

THE FINANCIAL ADMINISTRATION AND
AUDIT ACT

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THE FINANCIAL ADMINISTRATION AND
AUDIT ACT

[15th June, 1959.]

Law
34 of 1959,
Acts
42 of 1969
3rd Sch.,
13 of 1992,
5 of 1997,
30 of 2001
S. 28,
3 of 2002,
9 of 2009,
1 of 2010,
5 of 2010,
19 of 2011,
11 of 2012
3rd. Sch.,
2 of 2014.

PART I. *Preliminary*

1. This Act may be cited as the Financial Administration and Audit Act. Short title.

2.—(1) In this Act—

Interpreta-
tion.

“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 or other public property;

13/1992
S. 2(a).

“accounting officer” means any person designated as such by the Minister pursuant to section 16 and charged with the duty of accounting for expenditure on any service in respect of which moneys have been appropriated under this Act or under any other enactment;

“appropriate Minister” means in relation to a statutory body the Minister exercising authority under law as respects such statutory body;

“Appropriation Act” means any enactment appropriating revenue in relation to a financial year for such services as are specified in such enactment;

“Audit Commission” means the Audit Commission established under section 33C;

9/2009
S. 2(a).

“audit committee” means an audit committee established under section 33;

9/2009
S. 2(a).

- 9/2009
S. 2(a).
First
Schedule.
- “charter” means the documented terms of reference prepared by the audit committee pursuant to paragraph 9 of the First Schedule, as approved by the Audit Commission; and
- 13/1992
S. 2(b).
- “Consolidated Fund” means the Consolidated Fund established pursuant to section 114 of the Constitution;
- 5/1997
S. 2(a).
- “Consolidated Fund Bank Account” means—
- (a) the Consolidated Fund Principal Bank Account;
 - (b) a Consolidated Fund Subsidiary Bank Account;
 - (c) a Consolidated Fund External Account; or
 - (d) a Consolidated Fund Foreign Currency Account;
- “Crown Agents” means the Crown Agents for Overseas Governments and Administrations;
- 13/1992
S. 2(c).
- “functions” includes powers and duties;
- 13/1992
S. 2(c).
- “government company” means a company registered under the Companies Act, being a company in which the Government or an agency of the Government, by the holding of shares, is in a position to direct the policy of that company;
- “officer” means any person in the employ of the Government;
- 5/1997
S. 2(b).
- “proper officer” in relation to any function or activity of a bank means the person authorized by the bank to perform the function or activity;
- 13/1992
S. 2(d).
- “public body” means a statutory body or authority or any government company;
- “public moneys” includes—
- (a) revenue;
 - (b) any trust or other moneys held, whether temporarily or otherwise, by an officer in his official capacity either alone or jointly with any other person whether an officer or not;
- “revenue” means all tolls, taxes, imposts, rates, duties, fees, penalties, forfeitures, rents and dues, proceeds of sale and all other receipts of the Government from

whatever sources arising, over which Parliament has the power of appropriation, including the proceeds of all loans raised;

“supplies” means any articles required for the public service or any services required in connection with such articles. 13/1992 S. 2(f).

(2) Reference in this Act to a department includes a Ministry and, except where the context otherwise requires, a public body which is designated as an Executive Agency pursuant to the Executive Agencies Act. 9/2009 S. 2(b).

(3) References in any enactment or instrument, in whatever terms to the “General Revenue” and to its variations and cognate expressions shall be deemed to be references to the Consolidated Fund. 42/1969 3rd Sch.

(4) References in any enactment or in any instrument to “Revenue Commissioner” shall be deemed to be references to the Minister. 42/1969 3rd Sch.

PART II. *Consolidated Fund Bank Accounts*

3.—(1) Money belonging to the Consolidated Fund shall, subject to the provisions of this section, be kept in an account styled the “Consolidated Fund Principal Bank Account” at such bank or banks as the Minister may approve. 13/1992 S. 3 (a). Consolidated Fund Bank Accounts. 13/1992 S. 3 (b).

(2) Subject to the provisions of this section, there shall be paid into the Consolidated Fund Principal Bank Account all public moneys other than— 5/1997 S. 3 (a).

(a) moneys assigned for defraying expenditure in relation to specified purposes; and

(b) revenues or other moneys which are payable pursuant to any law into some other fund.

(3) There shall be established at such bank or banks as the Financial Secretary may determine for the purposes of this Act such accounts (hereinafter referred to as “Consolidated Fund Subsidiary Bank Accounts”) as the Financial Secretary may determine; and for the purposes of this Act, the Consolidated Fund Subsidiary Accounts include the Consolidated 5/1997 S. 3(b).

5/1997
S. 3 (b). Fund External Account referred to in section 5 and the Consolidated Fund Foreign Currency Account referred to in section 5A.

(4) Each Consolidated Fund Subsidiary Bank Account shall be operated in such manner as the Financial Secretary may direct.

(5) There shall be paid into each Consolidated Fund Subsidiary bank Account moneys intransit to or from the Consolidated Fund Principal Bank Account or moneys assigned for specified purposes.

(6) The Accountant-General shall have the management of the Consolidated Fund Principal Bank Account and all Consolidated Fund Subsidiary Bank Accounts and the supervision, control and direction of all matters relating to the operation of those accounts.

(7) In this section "specified purposes" means such purposes as are specified in any agreement to which the Government is a party, being an agreement under which funds are provided for such purposes.

Restriction
on over-
drafts.
13/1992
S. 3 (b).
5/1997
S. 4 (a).

4.—(1) Subject to subsection (2), the proper officer of a bank in which a Consolidated Fund Bank Account is held shall not authorize any overdraft in respect of any such account.

(2) Where payment of any cheque drawn on a Consolidated Fund Bank Account is likely to cause that account to be overdrawn, the proper officer of the bank shall refer the matter to the Accountant-General for his decision as to whether such payment should be made; and the Accountant-General may permit a temporary overdraft for a period not exceeding five days if he is satisfied that—

- (a) the provision of money to cover payment of the cheque has been authorized; and
- (b) the insufficiency of moneys in the account is due to procedural delay.

(3) If any such overdraft is not cleared within the period of five days referred to in subsection (2), the proper

officer of the bank shall forthwith notify in writing the Minister, the Accountant-General, the Financial Secretary and the Auditor-General. 5/1997
S. 4(b).

5.—(1) It shall be lawful for the Accountant-General on the directions of the Minister and after consultation with the Governor of the Bank of Jamaica to maintain deposits with bank outside Jamaica in accounts to be called the “Consolidated Fund External Accounts”. External
Consoli-
dated
Fund
Account.
13/1992
S. 3(b).

(2) The Accountant-General may utilize any account referred to in subsection (1) for the purpose of receiving payments into or making payments from, the Consolidated Fund in a country outside Jamaica.

5A.—(1) An account to be called “the Consolidated Fund Foreign Currency Account” shall be established at such bank or banks as the Minister may, by order approve. Consoli-
dated Fund
Foreign
Currency
Account.
5/1997
S. 5.

(2) There shall be paid into each Consolidated Fund Foreign Currency Account that portion of public moneys payable into the Consolidated Fund which consists of foreign currency.

6.—(1) The Minister may by directions in writing to the Accountant-General authorize the temporary investment of sums at the credit of the Consolidated Fund Principal Bank Account by— Investment
of moneys.
13/1992
S. 3(b).

(a) deposit in a bank or banks either at call or subject to notice not exceeding six months; or

(b) the purchase or sale of securities.

(2) All investments made under subsection (1) together with any interest derived therefrom shall form part of the Consolidated Fund.

Payments into Consolidated Fund

Revenues to be paid into Consolidated Fund. 13/1992 S. 3(c).

7.—(1) Subject to the provisions of this Act, accounting officers shall cause the gross revenues collected by their departments to be paid forthwith into the Consolidated Fund.

(2) All accountable officers shall cause all sums collected by way of revenue to be paid forthwith into such banks as the Financial Secretary may from time to time direct, or as may be prescribed by regulations under this Act, pending final remittance of such sums into the Consolidated Fund Principal Bank Account or, as the case may be, any subsidiary account as mentioned in section 3 (3).

Loans and grants to Government. 5/2010 S. 2.

7A.—(1) The authority to receive a loan or grant made to the Government from any source is hereby vested solely in the Minister.

(2) Any loan or grant referred to in subsection (1) shall be paid into the Consolidated Fund.

Regulations may modify section 7 or 7A. 13/1992 S. 3 (c). 5/2010 S. 2.

8.—(1) The Minister may by regulations modify the application of section 7 or 7A and, without prejudice to the generality of the foregoing, such regulations may provide for—

- (a) the deduction by accounting officers of such sums as may be required for drawbacks, repayments or discounts before paying the gross revenues of their departments into the Consolidated Fund Principal Bank Account;
- (b) the maximum amount which may be deducted for the purposes specified in paragraph (a);
- (c) the procedures to be followed by accounting officers—
 - (i) in accounting for drawbacks, repayments or discounts; and
 - (ii) in making disbursements from sums deducted pursuant to regulations under this section;
- (d) the defraying by accounting officers out of revenue collected by them, of payments authorized by departments in accordance with law;
- (e) the recovery from the departments concerned of the

revenue so expended and the payment of the amount recovered into the Consolidated Fund.

(2) Any power conferred by subsection (1) to make regulations may be exercised—

- (a) either in relation to all cases to which the power extends or in relation to all cases subject to specified exceptions or in relation to any specified case or classes of case; and
- (b) so as to make, as respects the cases in relation to which it is exercised—
 - (i) the full provision to which the power extends or any less provision (whether by way of exception or otherwise);
 - (ii) the same provision for all cases in relation to which the power is exercised or different provision for different cases or classes of case or different provision as respects the same case or classes of case for different purposes;
 - (iii) any such provision either unconditionally or subject to any specified condition.

(3) Any regulations under this section may contain such incidental or supplementary provisions as appear to the Minister to be expedient for the purposes of the regulations.

(4) Regulations under this section shall be subject to affirmative resolution of the House of Representatives.

8A.—(1) The Minister may in writing direct that any revenues received by an accounting officer by way of fee, penalty, proceeds of sale or by way of extra or unusual receipt shall be included as an appropriation-in-aid in the annual estimates of revenue and expenditure required by section 115 of the Constitution.

Directions re fees, penalty, proceeds of sale of extra or unusual receipt. 13/1992 S. 3 (d).

(2) Any revenues to which subsection (1) applies shall be lodged without any deductions being made therefrom into an appropriate bank account established pursuant to regulations made under section 24A.

(3) Such revenues shall be applied for the purposes approved by Parliament and, so far as they are not in fact so applied, shall be paid into the Consolidated Fund Principal Bank Account.

Withdrawals from Consolidated Fund Account

9.—(1) Save as may otherwise be provided by this or any other enactment, no expenditure involving a charge on the Consolidated Fund shall be incurred, and no sums due to the Consolidated Fund shall be remitted without the general or specific authority of the Minister.

(2) The warrant issued pursuant to section 117(1) of the Constitution shall be addressed to the Accountant-General and shall specify—

- (a) the amounts to be disbursed upon the authority of that warrant; and
- (b) the accounting officers responsible for such disbursements.

