

# REPRINT

## **PUBLIC FINANCE AND AUDIT ACT (CAP. 120)**

**As in force at: 1 March 1996**

<b>STATUS:</b>	<b>HISTORICAL</b>
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<p>This version is that published in the Revised Edition of the Laws in force in Solomon Islands on 1st March 1996 [LN 24/96]. It does not include amendments made since that date.</p>
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**AN ACT TO PROVIDE FOR THE CONTROL AND MANAGEMENT OF THE PUBLIC FINANCE OF SOLOMON ISLANDS; FOR THE COLLECTION, ISSUE AND PAYMENT OF PUBLIC MONEYS; FOR THE REGULATION OF PUBLIC DEBT; FOR THE DUTIES AND POWERS OF THE AUDITOR-GENERAL; FOR THE AUDIT AND EXAMINATION OF PUBLIC ACCOUNTS AND OF THE ACCOUNTS OF OTHER BODIES; AND FOR OTHER PURPOSES CONNECTED THEREWITH AND INCIDENTAL THERETO**

## **PUBLIC FINANCE AND AUDIT ACT (CAP. 120)**

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# PUBLIC FINANCE AND AUDIT ACT (Cap. 120)

As in force at: 1 March 1996

## 1 Short title

This Act may be cited as the *Public Finance and Audit Act*.

## PART I INTERPRETATION

### 2 Interpretation

In this Act, unless the context otherwise requires:

**“accountable officer”** means any public officer other than 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 Government or on deposit with or entrusted to the Government 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 so designated or appointed under section 17 and charged with the duty of accounting for any service for which moneys have been appropriated;

**“Appropriation Act”** means any Act passed in accordance with section 102 of the *Constitution*;

**“Auditor-General”** means the Auditor-General appointed under section 108 of the *Constitution*;

**“Consolidated Fund”** means the Consolidated Fund established by section 100 of the *Constitution*;

**“head”** means the total sum applied to and appropriated for any head of expenditure by an Appropriation Act;

**“Minister”** means the Minister responsible for finance;

**“Permanent Secretary”** means the Permanent Secretary

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responsible to the Minister;

**“Public Accounts Committee”** means the Public Accounts Committee of Parliament;

**“public moneys”** include:

- (a) all revenues or other moneys raised or received for the purposes of the Government;
- (b) any other moneys or funds held, whether temporarily or otherwise, by a public officer in his official capacity either alone or jointly with any other person whether a public officer or not;

**“public officer”** has the meaning prescribed by section 144 of the *Constitution*;

**“service”** means any activity involving expenditure for which the Government is responsible.

## **PART II PUBLIC FINANCE**

### **3 Issues from Consolidated Fund**

- (1) No moneys shall be issued from the Consolidated Fund except in the manner prescribed by Chapter X of the *Constitution*.
- (2) The investment or re-investment of moneys:
  - (a) deposited with a bank or with overseas agents; or
  - (b) invested in securities authorised by law for the investment of trust funds; or
  - (c) advanced in accordance with the provisions of section 13,shall not constitute the issue of moneys from the Consolidated Fund.

### **4 Annual estimates**

The estimates of revenue and expenditure prescribed by section 102 of the *Constitution* shall be in such form as the Minister may from time to time direct:

Provided that:

- (a) the estimates of expenditure shall describe the purpose and scope of each head and shall show the sum required to be applied to such head by appropriation from the Consolidated Fund; and
- (b) the estimates of statutory expenditure shall contain a reference to the law authorising such expenditure to be a charge on the Consolidated Fund.

## **5 Special Funds**

- (1) The Minister with the approval of the Cabinet is authorised to make financial provision for the establishment of Special Funds.
- (2) The Special Funds set out in the Schedule shall be deemed to have been established in accordance with the provisions of subsection (1) and the balance standing to the credit of each such Special Fund at the close of account on the coming into operation of this Act shall be deemed to have been provided by the Minister for the purposes specified in respect of each such Special Fund.
- (3) The Minister may direct that any Special Fund established or deemed to have been established in accordance with the provisions of this section shall be wound up and thereupon, after all liabilities of such Fund have been paid, the balance of moneys standing to the credit of the Fund shall be paid into the Consolidated Fund and the Special Fund be closed accordingly.

