsibilities and duties of that office.

Staff and delegation of functions

33. Anything which may be done by the Auditor General under the authority of this Ordinance, other than the certifying and reporting on accounts, may be done by any officer of his staff as authorised by him.

Examination of accounts of expenditure

34. (1) Every account to which this Ordinance applies (which expression shall include every account of public moneys and every account referred to in Part VII) shall be subject to examination by the Auditor General, and in the examination of such accounts the Auditor General shall satisfy himself that the money expended has been applied to the purpose or the purposes for which appropriation has been made by the Maneaba ni Maungatabu and for which the heads of expenditure approved by the Maneaba ni Maungatabu were intended to provide and that the expenditure conforms to the authority which governs it.

(2) The Auditor General after satisfying himself that the vouchers have been examined and certified as corrected by the accounting officer, may, in his discretion and having regard to the character of the departmental examination, in any particular case admit the sums so certified without further evidence of payment in support of the charges to which they relate.

(3) If at anytime it appears to the Auditor General that any expenditure included in any account is unsupported by the authority of the Minister, he shall report to the Minister any expenditure which appears upon the examination to have been incurred without such authority, and any such unauthorised expenditure shall, unless sanctioned by the Minister, be regarded as not being properly chargeable to a Head of Expenditure and shall be so reported to the Maneaba ni Maungatabu which may resolve in terms of Part VIII that it be written off unless it may be recoverable.

(4) The Auditor General shall report to the Maneaba ni Maungatabu any important change in the extent or character of any examination made by him.

Defective vouchers may be admitted and allowed

35. In his examination of any account the Auditor General may, in cases where the accuracy and propriety of the payment is not in doubt, admit and allow any voucher supporting such payment

notwithstanding that such voucher is defective in some particular.

Vouchers which are lost, destroyed or not allowed under section 35

36. In the event that any voucher -

(a) has been lost or inadvertently destroyed; or

(b) is not admitted or allowed by the Auditor General under section 35, the Minister may, if upon due inquiries he is satisfied as to the accuracy and propriety of the payment and as to the circumstances of such defect, loss or destruction, authorise the payment to stand charged in the accounts.

Examination of accounts of receipts of revenue

37. (1) The accounts of the receipt of revenue by the Departments of Government and the accounts of every receiver of money which is by law payable to the Government shall be subject to examination by the Auditor General in order to ascertain that adequate regulations and procedure have been framed to secure an effective check on the assessment, collection, and proper allocation of revenue, and the Auditor General shall satisfy himself that any such regulations and procedure are being carried out.

(2) The Auditor General shall make such examination as he thinks fit with respect to the correctness of the sums brought to account in respect of such revenue as aforesaid, and shall, together with his report on the appropriation accounts of the departments concerned, present to the Maneaba ni Maungatabu a report on the results of any such examination.

Examination of any other accounts

38. (1) The accounts of all accountable officers any other such accounts, whether relating directly to the receipt or expenditure of public funds or not, shall be subject to examination by the Auditor General.

(2) The Auditor General shall examine any such accounts so required to be examined by him as aforesaid with as little delay as possible, and when the examination of each account has been completed shall sign a certificate to the account recording the result of his examination, and a copy of the account so certified shall be sent to the Minister together with the report presented under section 33.

Examination of stores accounts

39. (1) Stores accounts shall be kept in all cases where, in the opinion of the Accountant General, the receipt, expenditure, sale, transfer or delivery of any securities, stamps, provisions, or stores the property of any Government departments is of sufficient amount or character to require the keeping of such accounts, and the Auditor General may examine any such accounts so required to be kept in order to ascertain that adequate regulations have been made for control and stocktaking, and that the regulations are duly endorsed and that any requirements of the Minister have been complied with.

(2) The Auditor General shall report to the Maneaba ni Maungatabu the result of any such examination.