(2A) Notwithstanding the provisions of subsection (2), the Minister may, if in his opinion the exigencies of the financial situation render it necessary, withdraw, suspend, or impose conditions on any expenditure authorized under, a warrant issued pursuant to section 117(1) of the Constitution.

(3) The Accountant-General shall, upon receipt of such warrant, make moneys available to the accounting officers specified therein.

(4) The warrant issued in respect of the expenditure authorize by subsection (3) of section 117 of the Constitution shall not be deemed to authorize any expenditure in respect of any service for which no provision has been made during the previous financial year unless the House of Representatives specifically authorizes such expenditure.

(5) All sums withdrawn from the Consolidated Fund by virtue of warrants issued pursuant to subsections (3) and (4) of section 117 of the Constitution shall be deemed to have been issued in anticipation of grants of Parliament in

an Appropriation Act for the financial year in which the sums were issued and upon the commencement of that Act the said warrants shall cease to have effect and issues thereunder shall be deemed to have been made for the purposes of such Act and shall be accounted for in accordance with the provisions thereof.

(6) With a view to economizing public balances the Minister shall restrict the sums to be withdrawn from the Consolidated Fund Principal Bank Account to such total sums as he may consider necessary for making the current payments for the public service.

(7) Accounting officers specified in the warrant issued under subsection (2) may consider the sums provided by the Accountant-General pursuant to that subsection as constituting part of their general drawing balance applicable to the payment of all services for which they are accountable.

(8) Nothing in this section shall be construed to empower the Minister or any other authority to direct the payment by an accounting officer, of expenditure not sanctioned by any law whereby services are or may be charged on the Consolidated Fund, or by a vote of the House of Representatives, or by any Appropriation Act.

(9) Warrants referred to in this section may, if the Minister thinks fit, be issued in respect of expenditure generally or in respect of any specific service.

10.—(1) When disbursements from the Consolidated Fund have been authorized pursuant to section 9, the Auditor-General shall on the requisition of the Accountant-General authenticate orders issued by the Accountant-General for the withdrawal of sums from the Consolidated Fund Principal Bank Account, so long as the sums

Authorizing withdrawals from Consolidated Fund Principal Bank Account. 13/1992 S. 3 (e).

requisitioned for the various services do not in the aggregate exceed the respective sums authorized for those services.

5/1997
S. 6.

(2) Orders so authenticated by the Auditor-General shall be in the prescribed form and shall be the necessary authority to the bank in which the Consolidated Fund Principal Bank Account is held to issue from the account the amount specified to be paid to such other account or bank as the said order may direct.

Bank statements.
13/1992
S. 3 (e).
5/1997
S. 7.

11.—(1) Statements showing transactions carried out in respect of the Consolidated Fund Principal Bank Account or any Consolidated Fund Subsidiary Bank Account, as the case may be, shall be forwarded by the proper officer of the bank in which the relevant account is held to the accounting officer specified in the relevant warrant in such form and at such intervals as the Accountant-General may direct.

5/1997
S. 7.

(2) The proper officer of the bank in which the relevant account is held shall, within seven days after the end of each month, send to the Accountant-General, a statement of transactions in relation to the Consolidated Fund Principal Bank Account and the Consolidated Fund Subsidiary Bank Accounts in respect of that month.

5/1997
S. 7.

(3) The proper officer of the bank in which the relevant account is held shall—

- (a) upon request by the Financial Secretary or the Auditor-General, as the case may be, forward to him a copy of the statement referred to in subsection (1);
- (b) forward a copy of the statement referred to in subsection (2) to the Financial Secretary and the Auditor-General.

12.—(1) The principal and interest of all temporary advances (hereinafter referred to as “ways and means advances”) made by the Bank to the Government pursuant to section 36 of the Bank of Jamaica Act shall be charged on and shall be payable out of the Consolidated Fund.

Advances
to Govern-
ment.
13/1992
S. 3 (e).

(2) Requests for ways and means advances shall be in writing, addressed to the Governor of the Bank and shall be signed by the Minister.

(3) All amounts of ways and means advances shall be paid into the Consolidated Fund Principal Bank Account.

Contingencies Fund, Trust Fund and Other Funds

13.—(1) Pursuant to section 118 of the Constitution there is hereby established a Contingencies Fund which shall consist of issues from the Consolidated Fund Principal Bank Account not exceeding in the aggregate one hundred million dollars or such greater sum as the House of Representatives may by resolution approve, to defray unforeseen expenditure.

Establish-
ment of
Contin-
gencies
Fund.
13/1992
S. 3 (f).

(2) If the Minister is satisfied that—

- (a) certain expenditure is likely to be incurred in a financial year—
- (i) in relation to a service, thereby causing an excess on the sum provided for that service by the Appropriation Act relating to that year; or
 - (ii) which, being in respect of a new service, was not provided for by the Appropriation Act relating to that year; and
- (b) the circumstances are such that the expenditure cannot without injury to the public interest be postponed until adequate provision is made by Parliament,

the Minister may authorize such expenditure to be met by an advance from the Contingencies Fund.

(3) Supplementary estimates of such expenditure shall be submitted for the approval of the House of Representatives as soon as possible. When the supplementary estimates have been approved, and pending the provision for such services under the appropriate heads by an Appropriation Act, issues from the Consolidated Fund Principal Bank Account may be made accordingly and the sums advanced from the Contingencies Fund repaid out of the said issues.

Trust
Funds,
13/1992
S. 3 (f).

14.—(1) For the purposes of this section and subject to subsection (2), “Trust Fund” means—

- (a) a Fund established pursuant to any enactment (hereinafter referred to as the relevant enactment) other than this Act or an Appropriation Act;
- (b) any Fund of moneys held by or deposited with or entrusted to the Government pursuant to the terms of a deed or trust, trust instrument agreement whether expressed or implied, or any arrangement governing the use of the moneys so held.

(2) Moneys held in any Trust Fund shall be deemed to be public moneys and, subject to subsection (5), any loss therefrom arising in the circumstances described in section 49 shall, if not otherwise made good, be repaid to that Fund out of the Consolidated Fund.

(3) Where the Minister is satisfied in relation to a Trust Fund that no provision or, as the case may be, inadequate provision, is made for the administration of such Fund or for the control of payments thereto or expenditure therefrom or for the proper accounting therefor, the Minister shall—

- (a) designate an accounting officer as the officer responsible for the administration of such Trust Fund;
- (b) give such directions or make such regulations as the Minister considers expedient to provide for the receipt, custody and disbursement of moneys belonging to such Fund and the accounting for such moneys.

(4) Subject to the provisions of any relevant enactment, the Minister may authorize the investment of moneys standing to the credit of a Trust Fund in like manner as provided in section 6 in relation to moneys standing at the credit of the Consolidated Fund Principal Bank Account.

(5) Any profit arising from any transactions authorized pursuant to subsection (4) shall accrue to the Trust Fund.

(6) Where under the provisions of any Trust Fund referred to in subsection (1), moneys belonging to the Trust Fund are required to be lodged with the Accountant-General, he shall—

- (a) keep such moneys in safe custody and invest them in such securities as the Financial Secretary may direct;
- (b) authorize disbursements of such moneys upon the written request of the accounting officer designated pursuant to subsection (3) (a), so, however, that no such disbursement shall be authorized unless the Accountant-General is satisfied that the request thereof is made in accordance with the relevant enactment;
- (c) prepare and furnish to the accounting officer so designated pursuant to subsection (3) (a), statements of all transactions relating to the Trust

Fund, at such intervals (not being less frequent than once per quarter) as the Minister may direct.

(7) The accounts of every Trust Fund shall be audited annually by the Auditor-General who shall submit to the Minister a report on the findings of the audit.

Deposit
Fund.
13/1993
S. 3 (f).

14A.—(1) There shall be a Deposit Fund into which shall be paid, pending repayment or application to the purposes for which they were deposited, the balances held on deposit in respect of any funds established by law or otherwise or any other deposits of which the Accountant-General is the custodian (other than trust funds or the balances of the Consolidated Fund).

(2) Pending repayment or application to the purposes for which they were deposited, it shall be lawful for the Minister to authorize the use of the balances referred to in subsection (1) to make advances—

- (a) on behalf of, and recoverable from other Governments;
- (b) to or on account of trusts or other funds administered by the Government, or to, or on behalf of, public bodies, institutions or individuals, where such advances are in the public interest and are recoverable within a period not exceeding twelve months after the end of the financial year in which such advances are made.

(3) Notwithstanding anything to the contrary contained in subsection (2), the Minister may from time to time authorize the issue of amounts from the Consolidated Fund not exceeding in the aggregate fifty million dollars to augment the cash balance held on deposit to meet payments on account of those deposits or on account of advances

authorized pursuant to subsection (2) and the said sum of fifty million dollars or such portion thereof as the Minister may determine shall from time to time be repaid into the Consolidated Fund.

(4) Moneys at the credit of the Deposit Fund shall be kept in an account styled the "Deposit Fund Account" and shall be under the management and control of the Accountant-General.

(5) The Minister may, by order subject to affirmative resolution, increase the amount specified in subsection (3).

(6) The accounts of the Deposit Fund shall be audited annually by the Auditor-General who shall submit to the Minister a report on the findings of the audit.

PART IIA. *Loans and Advances*

14B.—(1) No payments by way of loans or advances shall be made from the Consolidated Fund without the prior approval of the House of Representatives.

Loans and
advances.
13/1992.
S. 4.

(2) The Minister may in writing authorize an accounting officer to conduct negotiations on behalf of the Government, for the grant of a loan to any person and for the purposes of this subsection the Minister shall—

- (a) specify the terms of reference of any such negotiations;
- (b) approve the terms of any agreement between the Government and the borrower.

(3) Moneys to be applied for the purpose of any loans or advances under this section shall be provided by a special appropriation to the Accountant-General and any

amount paid out as such loan or advance shall be recorded as an asset of the Consolidated Fund.

(4) It shall be the duty of the Accountant-General to ensure that—

- (a) all payments of interest due on any loan or advance are collected and paid into the Consolidated Fund in accordance with the agreement relating thereto;
- (b) all redemption payments or recoveries are collected and duly recorded;
- (c) any default in such repayments is reported to the Minister, and the accounting officer authorized pursuant to subsection (2).

Investments.
13/1992
S. 4.

14C.—(1) Subject to subsection (2), the Minister may, with the prior approval of the House of Representatives, authorize the Accountant-General to purchase shares in any company with moneys from the Consolidated Fund.

(2) Where the Minister takes any action under subsection (1) he shall—

- (a) make a report to the House of Representatives of the details of any shares purchased; and
- (b) lay on the Table of the House of Representatives a copy of any agreement made in relation to such purchase.

(3) The Accountant-General shall keep proper records relating to investments made under this section.

Particulars
to be in-
cluded in
annual
estimates.
13/1992
S. 4.