## **PART III CONTROL AND MANAGEMENT OF PUBLIC FINANCES**

### **6 Minister to account to Parliament**

- (1) The Minister shall so supervise the finances of the Government as to ensure that a full account is made to Parliament and for such purpose shall, subject to the provisions of this Act, have the management of the Consolidated Fund and the supervision, control and direction of all matters relating to the financial affairs of the Government.
- (2) For the purpose of ensuring compliance with the provisions of

subsection (1) the Minister may issue instructions to be called Financial Instructions and Stores Instructions for the better carrying out of the provisions and purposes of this Act.

- (3) The limitation on regulations imposed by subsection (2) of section 51 shall apply equally to Instructions issued under the preceding subsection.

## **7 Duties of accounting and accountable officers**

- (1) Every accounting officer and every accountable officer shall obey all instructions that may from time to time be issued by the Permanent Secretary in respect of all accounting or accountable matters for which he is responsible.
- (2) The Minister and any other officer deputed by him 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 in respect of which an accounting or accountable officer is concerned or responsible and to all documents and records in respect thereof, so far as may be necessary for the purpose of compliance with the provisions of section 6 and subsection (1) of this section.

## **8 Consolidated Fund moneys to be kept with specified banks**

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 the provisions of this section shall not apply to moneys invested under the provisions of section 12.

## **9 Incorrect revenue**

Moneys received and paid in to the accounts of the Consolidated Fund in error do not form part of the Consolidated Fund.

## **10 Payment of appropriated expenditure**

- (1) On the coming into operation of the Appropriation Act and any Supplementary Appropriation Act the Minister shall by warrant under his hand in accordance with section 101 of the *Constitution* authorise



the Permanent Secretary to issue from the Consolidated Fund such sums as may have been applied by such Acts.

- (2) Notwithstanding the issue of a warrant referred to in subsection (1), the Minister may limit or suspend 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.

## **11 Appropriation to lapse at end of financial year**

Every appropriation by Parliament of public moneys in respect of any financial year shall lapse and cease to have any effect at the close of that financial year.

## **12 Investment of moneys**

- (1) The Minister may authorise the investment of moneys forming part of the Consolidated Fund with a bank either at call or subject to notice not exceeding twelve months or in any of the securities authorised by law for the investment of trust funds.
- (2) All investments made under this section together with any interest received therefrom shall form part of the Consolidated Fund.

## **13 Advances**

- (1) Subject to the provisions of this section the Minister may by warrant under his hand authorise the Permanent Secretary to make disbursements of moneys forming part of the Consolidated Fund or other public funds for the purpose of making advances:

- (a) on behalf of and recoverable from other Governments;
- (b) to or on behalf of public bodies or institutions where in the opinion of the Minister such advances are in the public interest:

Provided that such advances are repayable within a period of twelve months from the close of the financial year in which such advances are made;

- (c) to or on account of any Special Fund where such advances are recoverable before the close of the financial year in which such advances are made;

- (d) to public officers and elected members of Parliament for such purposes and under such terms, conditions and limitations as may be provided from time to time;
  - (e) to meet expenditure against an authorised loan in accordance with section 32 in anticipation of the receipt of any instalment of such loan.
- (2) The total of the sums disbursed for the purpose of making advances shall not exceed in aggregate at any one time after deducting repayments and moneys on deposit an amount approved by an Appropriation Act or Acts.

#### **14 Advance ordering of stores**

To ensure the continuance of any service the Minister may authorise the ordering of stores in advance of appropriation of funds for the purpose:

Provided that:

- (1) in the case of existing services of a recurrent nature such authorisation shall be limited to fifty *per centum* of the annual requirements of the service as provided in the current year's Appropriation Act or Acts; and
- (2) no such authorisation may be made in respect of a new service that has not yet been included in an Appropriation Act or otherwise been approved by Parliament; and
- (3) in the case of a service for which money is being provided to the Government by another Government or other source, such authorisation may only be given after that other Government or other source has approved the expenditure.