PART VI

THE AUDIT AND EXAMINATION OF PUBLIC ACCOUNTS

Annual accounts

40. (1) Within a period of 6 months (or such longer period as may be prescribed) after the end of each financial year there shall be transmitted to the Auditor General by the Accountant General accounts showing fully the financial position at the end of the year, which shall include -

- (i) a balance sheet;
- (ii) a statement of receipts and payments, by Heads, and other receipts and payments;
- (iii) a comparative statement of actual and estimated revenue, by subheads;
- (iv) a comparative statement of actual and estimated expenditure, by subheads;
- (v) a statement of Special Funds' balances, by annual and aggregate receipts and payments;
- (vi) a statement of other ledger balances;
- (vii) a statement of balances on advances account from the Consolidated Fund, analysed under the several categories set out in section 14(1);
- (viii) a statement of balances on deposits accounts;
- (ix) a statement of contingent liabilities;
- (x) a statement of investments, showing the funds on behalf of which such investments have been made;
- (xi) a statement of outstanding loans made from the Consolidated Fund by annual and aggregate receipts and payments;
- (xii) a statement of the Public Debt;
- (xiii) a statement of arrears of revenue, by subheads;
- (xiv) tabulated summaries of unallocated stores and manufacturing accounts;
- (xv) a statement of the balance on Development Fund account by annual and aggregate receipts and payments;
- (xvi) a statement of balances on suspense account;

(xvii) a statement of unauthorised expenditure by subhead showing the provision as at 31 December, the expenditure for the year and the excess of expenditure over provision;

(xviii) a statement of balances on remittance account.

(2) Within a period of 6 months after the close of such period of accounts as may be prescribed by any law relating thereto, or in the absence of such law, such period of account as the Accountant General may appoint -

(a) any officer administering a Special Fund; and

(b) any officer administering any trust or other fund or account of such fund or account not provided for in this section, if so directed by the Minister,

shall prepare, sign and transmit to the Auditor General that an account of such fund or account relating to the period of account in such form as the Accountant General may from time to time require.

Special report by the Auditor General.

40A. The Auditor General may at any time, if he considers it desirable, send a special report on any matter concerning his powers and duties under this Ordinance to the Speaker to be laid before the Maneaba ni Maungatabu.

Notification of irregularities to Accountant General

41. If at any time it appears to the Auditor General that any irregularities have occurred in the receipt, custody, issue or expenditure of public moneys or in the receipt, custody, issue, sale, transfer or delivery of any stamps, securities, stores or other property of the Republic, or in the accounting for the same, he shall immediately bring the matter to the notice of the accounting officer concerned and the Accountant General.

PART VII

EXAMINATION AND AUDIT OF THE ACCOUNTS OF STATUTORY CORPORATIONS, BOARDS, COMMISSIONS AND BODIES

Preparation and examination of trading accounts, etc.

42. (1) There shall be prepared in each financial year, in such form and by such statutory corporations, boards, commissions and bodies (whether corporate or unincorporated) as the Auditor General may from time to time direct and approve, statements of account showing the income and expenditure of any trading or commercial services conducted by them or by any of them, together with such balance sheets and statements of profit and loss and particulars of costs as the Auditor General may require.

(2) All such accounts shall be transmitted to the Auditor General and presented to the Maneaba ni Maungatabu on or before the dates specified in that behalf by orders made under this Ordinance.

(3) All such accounts as aforesaid shall be examined by the Auditor General on behalf of the Maneaba ni Maungatabu and in his examination he shall have regard to any programmes of

works which may have been laid before the Maneaba ni Maungatabu and he shall certify and report on such accounts to the Maneaba ni Maungatabu and shall send a copy of his report to the Minister of Finance.

(4) Every such account shall in every year until it is wound up be examined by the Auditor General in such manner as he, in his discretion, thinks proper with a view to ascertaining whether the operations on and the transactions in connection with the account have been in accordance with the provisions of this Part of this Ordinance and he shall certify to the Maneaba ni Maungatabu whether in his opinion, having regard to the result of the examination, the operations on the transactions in connection with the account have or have not been in accordance with the provisions of this Part of this Ordinance.

(5) Without limiting the generality of this section, this Part shall apply to any corporate body established by law to any company which is a subsidiary of any such corporate body and, if the Maneaba ni Maungatabu by resolution so directs, to any board, body or commission which is not so established -

(a) which is in receipt of a contribution from public funds; or

(b) the operations of which may under the Ordinance establishing the same, or under any Ordinance relating thereto, impose or create a liability upon public funds.

(6) For the purposes of this Part a company is a subsidiary of another if that other is a member of it and controls the composition of the board of directors or holds more than half in nominal value of its equity share capital, or the first mentioned company is a subsidiary of any company which is that other's subsidiary.