14D. When, pursuant to section 115 of the Constitution, annual estimates of revenue and expenditure are prepared, the Minister shall also cause to be prepared, estimates of—

- (a) loans and advances to be made pursuant to section 14B;

- (b) repayments to the Consolidated Fund in respect of any loans and advances previously made;
- (c) investments to be made pursuant to section 14C;
- (d) the proceeds of any sale or any realization of any such investments previously made;
- (e) amounts representing—
 - (i) internal and external borrowings by Government; and
 - (ii) receipts and repayments of deposits and other trust moneys.

PART III. *Administration*

15.—(1) The Governor-General acting upon the advice of the Public Service Commission, may from time to time appoint a fit and proper person to be Accountant-General who shall hold office during pleasure.

Accountant-General.
13/1992
S. 5 (a).

(2) The Accountant-General shall be the custodian of the Consolidated Fund and shall perform such functions as are conferred upon him by this or any other enactment.

(3) The Accountant-General shall be responsible for ensuring that—

- (a) such balances are kept in the Consolidated Fund as may be required by law and as may be necessary for the conduct of Government business;
- (b) no disbursement is made from the assets of the Consolidated Fund except in accordance with law.

(4) The Accountant-General shall submit to the Minister such statements of account on the financial position of the Consolidated Fund, at such times and in such form as the Minister may require.

16.—(1) The Minister shall from time to time designate in writing public officers who shall be accounting officers of the departments specified in such designation.

Accounting officers.
13/1992
S. 5 (a).

(2) An accounting officer shall be responsible for the financial administration of the department specified in a designation under subsection (1) and shall be accountable to the Minister for—

- (a) the assessment and collection of, and accounting for, all moneys lawfully receivable by his department;
- (b) ensuring that the purpose for which an appropriation is approved by Parliament is accomplished;
- (c) making any payment required to be made in relation to such appropriation;
- (d) the custody and proper use of all materials, equipment or other public property administered by him;
- (e) the administration of any fund for which he has been assigned responsibility pursuant to section 14(3);
- (f) the discharge of any other financial responsibility assigned to him under this or any other enactment.

19/2011
S. 2.

(3) The written recommendations of the Financial Secretary shall be obtained before an accounting officer—

- (a) takes any step to implement a change that is likely to have adverse budgetary implications for the financial year that is then current and for the medium term; or
- (b) submits to the Cabinet a proposal for any such change.

19/2011
S. 2.

(4) An accounting officer shall, upon being requested to do so by any committee of Parliament, attend before that committee to be examined respecting the exercise of that person's functions under this Act.

Official bank
accounts.
13/1992
S. 5(a).

17.—(1) An accounting officer shall not open any bank account (hereinafter referred to as an “official bank account”) for the lodgement of public moneys without the prior written approval of the Financial Secretary, and any such approval shall stipulate the terms and conditions under which the account shall be operated.

(2) An accounting officer—

- (a) shall not permit an overdraft on any official bank account without the prior written approval of the Financial Secretary;

- (b) shall submit to the Financial Secretary and the Auditor-General, within the prescribed time a monthly return showing the balances in such account at the close of business on the last working day of the month.

18. If in his opinion the exigencies of the financial situation render such action necessary, the Minister may—

- (a) specify the maximum limit of the amounts to be expended by any accounting officer; or
 (b) limit or suspend any expenditure charged under any Appropriation Act or by virtue of the provisions of section 13.

Control of expenditure.
 13/1992
 S. 5 (a).

19. An accounting officer shall not—

- (a) make any payments in excess of the amounts specified by the Minister pursuant to section 18
 (a) without the prior approval of the Minister; or
 (b) enter into any commitment in excess of—
 (i) the amount specified in the estimates of expenditure as approved by the House of Representatives; or
 (ii) such lesser amount as the Minister may direct.

Commitment of expenditure.
 13/1992
 S. 5 (a).

19A.—(1) Subject to subsection (2), any expenditure by an accounting officer shall be in accordance with the provisions contained in an Appropriation Act for the services required.

Appropriation.
 13/1992
 S. 5 (a).

(2) The Minister may, if he thinks fit, reallocate expenditure in relation to such services as he may specify, so, however, that no such expenditure—

- (a) may be reallocated in respect of any new service not provided for by the Appropriation Act; and

[The inclusion of this page is authorized by L.N. 146/1999]

(b) shall exceed the aggregate sums provided for such services.

(3) The Minister may in writing delegate to an accounting officer the function specified in subsection (2) but no such delegation shall prevent the performance of such function by the Minister.

5/1997
S. 8.

(4) Subject to section 24L, every appropriation by Parliament of public moneys in relation to any financial year shall cease to have effect at the close of that financial year and, except as otherwise provided in this Act, any unexpended balances in any accounts referred to in section 13 shall be paid into the Consolidated Fund Principal Bank Account.

(5) All accounting officers shall, immediately after the end of each financial year, prepare and submit to the Minister a statement showing—

- (a) details of all commitments entered into for the supply of goods or services or the construction of any work during the year where such goods or services have not been received or such work has not been completed before the end of that year;
- (b) details of the delivery of goods and services or the completion of any work for which payment has not been made before the close of that year;
- (c) unspent balances of the appropriation, in such form as will indicate—
 - (i) that such balances are sufficient to cover the amounts required to meet the undischarged commitments and liabilities referred to in paragraphs (a) and (b); or
 - (ii) that any excess in respect of any such undischarged commitment or liability, as the case may be, has been approved by the Minister under section 19.

(6) Upon receipt of the statements referred to in subsection (5), the Minister shall issue directions to accounting officers as to the action to be taken by them to discharge such commitments or liabilities during the ensuing financial year and to maintain the provision of services on a regular basis.

19B.—(1) All agreements for the supply of goods or services to, or the carrying out of any work for any department shall be on such terms and subject to such conditions as the Minister may, by regulations, prescribe.

Regulation
governing
contracts.
13/1992
S. 5 (a).

(2) Without prejudice to the generality of subsection (1) regulations made under that subsection may prescribe—

- (a) the extent to which an officer is authorized to enter into the agreement;
- (b) procedures relating to—
 - (i) the offer and acceptance of tenders;
 - (ii) the signing of such agreements;
- (c) the form of agreements and the conditions to be stipulated therein;
- (d) measures relating to the execution of agreements and the making of payments thereunder.

(3) Notwithstanding section 29 of the Interpretation Act, regulations made under this section may provide for the imposition of penalties on summary conviction in a Resident Magistrate's Court of a fine not exceeding one million dollars or imprisonment for a term not exceeding one year or of both such fine and imprisonment.

9/2009
S. 3.

(4) Regulations made under this section shall be subject to affirmative resolution.

9/2009
S. 3.

19C.—(1) No payment shall be made from any Consolidated Fund Bank Account or any other official bank account unless the voucher for that payment is certified and the payment is approved and the accountable officer—

Authori-
zation of
payments.
13/1992
S. 5(a).

- (a) who gives such certification or approval, as the case may be, is properly authorized to do so, and acts within the limits of that authority;

- (b) has taken the necessary steps to ensure that the payment may properly be made in respect of goods and services delivered or rendered in conformity with a valid agreement.

(2) An accountable officer who approves or certifies any payment in contravention of subsection (1) shall be personally liable for any impropriety in relation to such payment.

Surcharge
by
Financial
Secretary.

20.—(1) If it appears to the Financial Secretary upon a report by the Auditor-General that any person who is or was an officer—

- (a) has failed to collect any moneys owing to the Government for the collection of which such person is or was at the time of such employment 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; or
- (c) is or was responsible for any deficiency in, or for the loss or destruction of, any public moneys, stamps, securities, stores, or other Government property,

and if, within a period specified by the Financial Secretary, an explanation satisfactory to him is not furnished with regard to such failure to collect, improper payment, payment not duly vouched, deficiency, loss or destruction, as the case may be, the Financial Secretary may surcharge against the said person the amount not collected or such improper payment, payment not duly vouched, deficiency, loss or the value of the property destroyed, as the case may be, or such lesser amount as the Financial Secretary may determine.

(2) No such surcharge shall be made after the expiration of a period of three years from the date of such failure to collect, improper payment, payment not duly

vouched, deficiency, loss or destruction, as the case may be.

21.—(1) The Financial Secretary shall cause the Auditor-General and the accounting officer of the department concerned to be notified of any surcharge made under section 20.

Notification
of sur-
charge.

(2) The accounting officer on being notified as aforesaid shall notify the person surcharged and shall, subject to the provisions of sections 22 and 23, recover the amount surcharged from such person.

22. The Financial Secretary may at any time withdraw any surcharge in respect of which a satisfactory explanation has been received or if it otherwise appears that no surcharge should have been made, and in any such event the Financial Secretary shall notify the Auditor-General and the accounting officer of the department concerned of the withdrawal of any such surcharge.

Withdrawal
of sur-
charge.

23.—(1) Any person who is dissatisfied with any surcharge made against him under section 20 shall have the right to appeal to the Privy Council within a period of one month immediately after he has been notified of the surcharge:

Remedy of
person
aggrieved by
surcharge.

Provided that the Governor-General in his discretion may authorize an appeal to be made after the expiration of such period of one month.

(2) After such further investigation as may be directed by the Governor-General acting in his discretion the Privy Council may make such order confirming the surcharge or directing that the appellant be released wholly or in part from the surcharge as may appear just and reasonable. A copy of every such order shall be transmitted

to the Financial Secretary, to the accounting officer of the department concerned and to the Auditor-General.

Recovery of
surcharge.

24. The amount of any surcharge made under section 20 may, subject to the provisions of sections 22 and 23, be sued for and recovered as a debt due to the Government by action at the suit of the Attorney-General in the Supreme Court or in a Resident Magistrate's Court, as may be appropriate having regard to the amount of the surcharge, or the Financial Secretary may direct that the amount of any such surcharge which may be due from an officer shall be recovered by monthly deductions from the salary of such officer in such amounts, not exceeding one-sixth of the amount payable monthly to such officer in respect of salary, as the Financial Secretary shall authorize.

Government Accounts

Government
accounts.
13/1992
S. 3 (b).

24A.—(1) For the purposes of this Act, "Government accounts" includes all accounts kept pursuant to this Act by the Accountant-General and all accountable officers, in relation to the transaction of public business and includes all documents and other records in any form whatsoever.

(2) It shall be the duty of every accountable officer to keep and present in accordance with this Act and any regulations made or directions given thereunder proper and accurate accounts of all transactions entered into by him and all public moneys or other property held by him.

(3) The Minister may issue directions and make regulations—

- (a) respecting the preparation, submission and form of estimates;
- (b) respecting the collection, disbursement, management and administration of, and the accounting for, public moneys;

- (c) respecting the receipt, custody, issue, sale, transfer or delivery of any stamps, securities, stores or other Government property;
- (d) respecting the keeping of Government accounts and other records;
- (e) prescribing forms and other matters required to be prescribed under this Act;
- (f) respecting the establishment of bank accounts;
- (g) for any other purpose necessary for the efficient administration of the financial business of the Government.

(4) The Minister or any officer authorized by him shall be entitled to inspect such offices and to have such access to official books, documents and other records as may be necessary for the exercise of his functions under this Act.

24B.—(1) Government accounts which are required under this Act to be published shall be prepared on such basis as may be prescribed.