#### **15 Contingencies warrants**

- (1) Where the Minister authorises the issue of funds from the Consolidated Fund by warrant made under section 103(2) of the *Constitution* such warrant shall be known as a contingencies warrant.
- (2) A contingencies warrant may duly be issued when 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 in accordance with section 18; and
- (c) which cannot be deferred without detriment to the public interest; and
- (d) which is either:
  - (i) due to circumstances which could not have been foreseen; or
  - (ii) required to complete a capital project in progress for which funds have been appropriated in the previous financial year and have not been fully expended.

(3)

- (a) The total of the sums so authorised by contingencies warrants shall not at any one time exceed the amount prescribed in an Appropriation Act or a Supplementary Appropriation Act.
  - (b) The Minister shall include the sums authorised by contingencies warrant in a Supplementary Appropriation Bill for appropriation at the meeting of Parliament next following the date on which the warrant was issued.
- (4) Upon the grant of an appropriation by Parliament 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.
- (5) Moneys disbursed on the authority of a contingencies warrant shall be deemed to have been issued from the Consolidated Fund.

## **16        Suspense accounts**

- (1) When sums charged to the Government by overseas agents or other sources are insufficiently documented to enable immediate allocation to the correct service they may be lodged in a suspense account pending receipt of adequate information.
- (2) Suspense accounts shall be cleared and the charges transferred to the correct service before closure of the accounts of the financial year in which they are received.

## **17        Accounting officers**

- (1) An accounting officer shall be designated in the annual estimates of revenue and expenditure in respect of each head for any financial year to control and account for the expenditure of moneys applied to that head by an Appropriation Act:

Provided that the Minister may at any time by writing under his hand appoint any other public officer to be the accounting officer for any head.

- (2) An accounting officer shall be accountable for all public moneys received, collected or disbursed and for all public stores received, held or disposed of by or on account of the head for which he is the accounting officer.
- (3) An accounting officer may, and shall if so required by the Permanent Secretary, define in writing the extent to which the powers conferred or imposed upon him may be exercised or performed on his behalf by any officer under his control and give such directions as may be necessary to secure the proper exercise or performance of such powers and duties.

## **18        Reallocation within subheads**

If in the opinion of the Minister the public interest renders it necessary or expedient to vary the sums assigned to any subhead within any head shown in the estimates of expenditure for any financial year, or to create a new subhead within such head, he may at his discretion direct by means of a warrant to be known as a virement warrant under his hand that there shall be applied in aid of any subhead

which may be deficient or in aid of any new subhead a further sum out of any surplus arising on any subhead within the same head:

Provided that:

- (a) the sum appropriated to any head by an Appropriation Act and by any Supplementary Appropriation Act is not thereby exceeded; and
- (b) the purpose and scope of any new subhead shall be within the purpose and scope of the head within which it is created.

**19 Statement of subheads in excess of approved provision**

If at the close of account for any financial year it is found that any sum has been expended on any subhead in excess of the total of the sums assigned to that subhead by the estimates or by any supplementary estimates of expenditure or by means of any virement warrant under section 18 the excess shall be included in a statement of subheads in excess of approved provision and together with the report of the Public Accounts Committee thereon shall be presented to Parliament.

**20 Statement of deficiency or shortfall in collection**

If at the close of account for any financial year it is found that there is a deficiency or shortfall in the collection of the estimated revenue prescribed by section 102 of the *Constitution*, such deficiency or shortfall shall be included in a statement together with the report of the Public Accounts Committee and be presented to Parliament.

**21 Special Funds**

- (1) A separate account shall be maintained for each Special Fund and may receive funds either by an appropriation or at the direction of the Minister from other sources.
- (2) In accordance with section 100(3) of the *Constitution*, section 11 shall not apply to any Special Funds established or deemed to have been established under section 5.
- (3) The Minister may authorise the investment of moneys standing to

the credit of Special Funds in like manner to that provided by section 12(1) for the Consolidated Fund.