Minster to obtain observations on report of Auditor General

43. (1) On receipt of any report of the Auditor General as required by section 42, the Minster shall obtain the observations of the corporation, statutory board, body or commission on any matter to which attention has been called by the Auditor General in such report and such observations shall be lied before the Maneaba ni Maungatabu with the said report:

Provided that if such observations have not been received within 42 days of them being requested by the Minister, he may lay the report before the Maneaba ni Maungatabu without such observations.

(2) If the Minister fails within a reasonable time to lay the report of the Auditor General before the Maneaba ni Maungatabu the Auditor General shall transmit a copy of such report to the Speaker.

Audit fees to be charged

44. Any corporation and any statutory board, body or commission the accounts of which are audited by the Auditor General under the provisions of section 38 shall in respect of such audit pay such fee as may, with the concurrence of the Minister previously obtained, be determined by the Auditor General:

Provided that the Minister may, in any case in which it shall appear to him to be in the public interest that no audit fee shall be paid, waive the payment of such fee.

PART VIII

ABANDONMENT OF CLAIMS, ETC., AND WRITE-OFF OF PUBLIC MONEYS AND STORES

Abandonment of claims, etc., and write-off of public moneys and stores

45. (1) The Maneaba ni Maungatabu may, by resolution authorise the Minister to the extent specified in such resolution to abandon and remit any claim by or on behalf of the Republic or any service thereof and to write-off losses of public moneys, stores or other property belonging to the Republic or provided for the public service.

(2) Such resolution may be in general terms and of continuing application and may be made retrospectively.

(3) The Minister may by writing under his hand delegate to any public officer any of the powers which he is authorised to exercise by resolution of the Maneaba ni Maungatabu under this section.

Disposal of serviceable stores or property to certain organisations

46. (1) The Minister, acting in accordance with the advice of Cabinet, may authorise the gift of serviceable Republic stores or property not required for Republic purposes to island councils set up by statute within or outside Kiribati and incorporated institutions or organisations established likewise, which are beneficial to the well-being of the Kiribati people and community.

Provided that where the value of such stores or property exceeds \$5,000 the prior approval of the Maneaba ni Maungatabu shall be required."

(2) The Minister shall, at the next meeting of the Maneaba ni Maungatabu, report to the Maneaba ni Maungatabu the granting of the gift under subsection (1) of this section.

PART IX
SANCTIONS AGAINST PUBLIC OFFICERS, MEMBERS OF THE MANEABA NI
MAUNGATABU, RECOVERY OF FUNDS AND LOSSES

Disciplinary sanctions against public officer for mishandling public funds; recovery of

47. (1) Any public officer who –

- (a) fails without just cause to collect any moneys owed to the Government with the collection of which he is charged;
- (b) is responsible for any improper payment of public moneys (including any payment not duly vouched);
- (c) is guilty of negligence or misconduct in connection with the destruction, damage, or loss of any public moneys, stamps, securities, stores, or other Government property;
- (d) is responsible for causing any financial loss to the Government through failure to obey any order or instruction properly given to him; or
- (e) fails to account for an imprest issued to him within the time period as laid down in the relevant regulation,

shall be guilty of a violation of section D.3 of the National Conditions of Service (or such other standard as may from time to time be in force) and of a breach of the public trust.

- (2) (a) If the Minister has reason to believe that a public officer has acted in such a manner as to be guilty of an offence under subsection (1), then he shall so notify the officer and advise him of his potential liability to the Government under this section.
- (b) The notice under this subsection shall be in writing and shall –
 - (i) describe with particularity the act that is the subject of the notice;
 - (ii) demand an explanation in writing within 30 days after the date on which the public officer receives the notice;
 - (iii) state that, in the absence of an exculpatory explanation satisfactory to the Minister, the public officer will be required to repay to the Government the amount involved and that such repayment may be effected by surcharge of any salary or other payment made by the Government to such officer; and
 - (iv) describe the public officer's right to appeal any decision made by the Minister to the High Court.
- (c) A Notice referred to in paragraph (a) shall be issued or delivered to a public officer within a period of twelve years -