Basis of
accounts
13/1992
S. 5 (b).

(2) When any Government accounts are published there shall be appended thereto explanatory notes indicating the basis on which the accounts have been prepared.

(3) It shall be the duty of all accounting officers to establish proper accounting systems for the purpose of recording—

- (a) all amounts payable into the Consolidated Fund and all liabilities and commitments charged on and payable out of such Fund; and
- (b) if so directed by the Financial Secretary, the cost of work undertaken by their respective departments.

Retention
money.
13/1992
S. 5 (b).

24C.—(1) Any amount payable under a contract which is withheld to ensure due performance of the contract may be charged to the appropriation for that contract and any amount so charged shall be paid into a bank account in accordance with regulations made under section 24A and may, notwithstanding the provisions of section 19C, be paid out in accordance with the contract.

(2) Any such amount which is not paid out as authorized under subsection (1) shall be paid into the Consolidated Fund Principal Bank Account.

External
loan
accounts.
13/1992.
S. 5 (b).

24D.—(1) If, in accordance with any agreement for a loan to the Government designated in foreign currency, any amount is paid from the lender's account for goods and services purchased on behalf of the Government, the amount so paid shall be notified by the Financial Secretary to the Accountant-General who shall record that amount as a liability of the Consolidated Fund and as an amount payable to that Fund in the currency of Jamaica.

(2) Amounts in the currency of Jamaica, derived from the use or sale of goods and services purchased by means of a loan as mentioned in subsection (1), shall be forthwith paid over to the Accountant-General or, as the case may require, deposited in an account kept for that purpose at such bank as the Financial Secretary may determine in the custody of the Accountant-General.

5/1997
S. 9.

(3) Such amounts shall constitute a reserve cash asset of the Consolidated Fund and may only be utilized by transferring such assets to the Consolidated Fund Principal Bank Account in accordance with the terms of the relevant loan agreement.

(4) The Accountant-General shall ensure that all such amounts as are referred to in subsection (2) are paid into the Consolidated Fund Principal Bank Account.

24E.—(1) In this section, “credit agreement” means an agreement whereby goods or services delivered or supplied to a department are to be paid for at some future date following the date on which the goods or services are delivered or supplied.

Credit
agreements.
1/2010
S. 2.

(2) No credit agreement shall be entered into without the prior approval of the Minister.

(3) Where, pursuant to subsection (2), a credit agreement has been entered into, the amount payable for the relevant goods or services shall, upon the delivery or supply thereof, be charged to an appropriation and shall be recorded as a liability of the Consolidated Fund and thereafter, notwithstanding the provisions of section 19C, may be paid out in accordance with the credit agreement and the directions, if any, issued by the Minister.

(4) The liability created by a credit agreement shall form part of the public debt.

3/2002
S. 2 (b).

(5) The Minister shall not give approval for entry into any credit agreement whereby—

19/2011
S.3.

- (a) any person agrees to carry out, and take ownership of, any project with a provision for transfer of the ownership of the project to the Government, in return for

monetary payment at some future date extending beyond the end of the financial year in which the project is completed; or

- (b) any person agrees to carry out, and take ownership and secure the financing of, any project with a provision for the transfer of the ownership of the project to the Government, in return for an undertaking given by the Minister to the agreed financing source, for the repayment of the financing therefor at some future date extending beyond the end of the financial year within which the project is completed.

(6) [*Deleted by Act 1 of 2010.*]

(7) [*Deleted by Act 1 of 2010.*]

(8) [*Deleted by Act 1 of 2010.*]

Financial
instructions.
13/1992
S. 5(b).

24F.—(1) Subject to subsection (2), it shall be the duty of all accounting officers upon whom financial accounting responsibilities are conferred by this Act or any regulations made hereunder, to issue in keeping with the provisions of this Act, written instructions to other accountable officers in their respective departments in relation to the duties and responsibilities of those officers under this Act and in particular—

- (a) the assignment of duties for the assessment, collection or accounting for revenue;
- (b) the making of commitments and payments;
- (c) the receipt and disbursement of deposits;
- (d) the holding and use of stores and other public property;
- (e) the accounting procedures applicable to and the forms to be used in the conduct of financial business;
- (f) the designation of officers authorized to operate bank accounts;
- (g) the contents of internal financial reports and dates for submission thereof.

(2) No instructions shall be issued pursuant to paragraph (e) of subsection (1) without the prior approval of the Financial Secretary.

Annual
statements.
13/1992
S. 5 (b).

24G.—(1) In respect of each financial year and as soon as possible after the end of such financial year, the Minister shall lay the following statements on the Table of the House of Representatives—

- (a) the statement of the receipts and payments in respect of the Consolidated Fund Principal Bank Account;
- (b) a statement of assets and liabilities of the Consolidated Fund showing balances in respect of current assets and liabilities;
- (c) a summary of the transactions of the Consolidated Fund Principal Bank Account as compared with budget forecasts;
- (d) a statement of the revenue and expenditure of the Consolidated Fund Principal Bank Account as compared with the original and revised budget forecasts.

(2) The statements referred to in subsection (1) shall be prepared in accordance with the accounts as at the end of the relevant financial year and shall be signed by the Accountant-General.

24H.—(1) In respect of each financial year or within a period of four months after the end of such financial year the Accountant-General shall prepare, sign and submit to the Auditor-General statements showing—

Finance
accounts.
13/1992
S. 5 (b).

- (a) current assets and liabilities of the Consolidated Fund;
- (b) revenue actually paid into the Consolidated Fund Principal Bank Account as compared with the estimates of revenue;
- (c) actual expenditure from the Consolidated Fund Principal Bank Account as compared with the estimates of expenditure;
- (d) the public debt of Jamaica, showing transactions for the relevant year of account and the balance of sinking funds held against redemption;
- (e) advances and loans from the Consolidated Fund showing transactions for the year of account and, for those accounts in respect of which no recovery is reported during that year, the date of the most recent recovery;
- (f) capital investments of the Consolidated Fund showing transactions for the year of account, the securities held and the proportion of equity held on behalf of the Government;
- (g) balances held by the Accountant-General on deposit at the end of the financial year and the outstanding advances made therefrom;
- (h) expenditure in respect of those services which by law are directly charged upon the Consolidated Fund as compared with budget forecasts;
- (i) outstanding loans or credits guaranteed by the Government;
- (j) receipts and payments of the Contingencies Fund;

- (k) such other matters as the Minister may direct for the purpose of amplifying the information required under paragraphs (a) to (j).

(2) The Accountant-General shall submit the statements referred to in subsection (1) to the Auditor-General who shall certify them and the statements as so certified shall be laid on the Table of the House of Representatives.

Departmental
accounts.
13/1992
S. 5 (b).

24I.—(1) In respect of each financial year and within a period of four months after the end of such financial year, all accounting officers shall prepare, sign and transmit to the Minister and the Auditor-General the statements relating to the financial activities under their control showing in respect of each head of estimates—

- (a) revenue actually collected and paid into the Consolidated Fund or other approved depositories or applied as appropriation-in-aid, and including any drawbacks or other moneys paid out of such collections;
- (b) appropriation accounts for expenditure as against approved estimates, including explanations for major variations therefrom;
- (c) particulars of funds administered by them, including—
- (i) a balance sheet;
 - (ii) a statement of receipts and payments in respect of transactions relating to each fund; and
 - (iii) such other statements as may be required by the rules governing any particular fund or by directions issued by the Financial Secretary.

(2) The statements mentioned in subsection (1) shall be certified by the Auditor-General and shall be laid on the Table of the House of Representatives.

24J. Notwithstanding anything to the contrary contained in this Act, the Accountant-General may, with the concurrence of the Auditor-General, authorize withdrawals from any Consolidated Fund Bank Account of such sums as may be required to repay or adjust amounts erroneously paid into that account.

Erroneous payments.
13/1992
S. 5 (b).

24K.—(1) Where any payment is made from a provision in the Estimates of Expenditure for services of a confidential nature, a certificate of payment shall be prepared and signed by the accounting officer concerned stating that the payment has been properly made.

Confidential expenditure.
13/1992
S. 5 (b).

(2) A certificate referred to in subsection (1) may, without further enquiry, be accepted by the Auditor-General as proof that the payment mentioned therein has been properly made.

24L.—(1) Subsections (2) and (3) shall apply in any case where —

- (a) a statement has been submitted by an accounting officer in relation to goods delivered, services rendered or work completed before the close of that financial year; and
- (b) amounts remain outstanding for such goods, services or work before the close of that financial year; and
- (c) an unspent balance exists in the relevant appropriation for that financial year.

Settlement of undischarged commitments after close of financial year.
5/1997
S. 10.

(2) The unspent balance referred to in subsection (1) may within a period of three months after the close of

the relevant financial year be used for making payments due and owing for the goods, services or work mentioned in subsection (1).

(3) Any amount of the balance which is not dealt with in accordance with subsection (2) shall be paid into the Consolidated Fund Principal Bank Account.

PART IV. *Audit*

Duties of
Auditor-
General.
13/1992
S. 6.

25.—(1) The Auditor-General shall, in performing his functions under section 122 (1) of the Constitution ascertain whether in his opinion—

- (a) the accounts referred to in that section are being faithfully and properly kept;
- (b) the rules and procedures framed and applied are sufficient to secure an effective check on the assessment, collection and proper allocation of the revenue and other receipts of the Government;
- (c) all money expended and charged to an appropriation account has been applied to the purpose for which the provision made by Parliament was intended and that any payment of public money conforms to the authority which governs it, and has been incurred with due regard to the avoidance of waste and extravagance;
- (d) essential records are maintained and the rules and procedures framed and applied are sufficient to safeguard the control of Government property;
- (e) the provisions of this or any other enactment relating to the administration of public moneys and Government property have been complied with;
- (f) satisfactory procedures have been established to measure and report on the effectiveness of programmes and services.

(2) Notwithstanding subsection (1) the Auditor-General may, after satisfying himself by conducting such tests as he considers necessary for the purpose of verifying the accounts, in his discretion and having regard to the character of the departmental examination and certification of such accounts, in any particular case admit the documents and accounts so certified in support of the charges to which they relate.

(3) For the purpose of the examination of any account the Auditor-General shall be entitled at all reasonable times—

- (a) to have access to all books, records, vouchers, documents, returns, reports, information storage devices, cash, stamps, securities, stores or other Government property in the possession of any officer;
- (b) to request in writing and be given custody, for such time as he may require, of any books, accounts, vouchers or papers under the control of any officer relating to or concerning public accounts, so, however, that the Auditor-General shall give to that officer a written receipt acknowledging delivery of such accounts, vouchers or papers;
- (c) to call upon any officer for any explanation and information that the Auditor-General may require in order to enable him to discharge his duties;
- (d) to require any accounting officer to furnish him from time to time or at regular periods with accounts of the transactions for which that officer is responsible, up to such date as the Auditor-General may specify;
- (e) without payment of any fee, to cause search to be made in and extracts to be taken from any book, document or record in any public office and to require such extracts to be certified;

- (f) to require every person employed in his office who has to examine the accounts of a department to comply with any security requirements applicable thereto and to take any oath of secrecy required to be taken by persons employed in that department;
- (g) to station members of his staff in any department to facilitate the conduct of the audit and the accounting officer concerned shall provide such facilities as the Auditor-General may reasonably require for that purpose.