- (4) The Minister may give directions for the control and management of any Special Fund.

## **22 Surcharge and notification**

- (1) Subject to subsection (2), if it appears to the Minister that any person who is or was a public officer:
  - (a) has failed to collect any moneys owing to the Government, the collection of which he is or was responsible;
  - (b) is or was responsible for any improper payment of public moneys or for any payment of such moneys which is not duly vouched;
  - (c) is or was guilty of negligence or misconduct in relation to any deficiency in or for the destruction, damage or loss of any public moneys, stamps, securities, stores or other Government property; or
  - (d) is or was responsible for causing any financial loss to the Government through failure to obey any order or instructions properly given or issued to him,

shall be guilty of misconduct in office and further if, within a period of one month from the date of the notice under subsection (2), an explanation satisfactory to the Minister is not furnished to him by such person with regard to the failure to collect, the improper payment, the payment not duly vouched, the deficiency, destruction, damage or loss or the failure to obey the order or instructions, the Minister may surcharge such person a sum not exceeding the amount not collected, the amount improperly paid, the amount not duly vouched, the amount of deficiency or loss, the value of the property destroyed or lost, the cost of damage or the amount of the financial loss, as the case may be, and the Minister shall then notify such person of the surcharge.

- (2) No person shall be surcharged under subsection (1) unless the Minister has notified the person of the conduct in respect of which

the surcharge is intended to be made and the person has been requested to furnish an explanation with regard to the conduct.

**23 Appeal against surcharge**

- (1) Any person aggrieved by any surcharge made against him under section 22(1) may appeal to the High Court within one month from the date that he was notified of the surcharge under that section.
- (2) On any appeal under subsection (1), the High Court may confirm, vary or quash the surcharge.

**24 Withdrawal of surcharge**

The Minister may, at any time after a surcharge has been made under section 22 withdraw the surcharge if it appears to him that the surcharge has been made by mistake or that the circumstances do not justify the surcharge.

**25 Recovery of amount surcharged**

- (1) The amount of any surcharge made under section 22 which has not been quashed by the High Court under section 23 or withdrawn under section 24 shall be a debt due to the Government from the person surcharged and, notwithstanding any law to the contrary, the Minister may direct that the amount be recovered from the salary, allowance or pension payable to the person by the Government.
- (2) Where the Minister directs that the amount surcharged be recovered under subsection (1), the recovery shall be made:
  - (a) in the case of salary or allowance, by deducting therefrom in equal monthly installments an amount not exceeding one-fourth of the net monthly salary or allowance, as the case may be; and
  - (b) in the case of pension, by withholding the pension or deducting such part thereof as is sufficient to satisfy the amount of the surcharge that remains unrecovered.
- (3) Where the person surcharged ceases or has ceased to be a public officer, the amount surcharged may be sued for and recovered from the person in any court of competent jurisdiction at the suit of the

Government.

- (4) Where an action is brought under subsection (3), it shall be sufficient if, in the absence of proof to the contrary, it is proved on behalf of the Government that the person was a public officer and that:
  - (a) in the case of an action in respect of a loss or deficiency in public moneys, the person was guilty of one or more of the conducts referred to in paragraphs (a) to (d) of section 22(1) in relation to the loss or deficiency of the moneys, the subject of the action; and
  - (b) in the case of an action in respect of loss or destruction of or damage to Government property:
    - (i) the property, the subject of the action, was at the material time in the charge of the person; and
    - (ii) the person was guilty of negligence or misconduct which caused or contributed to the loss, or destruction of or damage to the property.
- (5) Where, in an action brought under subsection (3) in respect of loss or destruction of or damage to property, it is proved that the negligence or misconduct of the person was not the sole cause of the loss or destruction of or damage to the property, the subject of the action, the Government shall be entitled to judgment for so much only of the cost of, or the cost of replacing or repairing, the loss, destruction or damage as is just and equitable having regard to the contribution made by the person to the loss, destruction or damage as determined by the court.