- (i) for failure to collect any moneys etc., referred to in section 47(1)(a) of the Public Finance (Control and Audit) (Amendment) Act 1993 (No 9 of 1993); or
 - (ii) for improper payment etc. referred to in section 47(1)(b) of the Public Finance (Control and Audit) (Amendment) Act 1993 (No 9 of 1993); or
 - (iii) for negligence or misconduct, etc. referred to in section 47(1)(c) of the Public Finance (Control and Audit) (Amendment) Act 1993 (No 9 of 1993); or
 - (iv) for any financial loss, etc. referred to in section 47(1)(d) of the Public Finance (Control and Audit) (Amendment) Act 1993 (No 9 of 1993); or
 - (v) for failure to account for an imprest referred to in section 47(1)(e) of the Public Finance (Control and Audit) (Amendment) Act 1993 (No 9 of 1993).
- (3) (a) If the Minister fails to receive a satisfactory explanation from the public officer notified under subsection (2) within 30 days after such officer received notice under such subsection, then he shall commence recovery of the amount involved by directing such sums as are necessary to be withheld from such officer's salary or other amounts payable to him by the Government.
- (b) If the individual concerned is no longer a public officer and is not receiving a salary or other sums from the government, then the Minister—
- (i) shall enter into an agreement with such former officer to repay the amount involved in such instalments and over such period of time as may be appropriate; and
 - (ii) may require any such agreement to be accompanied by such security, guarantees, or other assurances of payment as he believes to be appropriate.
- (c) If —
- (i) a former public officer refuses to enter into an agreement under paragraph (b); or
 - (ii) a public officer ceases to be a public officer before the amount involved has been recovered and refuses to enter into such an agreement,
- then the Minister ~~shall~~ may bring an action against such former officer in any court of competent jurisdiction on behalf of the Government to recover the amount owed.
- (4) (a) Any person against whom action is taken by the Minister under subsection (3) may appeal the action of the Minister to the High Court at any time within 30 days after the Minister commences such action.

- (b) The High Court may confirm, alter, or quash the surcharge or make such other order as it may think fit ~~and any such decision of the High Court shall be final.~~
 - (c) Any action, whether by surcharge, agreement, or suit to collect amounts owed to the Government by reason of this section shall be stayed pending the disposition of such appeal.
- (5) In any action brought by the Minister under subsection (3)(c), it shall be sufficient for judgment against the defendant if, in the absence of proof to the contrary, it is proved on behalf of the Government that the defendant was a public officer, and –
- (a) if the action is based on a loss or deficiency in public moneys, he was guilty of conduct described in subsection (1) and such conduct caused such loss or deficiency; or
 - (b) if the action is based on the loss, damage, or destruction of government property, the property was the responsibility of the defendant and his negligence or misconduct caused or contributed to such loss, damage, or destruction.
- (6) (a) The Minister may waive, terminate, reduce, or refund any amounts recoverable or recovered under this section whenever it appears to him that –
- (i) the recovery was made by mistake or is not justified by the circumstances, or
 - (ii) the loss, destruction, or damage to government property was not due entirely to the negligence or misconduct of the public officer or former public officer".
- (7) In this section, "public officer" includes a director or member of the Board or committee of a Government owned company, corporation, special fund and other body or authority established under any provision of any law and includes also other officers and employees of the same.

Imposition of surcharge on members of the Maneaba ni Maungatabu

47A. (1) In this section, "a member" means a member of the Maneaba ni Maungatabu and includes a former member, the Speaker and any officer or a member of a body or authority pursuant to or under the Constitution.

- (2) Where it appears to the Cabinet that a member –
- (a) has claimed and been paid or received or spent any amount which he is not entitled to under the Salaries and Allowances of Members of Maneaba ni Maungatabu Act (Cap. 92A) or any other law;
 - (b) has claimed and been paid or received or spent any amount which a Commission of Inquiry established under the Commission of Inquiry Ordinance (Cap. 10) for the purpose of establishing the lawfulness or otherwise of such payment or expenditure, has found to have been paid, received or spent unlawfully;

- (c) has been responsible for causing any financial loss to the Government through his failure to comply with any of the provisions of the Proceedings by and Against the Republic Ordinance (Cap. 76A) or any other law or proper and lawful directions of the Cabinet;
- (d) has been responsible for any improper payment of public moneys or for any payment of public moneys that was not properly vouched, warranted or authorised;
- (e) has failed to account for any moneys;
- (f) has been responsible for any deficiency in or for the loss or destruction of or damage to any public moneys, stamps, securities, stores or other state land or property; and
- (g) has failed to account for an imprest issued to him within the time period as laid down in the relevant regulation, the Cabinet may subject to section 47B surcharge such member with a sum that does not exceed -
- (h) any amount not entitled to or unlawfully paid;
- (i) any amount of financial loss or improper payment suffered by the Government;
- (j) any amount not accounted for or the amount of the deficiency;
- (k) the value of the property lost or destroyed;
- (l) the value of any property damaged or in the discretion of the Cabinet the cost of repairs.