(4) Any officer required by the Auditor-General to furnish information or documents shall comply with that request as soon as may be reasonably practicable in the circumstances.

(5) Where any officer fails to comply with any requirement of subsection (3), the Auditor-General may, if the circumstances so warrant, report the matter to the Minister and shall send a copy of that report to the accounting officer concerned and to the Chief Personnel Officer.

(6) The Auditor-General shall be entitled to summon and examine on oath, declaration or affirmation (which oath, declaration or affirmation the Auditor-General is hereby empowered to administer) all persons whom he shall think fit to examine respecting the receipt or payment of money or the receipt or issue of any Government supplies affected by the provisions of this Act and respecting all other matters and things whatever necessary for the due performance and exercise of the duties and powers vested in him.

(6A) Any person summoned under the provisions of subsection (6) who without reasonable excuse makes default in obeying such summons shall be guilty of an offence and shall be liable on summary conviction in a Resident Magistrate's Court to a fine not exceeding five thousand dollars

or, in default of payment, to imprisonment for a period not exceeding six months.

(7) The Auditor-General may authorize any officer of his department to perform on his behalf any of his functions under this Act or any other enactment, other than the administration of oaths and certifying and reporting of accounts for the House of Representatives.

26. If, in the course of an audit it appears to the Auditor-General that—

- (a) any loss or deficiency has occurred and has not been reported to the Financial Secretary, the Auditor-General shall report the matter to the Financial Secretary and shall inform the accounting officer concerned;
- (b) any payment is improper or, as the case may be, is so extravagant or nugatory as to be regarded as an improper payment, the Auditor-General shall send a statement of such findings to the Financial Secretary.

Notifica-
tion of
irregula-
rities.
13/1992
S. 6.

27.—(1) Where any voucher or other document in respect of the receipt or payment of public moneys, has been lost or destroyed, or is defective in any respect, the accounting officer concerned shall forthwith report the matter to the Auditor-General for investigation.

Defective
vouchers.
13/1992
S. 6

(2) Where, as a result of such investigation the Auditor-General is satisfied that the relevant transaction is otherwise in order, he shall notify the accounting officer accordingly and shall issue in respect of that transaction, an authority under his hand—

- (a) for the transaction to stand charged in the account in the case of a missing voucher or other document;
- or

- (b) for such voucher or other document to be accepted where it is found to be defective.

(3) Where the Auditor-General is not satisfied that the relevant transaction is in order, such transaction shall be deemed to be unlawful and shall be treated as a loss as referred to in section 20 (1) (c).

Certification of accounts.
13/1992
S. 6.

28. The Auditor-General shall examine and certify in accordance with the outcome of his examinations the statements and accounts which are required to be submitted to him in accordance with this Act.

Annual report by Auditor-General.
13/1992
S. 6.

29.—(1) The Auditor-General shall report annually as soon as possible and not later than the 31st day of December following the end of each financial year the results of his examination:

Provided that the Auditor-General may, at any time if it appears to him to be desirable, prepare a special report on any matter incidental to his powers and duties under this Act.

(2) Every report of the Auditor-General shall be addressed to the Speaker who shall lay the report before the House of Representatives as soon as possible after its receipt by him.

Audit of accounts of public body by Auditor-General.
13/1992
S. 6.

30.—(1) Notwithstanding anything to the contrary contained in any other enactment, the Auditor-General may if he thinks fit, audit the accounts of any public body and shall do so if the House of Representatives by resolution so directs.

(2) The Auditor-General's report on his examination and audit of any accounts audited pursuant to subsection (1) shall be transmitted to the appropriate Minister for presentation to the House of Representatives:

Provided that—

- (a) the appropriate Minister shall obtain the observations of the public body concerned on any matter to which attention has been called by the Auditor-General in his report and such observations shall be presented to the House of Representatives with the report;
- (b) if the appropriate Minister fails within two months after receipt of the report to present it to the House of Representatives the Auditor-General shall transmit a copy of the report to the Speaker of the House to be presented by him to the House.

(3) The Auditor-General shall, if so required by the Minister, examine and report to the Minister the results of his examination of the accounts of any person or organization who has received moneys by way of grant or loan out of funds appropriated by Parliament or in respect of whom financial aid from the Government is sought.

31.—(1) In the exercise of his duties under section 30, the Auditor-General may authorize any person registered under the Public Accountancy Act, to inspect, examine or audit the books and accounts of any public body which the Auditor-General may be required to examine or audit and that person shall report his findings to the Auditor-General.

Powers of Auditor-General to order audit of books of public body. 13/1992 S. 6.

(2) In the exercise of his duties in relation to public bodies, the Auditor-General or any auditor appointed by him shall have the like powers as are vested in the Auditor-General for the purpose of examining accounts under sections 25 and 28.

(3) There shall be paid to a person authorized pursuant to subsection (1) such fees as may be determined by the Auditor-General after consultation with the Financial Secretary.

32. Where—

- (a) the appointment of an auditor is not renewed by the board of a public body, the board shall inform the Auditor-General in writing of the reasons therefor; or
- (b) any auditor withdraws his services in relation to the

Auditor-General to be informed re termination of auditor's services. 13/1992 S. 6.

audit of the accounts of any public body, he shall inform the Auditor-General in writing of such withdrawal,

and the Auditor-General shall inquire into the matter and report his findings to the Minister.

Audit Committees

33.—(1) The provisions of this section and sections 33A to 33T—

- (a) apply to an audit committee established in a department; but
- (b) do not apply to an audit committee established in a statutory body or authority or any government company under section 8 of the Public Bodies Management and Accountability Act.

(2) There shall be established in each department an audit committee in accordance with the provisions of this Act.

(3) Every accounting officer shall ensure that there is in operation an audit committee for each department specified in his designation under section 16(1).

(4) The provisions of the First Schedule shall have effect as to the constitution and procedure of audit committees and otherwise in relation thereto.

33A.—(1) An audit committee established under section 33(1) shall—

(a) advise the Audit Commission on—

- (i) practices and procedures which will promote efficiency and quality of service in the department;
- (ii) the extent to which the objects of the department are being achieved; and
- (iii) the adequacy, efficiency and effectiveness of the accounting and internal control structures and systems of the department.

(b) in the case of a special audit or examination of the department, review, investigate and advise the Audit Commission with respect to the report on that audit or examination;

Establishment of audit committee.
9/2009
S. 4.

First Schedule.

Functions of Audit Committee.
9/2009
S. 4.

- (c) review the internal audit charter of the department and make recommendations to the officer who is in charge of internal audit in the department;
- (d) ensure that the department's internal audit is conducted in accordance with established standards and requirements;
- (e) review the department's audit reports, analyse audit issues and evaluate the adequacy of recommendations in audit reports;
- (f) review and advise the accounting officer on annual audit plans, budgets and schedules to ensure sufficient audit coverage;
- (g) request the investigation of audit related matters, where necessary; and
- (h) perform such other functions as may be assigned to it by the Audit Commission.

(2) In the performance of its functions under subsection (1), an audit committee may, as it considers appropriate—

- (a) subject to such modification as may be necessary, exercise the functions conferred upon the Auditor-General under section 25(3);
- (b) seek and obtain any information it requires from internal auditors, any other officer of the department and external auditors; and
- (c) invite officers of the department and any other person who can assist the committee in the performance of its functions to its meetings.

(3) The audit committee shall keep detailed records of its meetings and such records shall be made available to the external auditor and any examiner of the department during any external audit or examination.

33B. Any member of an audit committee or the Audit Commission may, at any time, consult with the Auditor-General on any matter relating to its functions.

Relationship
with
Auditor-
General.
9/2009
S. 4.

Audit Commission

Establishment of Audit Commission.
9/2009
S. 4.

33C.—(1) There is hereby established, for the purposes of this Act, a body to be called the Audit Commission which shall be a body corporate to which section 28 of the Interpretation Act shall apply.

Second Schedule.

(2) The provisions of the Second Schedule shall have effect as to the constitution and procedure of the Commission and otherwise in relation thereto.

Functions of Audit Commission.
9/2009
S. 4.

33D.—(1) The Audit Commission shall—

- (a) evaluate the performance of audit committees in order to ensure their continued effectiveness;
- (b) promote best practices in the operation of audit committees;
- (c) monitor the performance of each audit committee against its charter;
- (d) keep copies of the charters of audit committees and perform annual reviews to determine their relevance;
- (e) review the annual reports of each audit committee to identify and resolve outstanding issues;
- (f) be the temporary custodian of audit committee records during the transition of an audit committee; and
- (g) perform such other functions as are assigned to it by the Minister.

(2) The Audit Commission may—

- (a) seek and obtain information from departments to resolve outstanding issues presented by audit committees;
- (b) summon officers of the department or other persons as it deems necessary, to appear before the Commission;
- (c) subject to paragraph 7 of the First Schedule, remove members of audit committees.

First Schedule.

33E. The Minister may, after consultation with the chairman, give to the Audit Commission such directions of a general character as to the policy to be followed by the Audit

Policy directions.
9/2009
S. 4.

Commission in the performance of its functions and the Audit Commission shall give effect thereto.

33F. The Audit Commission, with the approval of the Minister may—

- (a) enter into arrangements respecting schemes, whether by way of insurance policies or otherwise; and
- (b) make regulations,

Pensions, gratuities and other retiring benefits. 9/2009 S. 4.

for medical benefits, pensions, gratuities and other retiring benefits or disability or death benefits, relating to employees of the Commission and such arrangements or regulations may include provisions for the grant of benefits to the dependants and the legal personal representatives of such employees.

Financial Provisions, Accounts and Reports

33G.—(1) The funds and resources of the Audit Commission shall consist of—

- (a) sums which may, from time to time, be placed at the disposal of the Commission by Parliament; and
- (b) all other moneys and other property which may in any manner become payable to or vested in the commission in respect of any matter incidental to its functions.

Funds and resources of Audit Commission 9/2009 S. 4.

(2) The expenses of the Audit Commission, including the remuneration of members and employees, shall be paid out of the funds of the Commission.

33H. All moneys of the Audit Commission not immediately required to be expended for the purpose of meeting any of the obligations or discharging any of the functions of the Commission may be invested in such securities as may be approved either generally or specifically, by the Minister and the Commission may, with the approval of the Minister, sell all or any of such securities.

Power to invest moneys. 9/2009 S. 4.

33I.—(1) The Audit Commission shall keep proper accounts and other records in relation to its functions and shall prepare annually a statement of accounts in a form satisfactory to the Minister and conforming to established accounting principles.

Accounts and audit. 9/2009 S. 4.

(2) The accounts of the Audit Commission shall be audited annually by the Auditor-General.

Annual report
and estimates.
9/2009
S. 4.

33J.—(1) The Audit Commission shall, within six months after the end of each financial year or within such longer period as the Minister may in special circumstances approve, cause to be made and transmitted to the Minister a report dealing generally with the activities of the Audit Commission during the preceding financial year.