## **PART IV            DEPOSITS**

### **26            Deposits**

Any moneys not being moneys raised or received for the purposes of the Government, which may be deposited with the Government (such moneys being hereinafter referred to as “deposits”) shall not form part of the Consolidated Fund and except as provided for hereunder shall not be applied in any way for the purposes of the Government.



**27 Investment of deposits**

- (1) The Minister may authorise the investment of deposits in like manner to that provided by section 12(1).
- (2) Any interest or dividend received in respect of deposits invested in accordance with subsection (1) shall be paid into the Consolidated Fund.

**28 Deposits may be used to finance advances**

In accordance with the provisions of section 13(1) the Minister in his discretion may authorise the Permanent Secretary to use deposits for the purpose of making advances for all or any of the purposes specified therein.

**29 Unclaimed deposits**

Any deposit which is unclaimed for five years shall be paid into the Consolidated Fund for the public purposes of the Government:

Provided that if any person entitled thereto shall subsequently prove to the satisfaction of the Permanent Secretary his claim to any such deposit, the Permanent Secretary shall thereupon refund to such person his deposit from the Consolidated Fund.

**30 Permanent Secretary to administer deposits**

Subject to the provision of this Part, the Permanent Secretary is hereby authorised to administer, and in appropriate cases to refund, deposits to the person or persons entitled to them.

**31 Moneys for specific purposes**

Any moneys received for Government on specific terms and conditions for a specific purpose of Government shall be credited to a deposit account. When funds are disbursed to fulfil the purpose a like amount shall be withdrawn from deposit and paid into the Consolidated Fund.

## **PART V                    PUBLIC DEBT AND LOAN GUARANTEES**

### **32                    Restrictions on borrowing**

- (1) The Government shall not borrow money except in accordance with the provisions of an Act or resolution of Parliament.
- (2) Any moneys borrowed under the provisions of subsection (1) shall be paid into and form part of the Consolidated Fund.
- (3) Under this section the borrowing of money by way of advance from a bank or overseas agents may be by fluctuating overdraft.

### **33                    Guarantee of Loans**

- (1) The Minister may subject to the provisions of this section, guarantee in such manner as he may think fit the repayment of the principal money of, and the payment of interest and other charges on, any loan raised or made by any person either within or outside Solomon Islands.
- (2) No such loan shall be guaranteed:
  - (a) unless the Minister approves the purpose of the loan and is satisfied that the servicing of the loan is within the capacity of the borrower; and
  - (b) until provision has been made to the satisfaction of the Minister :
    - (i) for appropriating and duly applying the loan for such purpose;
    - (ii) to ensure that any part of the loan which cannot be applied for such purpose will either not be drawn or will be applied to such other purposes as the Minister may approve;
    - (iii) for charging on the income and assets of the borrower, or any other income which may be made available for the purpose, the principal of, and the interest and other charges on, the loan, or if such charging is not in the opinion of the Minister practicable, otherwise to ensure

the repayment of the said principal, interest and charges;

- (iv) for charging on the income and assets of the borrower the repayment to the Government of any sum paid out of the general revenues under subsection (3) hereof with such interest on the said sum as may be specified by the Minister, or if such charging is not in the opinion of the Minister practicable, otherwise to ensure the repayment of the said sum and interest;
  - (v) for raising or securing the raising of sufficient money to meet the above charges.
- (3) Any sum required for fulfilling any guarantee given under this section shall be charged on and paid out of the Consolidated Fund without further appropriation than this Act and any sum received by way of any repayment of any sum so paid shall be paid into and form part of the Consolidated Fund.

## **PART VI\* THE AUDITOR-GENERAL**

\* In this Part:

- (a) any reference to Government property includes a reference to property held by or on behalf of a Provincial Assembly or Provincial Executive; and
- (b) any reference to a public officer includes a reference to a provincial government officer - Vide Schedule 8, Part II of Act No. 7 of 1981.

### **34 Powers and duties of Auditor-General generally**

The Auditor-General shall have and may exercise all the powers and authority and shall perform the duties conferred and imposed upon him by this Act and by section 108 of the *Constitution*.