Procedure for imposition of surcharge

47B. (1) Before imposing a surcharge under section 47A the Cabinet shall forward to the member against whom it is proposed to make a surcharge a notice in the prescribed form from [form?]-

- (a) describing with particularity the act that is the subject of the notice;
- (b) demanding an explanation in writing within 30 days after the date on which the member receives the notice;
- (c) stating that, in the absence of an exculpatory explanation satisfactory to the Cabinet, the member will be required to repay to the Government the amount involved and that such repayment may be effected by surcharge of any salary or other payment made by the Government to such member; and
- (d) describing the member's right to appeal against any decision made by the Cabinet to the High Court.

(2) A Notice referred to in subsection (1) shall be issued or delivered to a member within a period of twelve years –

- (a) after receipt by a member of any payment referred to in section 47A(2)(a) or (b) of the Public Finance (Control and Audit) (Amendment) Act 1996 (No. 3 of 1996); or
- (b) after the discovery by the Government –
 - (i) of any financial loss etc., referred to in section 47A(2)(c) of the Public Finance (Control and Audit) (Amendment) Act 1996 (No 3 of 1996); or
 - (ii) of any improper payment etc., referred to in section 47A(2)(d) of the Public Finance (Control and Audit) (Amendment) Act 1996 (No 3 of 1996); or
 - (iii) of a member having failed to account for any money referred to in section 47A(2)(e) of the Public Finance (Control and Audit) (Amendment) Act 1996 (No 3 of 1996); or
 - (iv) of any deficiency in or for any loss to any public moneys etc., referred to in section 47A(2)(f) of the Public Finance (Control and Audit) (Amendment) Act 1996 (No 3 of 1996); or
 - (v) of a member having failed to account for an imprest referred to in section 47A(2)(g) of the Public Finance (Control and Audit) (Amendment) Act 1996 (No 3 of 1996).

(3) For the purposes of subsection (2)(a), where the payment to a member has been concealed by fraud, committed with or without his knowledge or consent, the limitation period of twelve years provided for in subsection (2) shall begin to run only when the Cabinet has discovered such fraud.

Recovery of amounts of surcharge

47C. (1) If the Cabinet fails to receive a satisfactory explanation from the member notified under section 47B within 30 days of service of such notice on such member then and notwithstanding any other law the Cabinet shall commence recovery of the amount involved by directing such sums as are necessary to be withheld from such member's salary or other amounts payable to him by the Government.

(2) If the member concerned is a former member of the Maneaba ni Maungatabu and is not receiving a salary or other sums from the government, then the Cabinet -

- (a) shall enter into an agreement with the member to repay the amount involved in such instalments and over such period of time as may be appropriate; and
- (b) may require any such agreement to be accompanied by such security, guarantees, or other assurances of payment as the Cabinet believes to be appropriate.

(3) If -

- (a) a member refuses to enter into an agreement under subsection (2); or
- (b) a member ceases to be a member before the amount involved has been recovered and refuses to enter into such an agreement,

then the Cabinet may bring an action against such member in any court of competent jurisdiction on behalf of the Government to recover the amount owed.

Appeal against surcharge

47D. (1) Any member against whom action is taken by the Cabinet under subsection (3) may appeal against the action of the Cabinet to the High Court at any time within 30 days after the Cabinet commences such action.

(2) The High Court may confirm, alter, or quash the surcharge or make such other order as it may think fit. ~~and any such decision of the High Court shall be final.~~

(3) Any action, whether by surcharge, agreement, or suit to collect amounts owed to the Government under section 47C shall be stayed pending the disposition of such appeal.

(4) In any action brought by the Cabinet under section 47C, it shall be sufficient for judgment against the defendant if, in the absence of proof to the contrary, it is proved on behalf of the Government that the defendant was a member, and -

- (a) if the action is based on a loss or deficiency in public moneys, such member was guilty of conduct, described in section 47A and such conduct caused such loss or deficiency; or
- (b) if the action is based on the loss, damage, or destruction of government property, the property was the responsibility of such member and his negligence or misconduct caused or contributed to such loss, damage, or destruction.