(2) The Minister shall cause a copy of the report together with the annual statement of accounts and the Auditor-General's report thereon to be laid in the House of Representatives and the Senate.

(3) The Audit Commission shall, in each financial year, before a date specified by the Minister, submit to the Minister for his approval, estimates of income and expenditure for the ensuing financial year.

Operating
plan.
9/2009
S. 4.

33K. The Audit Commission shall submit to the Minister for his approval, by the 28th day of February in each year, an operating plan for that year as to projects to be promoted or sponsored, or both, by the Audit Commission, the operational framework within which the Audit Commission shall carry out its functions and such other matters as the Minister may require.

Power of
Minister to
require return.
9/2009
S. 4.

33L. The Audit Commission shall furnish the Minister with such returns, accounts and other information as he may require with respect to the activities of the Audit Commission, and shall afford him facilities for verifying such information in such manner and at such times as he may reasonably require.

Exemption
from taxes
and duty.
9/2009
S. 4.

33M.—(1) The income of the Audit Commission shall be exempt from income tax.

(2) The Auditor Commission shall be exempt from liability to stamp duty in respect of any instrument executed by it or on its behalf.

(3) Any transfer by the Audit Commission of any property belonging to it or of any right or interest created in, over or otherwise with respect to, any such property shall be exempt from transfer tax.

(4) No customs duty, general consumption tax or other similar impost shall be payable upon any article imported into Jamaica or taken out of bond in Jamaica by the Audit Commission and shown to the satisfaction of the Commissioner of Customs to be required for the use of the Audit Commission in the performance of its functions.

33N. Without prejudice or any other method of recovery, all debts due to the Audit Commission may be recovered, without limit of amount, in a Resident Magistrate's Court as a civil debt.

Recovery of
debts.
9/2009
S. 4.

General

33O. The Audit Commission shall cause to be kept a register of the names, addresses and qualifications of members and such other particulars as may be prescribed, of all audit committees.

Register.
9/2009
S. 4.

33P. The directors or former directors, officers, employees or agents of a department shall furnish to the audit committee and the Audit Commission such information and explanation and records, documents, books of accounts and vouchers of the department or any public body or any of its subsidiaries as the audit committee or Audit Commission may require in order to enable it to prepare any report required by this Act or any other enactment.

Right to
information.
9/2009
S. 4.

33Q. A member of an audit committee or the Audit Commission shall, in the exercise of his powers and the performance of his duties—

Duty of
care.
9/2009
S. 4.

- (a) act honestly and in good faith in the best interests of the department; and

- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances including, but not limited to the general knowledge, skill and experience of the member.

Reliance on
statement.
9/2009
S. 4.

33R. A member of an audit committee or the Audit Commission shall not be liable for a breach of duty under section 33Q if he relies in good faith on a report of an attorney-at-law, accountant, engineer, valuer or any other person whose profession gives authority to a statement made by him.

Special
reports to
Commission.
9/2009
S. 4.

33S. The audit committee shall report in writing to the Audit Commission whenever it—

- (a) becomes aware of an occurrence or transaction that affects or might reasonably be expected to affect the department; or
- (b) reasonably suspects that the department or any officer of the department has contravened a provision of this Act, any regulations made hereunder or any other enactment.

Minister may
amend
Schedules.
9/2009
S. 4.
First and
Second
Schedule.
Internal
audit.
13/1992
S. 6.
9/2009
S. 5.

33T. The Minister may, after consultation with the Audit Commission, subject to affirmative resolution, amend the First or Second Schedule.

34.—(1) There shall be established in each department a system of internal audit for examining accounting systems, internal controls, risk management and governance processes of the department.

(2) Officers who are assigned to internal audit shall perform such functions as may be prescribed by the Financial Secretary but nothing in this subsection shall prevent an accounting officer from assigning such additional duties and responsibilities to such officers as the accounting officer may think fit.

(3) The officer who is in charge of internal audit in a department shall—

- (a) submit, on a regular basis, reports in writing to the accounting officer designated pursuant to section 16 in respect of that department;
- (b) make quarterly reports to the Financial Secretary containing the findings of that officer and such recommendations as the officer considers necessary.

(4) The Auditor-General shall be entitled to have access to all reports made in accordance with this section.

PART V. *Government Property*

35.—(1) Notwithstanding the provisions of the Crown Property (Vesting) Act, the Minister may by regulations—

- (a) prescribe procedures for—
 - (i) the acquisition of government property;
 - (ii) the regulation of contracts for such property;
- (b) provide for the custody and control of any general or specific category of government property;
- (c) prescribe such accounting procedures as may be necessary for the proper custody and control of such property;
- (d) authorize—
 - (i) the holding of government property;
 - (ii) the disposal of such property;
- (e) prescribe any other matter which may be necessary for giving effect to this Part.

(2) Regulations under subsection (1) shall be subject to negative resolution of the House of Representatives.

36. Accounting officers shall, in relation to their respective departments, be responsible for the acquisition, safe custody, control and disposal of all government property.

Custody and control of Government property.
13/1992
S. 7.

Responsibilities of accounting officers re property.
13/1992
S. 7.

Disposal of
government
property.
13/1992
S. 7.

37.—(1) Government property shall be deemed to be lawfully disposed of when such property—

- (a) has been consumed in the ordinary course of work;
- (b) has been disposed of in accordance with regulations made pursuant to section 35 (1) (d).

(2) Government property shall be deemed to be unlawfully disposed of when—

- (a) no evidence can be shown that such property has been used in the ordinary course of work; or
- (b) such property has—
 - (i) become unserviceable otherwise than as a result of ordinary wear and tear; or
 - (ii) been used for purposes not connected with the work of a department; or
 - (iii) been disposed of in contravention of this Act or any regulations made hereunder,

and any government property so disposed of shall be treated as a loss within the meaning of section 20 (1) (c).

Sales of
government
property.
13/1992
S. 7.

38. When, pursuant to any regulation made under paragraph (d) of section 35, any government property is disposed of by way of sale, the proceeds of such sale shall be paid into the Consolidated Fund Principal Bank Account.

Marking of
government
property.
13/1992
S. 7.

39.—(1) The Minister may make regulations prescribing the identification marks to be applied to government property.

(2) Every person who without lawful excuse removes, destroys or obliterates wholly or in part, any identification marks applied to any Government property pursuant to regulations made under subsection (1) shall be guilty of an offence and shall be liable on summary conviction in a Resident Magistrate's Court to a fine not exceeding ten

thousand dollars or to imprisonment for a term not exceeding three years or to both such fine and imprisonment.

40.—(1) The Minister may by regulations provide for the establishment, operation and maintenance of a fund hereinafter referred to as a “Supplies Fund” which shall be used for the purchase of supplies for sale to other departments.

Supplies revolving fund.
13/1992
S.7.

(2) The proceeds of sale of any such supplies or any income derived from investments referred to in subsection (3) shall be paid into the Supplies Fund.

(3) Moneys standing to the credit of the Supplies Fund may be invested in such manner as the Minister may specify in the regulations made under subsection (1).

PART VI. *Public Bodies*

41. This Part applies to all public bodies.

Application of this Part.
13/1992
S. 8.

42. Except as otherwise provided in any enactment by virtue of which a public body is established, the financial year of all public bodies shall be the period of twelve months ending on the 31st March in any year.

Financial year of public bodies.
13/1992
S.8.

43.—(1) No payment shall be made from the consolidated Fund to any public body by way of grant, capital contribution, loan or assignment of revenue, and no guarantee may be given to any such body being a guarantee which may necessitate payments from the Consolidated Fund, unless—

Payments to public body.
13/1992
S.8.

- (a) the prior approval of the House of Representatives has been obtained for such payment or guarantees;
- (b) subject to section 44, an agreement in writing has, with the approval of the Financial Secretary been made by the Accountant-General and body, stating the

terms and conditions under which the payment will be made;

(c) where appropriate, the body has lodged with the Financial Secretary and the accounting officer concerned copies of—

(i) its constitution or, as the case may be, its memorandum and articles of association;

(ii) its latest annual report and audited financial statements.

(2) Where any agreement referred to in subsection (1) (b) is in force, the public body concerned shall, within four months after the end of the financial year, submit to the accounting officer concerned—

(a) an annual report and audited financial statements; and

(b) a certificate signed by the auditor of that body stating that the terms of the agreement have been complied with.

44.—(1) The accounting officer shall, in relation to any agreement referred to in section 43—

(a) carry out such investigations as may be necessary of the circumstances in which the application for financial assistance is made and shall report the findings to the Minister and the Minister responsible for the public body concerned;

(b) ensure that provision is made in such agreements for the effective execution of Government policy and for the protection of the financial interests of the Government;

(c) in the event of a default in complying with any such agreement, or, if the accounting officer has reasonable grounds for believing that any such default is likely to

Responsibilities of accounting officer in relation to public bodies. 13/1992 S.8.

occur, carry out such investigation as may be necessary of the circumstances giving rise to such default or the likelihood thereof, and report his findings to the Minister and the Minister responsible for the public body concerned.

(2) An agreement made pursuant to section 43 may provide for the inspection on a regular basis, by the accounting officer of the accounts of the public body concerned.

(3) For the purpose of any inspection mentioned in subsection (2) the accounting officer shall be entitled at all reasonable times to examine the public body's assets, accounts, documents, files and other records in whatever form.

45.—(1) Where a report is made to the Minister pursuant to section 43(1)(b) in respect of any default by a public body, the Minister may, after consultation with the Minister responsible for that public body—

Powers of
Minister in
cases of
default.
13/1992
S. 8.

- (a) direct that any agreement made in relation to that body pursuant to section 43 be revised;
- (b) specify the remedial action to be taken by that body;
- (c) direct that an investigation of the circumstances of the default be carried out by such persons as he may specify.

(2) Where any accounting officer is responsible for any default in complying with the terms of any agreement made under section 43, the public body concerned may appeal to the Minister responsible for that body for appropriate action to be taken in the matter.

46. [*Repealed by Act 30 of 2001, S. 28.*]

47. [*Repealed by Act 30 of 2001, S. 28.*]

48.—(1) The Registrar of Companies shall within four months after the end of each financial year prepare and submit to the Minister a report of all government companies containing—

Report on
government
companies
by Regis-
trar of
Companies.
13/1992
S. 8.

- (a) a list of any subsidiaries of such companies, including any additions or deletions during the financial year;
- (b) any default by such companies in complying with the relevant provisions of the Companies Act.

(2) The Minister shall cause a copy of the report submitted under subsection (1) to be laid on the Table of the House of Representatives.

PART VII. *Fiscal Responsibility Framework*

48A.—(1) In this Part—

“contingent liability”, in relation to an obligation of an entity, means—

- (a) a possible obligation that arises from past events and whose existence will have to be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity;
- (b) an existing obligation that arises from past events and but is not recognized because—
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability,

and includes debt guarantees, demand or price guarantees, and termination clauses or any other default provisions that could imply a transfer of liabilities to the Government.