### **35 Legal requirements of the Auditor-General**

- (1) In exercising the powers conferred by section 108(3) of the *Constitution* of audit and examination of accounts the Auditor-General may require evidence so far as is reasonably practicable:
  - (a) that all reasonable precautions have been taken to safeguard the collection and custody of revenue and that the Act, Regulations and Instructions relating thereto have been duly

observed;

- (b) that moneys which have been appropriated and disbursed have been applied to the purposes for which they were so appropriated, and that the expenditure conforms to the authority which governs it;
  - (c) that public moneys other than those which have been appropriated have been dealt with in accordance with proper authority;
  - (d) that expenditure has been incurred with due regard to economy and the avoidance of waste;
  - (e) that all reasonable precautions have been taken to safeguard the receipt, custody, issue and proper use of Government property including stamps, securities and stores and that the Regulations and Instructions relating thereto have been duly observed; and
  - (f) that adequate Regulations and Instructions exist for the guidance of accounting officers.
- (2) Notwithstanding the provisions of this section, the Auditor-General shall not be required to examine, enquire into or audit the accounts of any trust or other fund or account not provided for in section 108(3) of the *Constitution* or section 38 of this Act unless the officer administering such fund or account has been directed by the Minister in accordance with subsection (2) of that section to prepare, sign and transmit to the Auditor-General an account of such fund or account.

## **36 Further powers of Auditor-General**

- (1) 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 appertaining to matters of finance and accounts; and to all cash, stamps, securities, stores or other Government property whatsoever in the possession of any public officer.
- (2) In the exercise of his duties to audit, enquire into and examine accounts the Auditor-General may:

- (a) call upon any officer for any explanations and information which he 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 enquiry, examination, or audit and such person shall report thereon to the Auditor-General;
- (c) without payment of any fee, cause search to be made in and extracts to be taken from any book, document or record appertaining to matters of public finance or accounts; and
- (d) lay before the Attorney-General a case in writing on any question regarding the interpretation of any Act concerning the powers of the Auditor-General and the discharge of his duties, and the Attorney-General shall give a written opinion upon such case.

### **37        Delegation of functions**

Anything which, under the authority of section 108 of the *Constitution* or of this Act, is directed to be done by the Auditor-General, other than the certifying and reporting of accounts, may be done by any of his staff so authorised by him.

## **PART VII        THE AUDIT AND EXAMINATION OF PUBLIC ACCOUNTS**

### **38        Annual accounts**

- (1) Subject as hereinafter appearing, within a period of six months after the end of each financial year there shall be prepared and transmitted to the Auditor-General:
  - (a) by the Permanent Secretary, signed statements of account showing fully the financial position of Solomon Islands Government at the end of the financial year which shall include:
    - (i) a statement of assets and liabilities;
    - (ii) a statement of receipts and payments;

- (iii) a comparative statement of actual and estimated revenue;
  - (iv) a comparative statement of actual and estimated expenditure;
  - (v) a statement of Special Funds;
  - (vi) a statement of advances;
  - (vii) a statement of deposits;
  - (viii) a statement of guarantees entered into by Government;
  - (ix) a statement of investments;
  - (x) a statement of the public debt;
  - (xi) a statement of outstanding loans made by the Government;
  - (xii) tabular summaries of unallocated stores and manufacturing accounts; and
  - (xiii) a statement of losses, abandoned claims and *ex gratia* payments;
- (b) by each accounting officer, for each financial year and for the heads or the moneys for which he is responsible, such statements of account as the Permanent Secretary may specify:

Provided that in exceptional circumstances which shall be explained to the satisfaction of the Auditor-General the Permanent Secretary may deliver the required documents under paragraph (a) within 180 days of the period specified.