Annulment of surcharge

47E. (1) The Cabinet may, at any time, annul, waive, terminate a surcharge or reduce, or refund any amounts recoverable or recovered under section 47C whenever it appears to the Cabinet that –

- (a) the recovery was made by mistake or is not justified by the circumstances, or
- (b) the loss, destruction, or damage to government property was not due entirely to the negligence or misconduct of the member".

Enforcement of audit queries

48. (1) The Auditor General may require any public officer –

- (a) to respond within a reasonable period of time to any audit question; and
- (b) to submit such records, books, vouchers, or other documents pertaining to the audit as he may find necessary to carry out his duties under this Ordinance,

and any such question or submission or request shall be made in writing and shall state the time period within which a response is required.

(2) Any public officer who fails to comply with a query from the Auditor General under subsection (1) within the period agreed with the Auditor General, including any extensions thereof, shall be guilty of a violation of section D.3 of the National Condition of Service (or such other standard as may from time to time be in force) and of a breach of the public trust.

(3) On receipt of a written request from the Auditor General a public officer –

- (a) shall confirm in writing to the Auditor General receipt of the request; and
- (b) give a date by which the officer will respond to the query.

(4) If a public officer wishes to extend the time in which the response to the audit query is to be given he shall inform the Auditor General in writing as to the revised date.

(5) If the Auditor General is not satisfied that the revised date given by the public officer for response to his query is reasonable he may request the public officer to review the date given with a view to bringing the date forward.

SCHEDULE I
(Section 12)

SPECIAL FUNDS

Government Savings Bank
Local Government Loans Board
Revenue Equalisation Reserve
Funds Special-Leper Trust Board
Funds Special-Lien (GIDA & RER)
Funds Special-Local Government Provident
Funds Special-Import Levy Fund
Kiritimati Plantation
Funds Special-Ellice Separation

SCHEDULE 2
(Section 11)

RULES FOR THE OPERATION OF THE DEVELOPMENT FUND

1. In these Rules "Fund" means the Development Fund.
2. (1) No moneys shall be issued from the Fund for the purpose of meeting any expenditure except in accordance with a warrant under the hand of the Minister authorising the Accountant General to issue those moneys.

(2) Subject to the rules 4, 5, 6 and 7 no warrant shall be issued under paragraph (i) unless the expenditure in question has been authorised by the Maneaba ni Maungatabu by resolution or in accordance with these Rules.
3. (1) The Minister shall cause to be prepared in each financial year estimated of the revenue and expenditure of the Fund for the next following financial year.

(2) The proposals for all expenditure contained in the estimates shall be submitted to the Maneaba ni Maungatabu and a statement showing the estimated balance of the Fund at the commencement of the financial year and the anticipated revenue accruing to and total expenditure from the Fund during the financial year shall also be furnished to the Maneaba ni Maungatabu.
4. (1) If the Maneaba ni Maungatabu has not yet authorised for any financial year expenditure of sums necessary to finance the continued construction and provision of development works for which provision was made from the Fund in the previous financial year the Minister may by warrant authorise the issue from the Fund of such sums as are necessary to finance the continued construction and provision of such works to enable such works to be carried out for a period of 4 months or until the expenditure of sums necessary to finance the continued construction and

provision of such works has been approved by the Maneaba ni Maungatabu whichever is the shorter period.

(2) Notwithstanding paragraph (1) no sum may be issued under this rule in respect of any subhead where such sum would be in excess of 20 per cent of the estimate of the total cost for such subhead as it appears in the development estimates or supplementary development estimates approved by the Maneaba ni Maungatabu.

5. (1) When in any financial year the development estimates or supplementary development estimates for that year include an estimate of total cost for any subhead over any period which is in excess of the total sum appropriated for that subhead for the current year the Minister may by warrant authorise the expenditure of any sum which, when added to the expenditure incurred on the corresponding subhead in previous years and to the expenditure already authorised for the same subhead for the current year, does not cause to be exceeded the latest estimate of total cost for that subhead included in the development estimates or supplementary development estimates approved by the Maneaba ni Maungatabu for that year.

(2) When at the commencement of any financial year the provision included for any subhead in the development estimates or supplementary development estimates of the immediately preceding financial year has been only partially expended the Minister may by warrant authorise the expenditure of the unspent balance of such provision under a corresponding subhead in the current financial year:

Provided that the amount so authorised shall not when added to the expenditure incurred in previous years and to the provision already made in the current year, exceed the latest overall estimate of total cost for the subhead included in any development estimates or supplementary development estimates approved by the Maneaba ni Maungatabu.