“fiscal balance” means revenue less expenditure of the Government;

“fiscal indicators” means measures such as numerical ceilings used to evaluate the state of the economy or the fiscal position of the Government;

5/2010
S. 6.
Interpretation
for Part VII.
5/2010
S. 6.
2/2014
Sch.

“fiscal risk” means the possibility that actual fiscal outcomes will deviate from the fiscal outcomes expected at the time of the presentation of the annual estimates of revenue and expenditure arising from matters such as—

19/2011
S. 4.

- (i) economic assumptions;
- (ii) the structure of public debt;
- (iii) Government guarantees;
- (iv) public-private partnerships;
- (v) natural disasters and other acts of God; and
- (vi) contingent liabilities;

“fiscal target” means a specified quantitative or qualitative limit against which a particular fiscal indicator is measured and monitored;

19/2011
S. 4.

“local authority” means—

2/2014
Sch.

- (a) in relation to the parishes of Kingston and St. Andrew, the Council of the Kingston and St. Andrew Corporation as constituted under the Kingston and St. Andrew Corporation Act;
- (b) in relation to any other parish, the Parish Council of that parish as constituted under the Parish Councils Act; or
- (c) in relation to a municipality, a Municipal Council established under the Municipalities Act;

“notional account” means an account in which the cumulative deviations (whether negative or positive) from targeted fiscal balances are recorded;

2/2014
Sch.

“primary balance” means the fiscal balance plus net interest expense;

“public debt” means the consolidated debt of the specified public sector, including its Government guaranteed debt (after netting out the cross-holdings of debt of

2/2014
Sch.

entities within the specified public sector, other than holdings by the Bank of Jamaica);

2/2014
Sch.

“public entity” means the Government or a department or an agency of the Government, a local authority or a public body;

2/2014
Sch.

“public investment” means non-recurrent expenditure on goods, works and services carried out by any public entity on its own or by one or more public entities in conjunction with one or more non-public entities through public private partnerships, and which is aimed at accumulating new physical or intangible assets or enhancing human resource capacities, or improving or rehabilitating existing physical or intangible assets or human resource capacities, to achieve development objectives;

2/2014
Sch.

“public investment project” means public investment requiring planning, execution, monitoring and evaluation carried out as an integrated set of activities aimed at meeting a development objective, at a specific cost and within a defined timeframe;

2/2014
Sch.

“public private partnership” means an arrangement governed by a long-term procurement contract between one or more public entities and one or more non-public entities, involving the designing, financing, building and operating of an infrastructure project or the provision of a service, through the appropriate sharing of resources, risks and rewards;

“public sector” means the Government and all public bodies;

2/2014
Sch.

“recalibration” means the process of periodically resetting the minimum fiscal balance required to achieve the debt sustainability target of no more than sixty per cent of gross domestic product by the end of the financial year ending on March 31, 2026 and continuing thereafter;

- “severe economic contraction” means a decline in gross domestic product over four consecutive quarters involving a cumulative reduction that is equal to or greater than three per cent of gross domestic product relative to the corresponding quarter of the preceding financial year, or a one-time quarterly reduction in gross domestic product equal to or greater than two per cent relative to the corresponding quarter of the preceding financial year; 2/2014
Sch.
- “specified public sector” means the public sector not including any public body certified by the Auditor-General, in the prescribed manner, as primarily carrying out functions that are of a commercial nature that satisfy such criteria as may be prescribed; 2/2014
Sch.
- “sustainable level” means that level of a fiscal indicator which does not compromise the required fiscal space necessary to meet socio-economic objectives. 19/2011
S. 4.

(2) For the purposes of this Part, the accounting concepts and principles used to measure and assess fiscal performance shall conform to international fiscal accounting standards.

48B.—(1) The Minister shall be responsible for—

- (a) the development and implementation of a fiscal policy framework for Jamaica;
- (b) the supervision and monitoring of public finances; and
- (c) the co-ordination of the international and inter-Governmental fiscal relations of the Government.

Development and implementation of fiscal policy, etc.

(1A) The Minister shall take appropriate measures to ensure that, commencing with the financial year beginning on April 1, 2015, the Estimates of Revenue and Expenditure are 2/2014
Sch.

tabled simultaneously, in time for their approval by both Houses of Parliament no later than March 31 of the year that to which the Estimates relate.

2/2014
Sch.

(1B) The Minister shall, before September 30 in each financial year, issue to accounting officers, the Budget Call containing the economic and fiscal parameters which will govern the preparation of the Estimates of Revenue and Expenditure for the succeeding financial year and the medium term.

2/2014
Sch.

(2) Upon presentation of the annual Estimates of Revenue and Expenditure, the Minister shall lay before both Houses of Parliament—

Third
Schedule.

(a) a Fiscal Policy Paper containing the information specified in the Third Schedule and setting out, in accordance with this section—

- (i) a Fiscal Responsibility Statement;
- (ii) a Macroeconomic Framework; and
- (iii) a Fiscal Management Strategy;

Fourth
Schedule.

(b) a Public Sector Investment Programme, consistent with the requirements specified in the Fourth Schedule, and which shall be accompanied by a report of the Minister on the alignment of expenditure on public investment projects in the preceding financial year with the corresponding programme for that year.

(3) The Macroeconomic Framework referred to in subsection (2) shall—

- (a) provide an overview of the current state of the economy, including an evaluation of its performance; and
- (b) give an assessment of the prospects for economic growth (accompanied by a statement of the assumptions underlying the assessment), as well as an indication of the medium-term trajectory for the main macroeconomic variables.

(4) The Fiscal Responsibility Statement referred to in subsection (2) shall—

- (a) specify the level of fiscal balance and the level of public debt that are prudent, in the opinion of the Minister; ^{2/2014 Sch.}
- (b) set out the fiscal policy measures proposed to be taken to achieve the levels referred to in paragraph (a); and
- (c) contain a declaration, signed by the Minister, that in pursuing policy objectives he will adhere to the principles of prudent fiscal management and seek to manage financial risks accordingly.

(5) The Fiscal Management Strategy referred to in subsection (2) shall—

- (a) give an assessment of the current and projected finances of the Government;
- (b) set out, in respect of a specified planning period, being a period of not less than three years, the plans and policies for the development of the economy, including the level of public expenditure as a proportion of the gross domestic product;
- (c) make explicit the ways in which such plans and policies conform to the Fiscal Responsibility Statement;
- (d) without prejudice to the provisions of section 48C—
- (i) develop a set of fiscal indicators (including annual public sector borrowing, the fiscal balance and the primary balance) to enable the measurement of economic performance and establish targets for such indicators to be met during the planning period specified pursuant to paragraph (b); and
 - (ii) in respect of the planning period, compare the outcome of the fiscal indicators with the targets for the previous financial year, and give the reasons for any deviation; and

- (e) report on any policy changes that have been made since the presentation of the previous Fiscal Policy Paper.

2/2014
Sch.

(6) The Auditor-General shall, within one week after the Fiscal Policy Paper is laid before both Houses of Parliament, examine the components of the Fiscal Policy Paper and provide a report to the Houses indicating whether—

- (a) the conventions and assumptions underlying the preparation of the Fiscal Policy Paper comply with the principles of prudent fiscal management specified in section 48D;

2/2014
Sch.

- (b) the reasons given pursuant to subsection (5)(d)(ii) are reasonable having regard to the circumstances;

2/2014
Sch.

- (c) pursuant to his application of criteria prescribed pursuant to regulations made under section 50(1), there are any public bodies that do not form part of the specified public sector, and identifying those bodies (if any) which in the preceding financial year formed part of the specified public sector;

2/2014
Sch.

- (d) a public private partnership involves only minimal contingent liabilities accruing to the Government.

2/2014
Sch.

48C.—(1) Subject to subsections (2) and (4), the Minister shall take appropriate measures—

- (a) to attain a fiscal balance, as a percentage of the gross domestic product, as at the end of the financial year ending on March 31, 2018 and thereafter, that allows the requirement specified in paragraph (b) to be achieved, and to be maintained or improved thereafter, and the fiscal balance to be attained shall be computed in accordance with the Fifth Schedule;

Fiscal
targets.
2/2014
Sch.

- (b) to reduce the public debt to sixty percent or less of the gross domestic product by the end of the financial year ending on March 31, 2026 and maintain or improve the ratio thereafter;

- (c) to reduce the ratio of wages paid by the Government as a proportion of the gross domestic product to nine per cent or less by the end of the financial year ending on March 31, 2016, and maintain or improve the ratio thereafter;
- (d) to ensure that neither the Appropriation Act nor any Supplementary Estimates of Revenue and Expenditure for any financial year will cause any negative deviations from the fiscal balance to be attained pursuant to paragraph (a);
- (e) to ensure that no deviation is recorded in the notional account until the fiscal accounts for the financial year in question have been finalized.

(2) Subject to subsection (3), compliance with the requirements referred to in subsection (1)(a) and (b) may be suspended on the grounds of any one or more of the following occurrences (hereinafter referred to as “the eventuality”), as determined having regard to subsection (5), namely—

- (a) a period of public disaster within the meaning of section 20 of the Constitution of Jamaica;
- (b) a severe economic contraction;
- (c) a financial sector crisis;
- (d) a public emergency within the meaning of section 20 of the Constitution of Jamaica; or

(3) Subsection (2) applies where—

- (a) the Auditor-General has validated in the prescribed manner that the estimated fiscal impact of the eventuality is equal to or greater than one and a half per cent of gross domestic product; and thereafter
- (b) the Minister, having regard to the validation of the Auditor-General, has, in accordance with subsection (4), made an order, subject to affirmative resolution, permitting the requirements to be suspended for an

initial period, and, as the case may require, for an extended period.

(4) The initial period during which compliance with the requirements referred to in subsection (1)(a) and (b) may be suspended shall terminate at the end of the financial year following the eventuality; however, where the Auditor-General has validated in the prescribed manner that the residual impact of the eventuality is significant enough to warrant the continued suspension of the requirements in subsection (1)(a) and (b), the suspension of the requirements may be continued for an extended period of one more financial year, immediately following the initial period of suspension.

(5) For the purposes of subsection (2)—

- (a) the Planning Institute of Jamaica shall submit to the Minister and the Auditor-General, respectively, a report relating to the eventuality, where it relates to an occurrence specified in paragraph (a) or (b) of that subsection;
- (b) the Bank of Jamaica shall certify, by a written statement of the Governor of the Bank, to the Minister and the Auditor-General, respectively, the information confirming the eventuality, where it relates to an occurrence specified in paragraph (c) of that subsection.

(6) The Minister shall, at the end of the initial period, or where applicable, the extended period during which, pursuant to this section, compliance with the requirements specified in paragraphs (a) and (b) of subsection (1) may be suspended, table in each House of Parliament a report in relation to the eventuality, setting out, for the approval of each House of Parliament, recommendations for recalibration of the requirement under subsection (1)(a).