- (2) Within a period of two months after the close of such period of account as may be prescribed in any law relating thereto, or in the absence of such law, at the end of the financial year:
- (a) any officer administering a Special Fund; and

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

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

### **39 Reports on accounts**

- (1) On receipt of the accounts prescribed by section 38 the Auditor-General shall cause them to be examined and audited and shall, within a period of twelve months after the end of the financial year to which the accounts relate or such longer period as Parliament may approve, certify in respect of each account the result of the examination and audit, and shall within the aforesaid period prepare, sign and transmit to the Speaker a report upon the examination and audit of all such accounts and shall send a copy of such report to the Minister together with copies of the accounts, certified as aforesaid.
- (2) The Speaker shall cause the report of the Auditor-General to be laid before Parliament at its meeting next following the date on which such report was signed.
- (3) The Auditor-General may at any time if it appears to him desirable transmit to the Prime Minister and to the Minister a special report on any matter incidental to his powers and duties under this Act.

### **40 Notification of irregularities to Minister**

If at any time it appears to the Auditor-General that any substantial 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 Government property, or in the accounting for the same, he shall immediately bring the matter to the notice of the Minister.

### **41 Auditor-General may dispense with examination of vouchers and audit defective vouchers**

Notwithstanding the provisions of sections 35 and 36, in the examination of any account it shall be lawful for the Auditor-General:

- (a) in cases where it shall appear to him to be reasonable and expedient in the public interest and after satisfying himself that the vouchers have been examined and certified as correct by an accounting officer, to admit and allow without further examination the sums so certified in support of the charges to which they relate; and
- (b) in cases where he is satisfied that the accuracy and propriety of the payment is not in doubt, to admit and allow any voucher supporting such payment notwithstanding that such voucher is defective in some particular.

**42 Minister may authorise acceptance of lost, destroyed or defective vouchers**

In the event that any voucher:

- (a) has been lost or inadvertently destroyed; or
- (b) is defective and is not admitted and allowed by the Auditor-General under the provisions of section 41(b),

the Minister may, if upon due enquiry he is satisfied with the accuracy and propriety of the payment and with the circumstances of such loss, destruction or defect, authorise the payment to stand charged in the accounts, and the Auditor-General shall accept such voucher or dispense with its production as the case may be.

**43 Public officers to answer queries etc. raised by Auditor-General within reasonable period**

- (1) In exercising the powers conferred upon the Auditor-General under Parts VI, VII and VIII, the Auditor-General may stipulate a reasonable period within which any public officer shall answer any queries raised, or submit to him for inspection any records, books, vouchers or other documents pertaining to the audit.
- (2) Any public officer may, at any time within the stipulated period apply to the Auditor-General for an extension of the period within which the public officer is required to comply with the requirements of subsection (1).



- (3) The application under subsection (2) shall include detailed reasons and other relevant information in support of the application.
- (4) The Auditor-General may, after consultation with the Minister extend the period within which a public officer is required to comply with the requirements of subsection (1).
- (5) Where the Auditor-General extends the period within which a public officer is required to comply with subsection (1), the public officer shall comply with that subsection or requirement within the extended period.

#### **44        Offences**

Any public officer who contravenes or fails to comply with the provisions of section 43 is guilty of misconduct in office.

#### **45        Reference to misconduct in office**

The references to 'misconduct in office' in sections 22 and 44 shall for the purposes of this Act be construed as acts of misconduct specified in Chapter VIII of the *Constitution* or the *Public Service Commission Regulations 1979* or any other rules or regulations applying to public officers.

### **PART VIII        EXAMINATION AND AUDIT OF THE                          ACCOUNTS OF STATUTORY BOARDS, ETC**

#### **46        Application of Part VIII**

This Part shall apply to every body corporate established by law to which it may be applied by order by the Minister.

#### **47        Examination and audit of accounts of statutory bodies**

- (1) Notwithstanding anything to the contrary in any law establishing a body corporate to which this Part is applied, the accounts of any such body corporate shall be examined and audited by the Auditor-General.
- (2) In the exercise of his duties under this section the Auditor-General:

- (a) shall have in relation to such bodies corporate, and its members, officers and employees, the same discretion and powers as are conferred upon him by sections 35 and 36 in relation to public officers, public moneys, stamps, securities, stores or other Government property;
  - (b) may authorise any person publicly carrying on the profession of accountant or any public officer to inspect, examine or audit the books and accounts of any body corporate which the Auditor-General may be required to examine and audit pursuant to the provisions of this Part and such person or public officer shall report thereon to the Auditor-General in such manner as the Auditor-General may direct.
- (3) The Auditor-General shall prepare a report on the examination and audit of the accounts referred to in this section and shall transmit the same to the Minister concerned and to the body corporate.
  - (4) On receipt of the report of the Auditor-General required by subsection (3) the Minister concerned shall obtain the observations of the body corporate on any matter to which attention has been called by the Auditor-General in his report thereon and shall cause such accounts, report and observations to be laid before Parliament.
  - (5) If the Minister concerned fails within a reasonable time to lay the report of the Auditor-General before Parliament as required by subsection (4), the Auditor-General shall transmit a copy thereof to the Speaker to be presented to Parliament.

#### **48        Audit fees**

Any body corporate the accounts of which are audited by the Auditor-General under the provisions of this Part shall in respect of such audit pay such fees as may be determined by the Auditor-General.

### **PART IX            ABANDONMENT OF CLAIMS AND WRITE-OFF OF PUBLIC MONEY AND STORES**

#### **49        Powers of Minister and powers of delegation**

- (1) The Cabinet may authorise the Minister to abandon and remit any

claim by or on behalf of the Government or any service thereof and to write off losses of public moneys, stores or other moveable property belonging to or provided for the Government.

- (2) The Minister may by writing under his hand delegate to any public officer any of the powers which he is authorised to exercise by the Cabinet under this section.

#### **50 Disposal of serviceable stores, etc., to certain organisations**

The Minister may authorise the gift of serviceable Government stores or property not required for Government purposes to institutions or organisations within Solomon Islands established solely or principally for educational, scientific, cultural or charitable purposes.

### **PART X MISCELLANEOUS**

#### **51 Power to make regulations**

- (1) The Minister may make such regulations as appear to him to be necessary and expedient for the proper carrying out of the intent and purposes of this Act and for the safety, economy and advantage of public revenue, public property and stores.
- (2) Nothing in this Act shall extend to abridge or alter the terms of any trust or shall be construed as authorising the Minister to make any regulations or as requiring any person to obey such regulations in relation to moneys held on trust which contravene or are inconsistent with the terms of such trusts.

#### **52 Repeal and saving**

- (1) The *Loans and Guarantees Act* (No. 14 of 1970) and the *Public Finance (Control and Audit) Act* (No. 3 of 1971) are hereby repealed.
- (2) Notwithstanding subsection (1) any acts performed or agreements hitherto entered into under either the *Loans and Guarantees Act* or the *Public Finance (Control and Audit) Act* shall continue to have force and effect as if they had been performed under this Act.
- (3) Notwithstanding the provisions of this section, *Financial Instructions and Stores Instructions* in force at the date of the commencement of

this Act shall continue to apply.

## **SCHEDULE**

(Section 5(2))

### **SPECIAL FUNDS**

Special Development Fund

Provincial Assemblies Loan Fund

Site Development Fund

New Zealand Leper Trust Board Fund

Asian Development Bank Capital Subscription Fund

Australian Staff Supplementation Scheme Fund

Noro Development Fund

## ENDNOTES

### 1

#### KEY

amd = amended	Pt = Part
Ch = Chapter	rem = remainder
Div = Division	renum = renumbered
exp = expires/expired	rep = repealed
GN = Gazette Notice	Sch = Schedule
hdg = heading	Sdiv = Subdivision
ins = inserted	SIG = Solomon Islands Gazette
lt = long title	st = short title
LN = Legal Notice	sub = substituted
nc = not commenced	

#### NOTE

This Reprint comprises the Act and amendments as in force on 1 March 1996 and published as Chapter 120 of the Revised Edition of the Laws of Solomon Islands.

### 2

#### LIST OF LEGISLATION

***Public Finance and Audit Act (Cap. 120)***

*Constituent legislation:* 21 of 1978 (Commenced 1 September 1978)  
7 of 1981  
11 of 1989

### 3

#### LIST OF AMENDMENTS