(3) No warrant under this rule shall authorise the issue of an amount which if it were expended at once would exceed the balance of the Fund remaining after all other expenditure authorised for the year has been provided for.

6. The Minister may with the approval of the Cabinet by warrant authorise the issue from the Fund of such sum as may be necessary for expenditure under any subhead of a special character which is not provided for to the expenditure already authorised by the Maneaba ni Maungatabu for the year and which cannot or cannot without serious injury to the public interest be postponed until adequate provision can be made by the Maneaba ni Maungatabu:

Provided that no such warrant shall authorise the issue of an amount which if it were expended at once would exceed the balance of the Fund remaining after all other expenditure authorised for that year has been provided for.

7. (1) The Minister may in any year by warrant authorise the issue from the Fund of such additional sum as may be necessary for expenditure under any subhead which has been authorised by the Maneaba ni Maungatabu for that year and the issue of which cannot or cannot,

without serious injury to the public interest be postponed until adequate provision can be made by the Maneaba ni Maungatabu:

Provided that no such warrant shall authorise the issue of a sum in excess of 20 per cent of the latest estimate of total cost for that subhead as included in any development estimate without the approval of the Cabinet.

(2) No warrant under this rule shall authorise the issue of an amount which if it were expended at once would exceed the balance of the Fund remaining after all other expenditure authorised for the year has been provided for.

8. The Minister shall at the meeting of the Maneaba ni Maungatabu next following the issue of any warrant under rule 5, 6 or 7 present a supplementary estimate covering the expenditure to the Maneaba ni Maungatabu for its approval.

[Subsidiary]

SUBSIDIARY LEGISLATION

Regulations under section 13(2) (c)

L.N. 23/73

KIRITIMATI PLANTATION SPECIAL FUND REGULATIONS

1. These Regulations may be cited as the Kiritimati Plantation Special Fund Regulations.
2. "Fund" means the Kiritimati Plantation Special Fund and "Manager" means the Manager of Kiritimati Plantation.
3. The Fund into which shall be paid all revenues accruing to Kiritimati Plantation and from which shall be paid all expenditure of Kiritimati Plantation shall be controlled and operated in the manner hereinafter appearing.
4. The Chief Agricultural Officer shall administer the Fund.
5. The Manager shall submit to the Chief Agricultural Officer annual estimation of revenue and expenditure of Kiritimati Plantation for the next following year to reach the Chief Agricultural Officer not later than 30 September in each year. The annual estimates shall include revised estimates of revenue and expenditure for the current year and actual revenue and expenditure for the previous year. The Chief Agricultural Officer shall submit the annual estimates, together with his comments, to the Minister for approval to reach the Minister not less than 30 October in each year. Before the approval by the Minister the annual estimates shall be submitted to the Cabinet

for comment. Copies of the approved annual estimates shall be sent to the Accountant General and the Director of Audit.

6. The following records shall be kept, maintained and reconciled for each year of account in accordance with such provisions of Chapters 3 and 8 of the Financial Regulations and such instructions as the Accountant General may from time to time issue -

(a) by the Chief Agricultural Officer at the Department of Agriculture central records of receipts and payments; and

(b) by the Manager records of local receipts, local payments and commitments.

7. Within 1 week after the end of each month the Manager shall inform the Chief Agricultural Officer by telegraph of the local receipts and local payments under the various allocations brought to account by him during the preceding month.

8. Within 1 week after the end of each month the Manager shall advise the Chief Agricultural Officer by telegraph of the estimated cost, name of agent, expenditure allocation and such other information as required of all orders of goods or services made by him outside Kiritimati.

9. Subject to section 99 of the Constitution, to administer the Fund the Chief Agricultural Officer may employ any necessary personnel on terms agreed to by the Public Service Commission. The costs of such personnel shall be charged to an expenditure allocation of the annual accounts of the Fund.

10. Except with the agreement of the Minister there shall be no increase in total expenditure after approval of the annual estimates.

11. The period of account of the Fund shall be the calendar year.

12. The annual accounts shall be presented in accordance with the approved estimates of the relevant year and shall include opening and closing balances of the Fund. A statement showing in tabular summary the operations of the trade store and copra production on Kiritimati together with the value of goods in transit shall accompany the annual accounts.