48CA.—(1) Subject to subsection (2) and further to the requirements of paragraph (a) of section 48C(1), the following

provisions apply in relation to deviations from the fiscal balance that reduce the fiscal balance below that which is required to be attained pursuant to that paragraph—

- (a) when cumulative deviations from the fiscal balance in the financial year ending on March 31, 2018, or in any financial year thereafter, result in the notional account reaching or exceeding one and a half per cent of gross domestic product, but are below three and a half per cent of gross domestic product, there shall be an automatic upward adjustment to the fiscal balance required by section 48C(1)(a) in the succeeding financial year of, at a minimum, 0.75 per cent of the gross domestic product;
- (b) when, during any such financial year, it is estimated that the cumulative deviations will reach or exceed three and a half per cent of the gross domestic product as at the end of that financial year, the Minister shall include in the Fiscal Policy Paper, which shall be tabled in February of that financial year a presentation on—
 - (i) what the projected notional account balance will be as at the end of the financial year;
 - (ii) measures to effect an upward adjustment to the fiscal balance of at least one and a half per cent of gross domestic product per year, in order to achieve compliance with the requirements in section 48C(1)(a) in accordance with paragraph (f) of this section.
- (c) the measures under paragraph (b)(ii) shall take effect on April 1 of the succeeding financial year or, as the case may require, at the soonest practicable date thereafter during that financial year;
- (d) in the event that—
 - (i) the Fiscal Policy Paper required by paragraph (b) is not tabled in accordance with that paragraph;

- (ii) in the opinion of the Auditor-General, the measures presented in the Fiscal Policy Paper are not adequate to achieve the outcome required by paragraph (b); or
 - (iii) in the opinion of the Auditor-General, those measures are not being implemented in a manner that will achieve the outcome specified in paragraph (b), within the time-frame required by this section, the Auditor-General shall report the matter to Parliament forthwith for necessary action to be taken to achieve a cut in primary spending of at least one and a half per cent of gross domestic product per year, in order to achieve compliance with the requirements in section 48C(1)(a), in accordance with paragraph (f); or
- (e) on receiving a report from the Auditor General pursuant to paragraph (d), the Public Administration and Appropriations Committee of the House of Representatives shall consider the report forthwith and recommend to the House the measures to be implemented to achieve the cut in primary spending referred to in paragraph (d);
- (f) the cumulative deviation referred to in paragraph (a) shall be redressed over a period of two financial years.

(2) There shall be a recalibration every three years, or at the end of a period, during which compliance with requirements referred to in section 48C(1)(a) and (b) may be suspended pursuant to section 48C(2).

(3) As part of a recalibration, the balance in the notional account shall be provided for in the adjustments to achieve the required outcome, and the notional account shall be reset to a nil balance accordingly.

(4) When a recalibration occurs, the Auditor-General

shall review the classification of public bodies to determine whether or not they fall within the specified public sector, and update the classification where necessary, pursuant to the prescribed criteria.

48D. In exercising functions under this Part, the Minister shall act in conformity with the following fiscal management principles—

Fiscal management principles.

- (a) the total debt is to be reduced to, and thereafter maintained at, a prudent and sustainable level; 19/2011 S. 7(a).
- (b) fiscal risks are to be managed prudently with particular reference to their quality and level; 19/2011 S. 7(b).
- (c) borrowings are to be geared toward investment activities that support productivity and economic growth; and 19/2011 S. 7(c).
- (d) expenditure is to be managed in a manner that is consistent with the level of revenue generated, so as to achieve the desired fiscal outcomes. 19/2011 S. 7(d).

48E.—(1) Subject to subsection (2), the Minister shall take measures to ensure greater transparency in the Government's fiscal operations, including in the preparation of the annual Estimates of Revenue and Expenditure, and shall disclose in the Fiscal Policy Paper, any significant change in the accounting standards, policies or practices that affect or are likely to affect the attainment of the targets specified in section 48C or contained in the Fiscal Management Strategy related to the financial year concerned.

Fiscal transparency.

(2) In taking measures under subsection (1), the Minister may reserve any information which, in the opinion of the Minister—

- (a) is confidential commercial information; or
- (b) if disclosed could prejudice national security or defence or have a substantial adverse effect on the Jamaican economy or the Government's ability to manage the Jamaican economy.

(3) The Minister shall cause to be tabled in both Houses of Parliament—

2/2014 Sch.

- (a) within six months of the passage of the Appropriation Act for the financial year to which the relevant Estimates of Revenue and Expenditure relate, a Fiscal Policy Paper, which shall, in addition to the matters set out in the Third Schedule, include the economic outturn of the previous financial year, the performance of the first quarter of the financial year, projections to the end of the current financial year; and projections for the succeeding financial year and the medium term;
- (b) during February of each financial year, an updated Fiscal Policy Paper which shall contain projections to the end of the fiscal year that is current as well as projections for the succeeding financial year and the medium term.

2/2014
Sch.

(4) For the purposes of subsection (1), each accounting officer shall submit the following to the Minister, in respect of the particular planning period (being not less than three years) and in accordance with the parameters and timeframe specified in the Budget Call—

- (a) a business plan setting out objectives, policies, strategic outcomes and performance targets of the department in respect of which that officer is an accounting officer;
- (b) the budgets associated with the programmes and activities outlined in the business plan; and
- (c) the public investment projects approved for inclusion in the Public Sector Investment Programme.

Tax Expenditure Statement.
19/2011
S. 9.

48F.—(1) Upon presentation of the Estimates of Revenue and Expenditure to the House of Representatives, the Minister shall table a Tax Expenditure Statement which shall—

- (a) contain details of—
 - (i) waivers, exemptions and other revenues foregone in the calendar year preceding the previous financial year; and
 - (ii) the waiver policies and strategies to be pursued

in the financial year to which the Statement relates; and

- (b) set out, for the approval of each House of Parliament, the proposed ceiling to be placed on discretionary waivers for the financial year to which the Statement relates.

(2) In subsection (1)(b) the references to discretionary waivers is a reference to waivers of tax liability that have been granted in the exercise of a discretionary power conferred on the Minister to do so, on the basis of a determination that it is just and equitable to do so or on similar terms, and not on the basis of the prospective beneficiary having satisfied statutorily specified qualifying conditions.

19/2011
S. 9.

48G. Before the House of Representatives votes on any statement of excess or supplementary estimates pursuant to section 116(2) of the Constitution, the Public Administration and Appropriations Committee of the House shall consider, and report to the House on the statement of excess or supplementary estimates (as the case may be), having regard in particular to any Financial Instructions issued by the Financial Secretary, under section 51, as to the contents of statements of excess.

Report on
statement of
excess, etc.
5/2010
S. 6.

48H.—(1) Government policy with respect to the negotiation of rates of pay and related conditions of employment for persons employed to the Government shall be consistent with the targets specified under section 48C and the policies and plans set out in the Fiscal Management Strategy.

Compensa-
tion settle-
ments.
5/2010
S. 6.

(2) For the purposes of subsection (1), the Minister responsible for the public service shall, by order subject to negative resolution, establish compensation negotiating cycles that allow for compensation settlement for persons employed to the Government to be incorporated into the Estimates of Revenue and Expenditure for the financial year to which the settlement relates.

19/2011
S. 10.

48I.—(1) The Minister shall cause to be established a Central Treasury Management System so as to enable the cash resources of—

Central
Treasury
Management
5/2010
S. 6.

- (a) the Government; and

(b) public bodies covered by an order made under subsection (3),

to fall within an account to be called the Treasury Single Account.

(2) The operation and maintenance of the Central Treasury Management System shall be in accordance with such provisions as may be prescribed.

(3) Notwithstanding the provisions of any relevant enactment or any constituent document, the Minister may, by order subject to affirmative resolution and published in the *Gazette*, provide for the management of the cash resources of public bodies as part of the Central Treasury Management System.

(4) An order under subsection (3) may be made so as to apply to a specified public body or to a class of public bodies, and may contain such ancillary, consequential or supplementary provisions as may be required to give effect to the order.

48J.—(1) The Minister shall cause to be established a Public Investment Management System, which shall provide a common framework for the preparation, appraisal, approval and management of public investments in Jamaica, irrespective of source of funding or procurement and implementation modalities.

(2) The Public Investment Management System shall—

- (a) function as a project governance system and the provisions of the Fourth Schedule shall have effect as to the constitution and operations of the system; and
- (b) be operated in accordance with the Public Investment Management Guidelines and such other guidelines as may be prescribed by the Minister.

(3) Government policy with respect to public investment shall be aimed at supporting economic and social development and environmental resilience, while ensuring fiscal prudence, and shall operate within the framework of the Public Investment Management System.

Public
Investment
Management
System.
2/2014
Sch.

Fourth
Schedule

PART VIII. *General*5/2010
S. 6.

49.—(1) Where it appears to any accounting officer or the Auditor-General that a deficiency or loss or destruction as mentioned in section 20 (1) (c) has occurred, he shall forthwith make a report in accordance with subsection (2) of this section to the Financial Secretary.

Responsibilities of
accountable
officers.
13/1992
S. 8.

(2) A report referred to in subsection (1) shall include information as to—

- (a) the amount or value of the deficiency or loss;
- (b) the circumstances leading to such deficiency or loss; and
- (c) the officer alleged to be responsible therefor.

(3) Upon receipt of a report under subsection (2), the Financial Secretary—

- (a) shall, by notice in writing to the officer named in such report—
 - (i) specify the grounds on which the allegations are being made against the officer named in the report;
 - (ii) require that officer, within thirty days of the date of the notice, to state his defence; and
 - (iii) issue a warning to the officer that failure to respond to the notice will be regarded as an admission of liability;
- (b) may conduct such investigations in relation to the report as he considers necessary.

(4) For the purposes of any investigation under subsection (3), the Financial Secretary is hereby empowered to—

- (a) summon and examine witnesses;
- (b) call for and examine documents;
- (c) administer oaths;
- (d) adjourn any investigation from time to time,

and the Financial Secretary may hear orally any person who, in the opinion of the Financial Secretary, is likely to be affected by such investigation and shall so hear that person if a written request for a hearing has been made by the person showing that he is an interested party likely to be affected by the result of the investigation and that there are particular reasons why he should be heard orally.

(5) For the purposes of this section any reference to deficiency or loss includes—

- (a) damage or destruction by fire, accident, rain, flood or other occurrence;
- (b) misappropriation or theft of or failure to properly account for any public moneys or property;
- (c) failure to collect moneys or property owing to the Government or to provide documents showing that such moneys are wholly and correctly brought into account;
- (d) improper payments, that is to say—
 - (i) payments unlawfully made or the making of which has been insufficiently documented;

- (ii) payments deemed unlawful by the Financial Secretary on the grounds that they appear to be extravagant or nugatory;
- (e) amounts which are not recoverable by the Government as a result of the negligence of the accountable officer;
- (f) any malicious or willful destruction of Government property.

(6) Where an accounting officer has reasonable ground for suspecting that any loss or deficiency resulted from a criminal offence, the accounting officer shall forthwith report the matter to a member of the Jamaica Constabulary Force.

50.—(1) The Minister may make regulations for the purpose of giving effect to the provisions of this Act and in particular, but without prejudice to the generality of the foregoing, such regulations may make provision in relation to all or any of the following—

Regulations.
13/1992
S. 8.

- (a) the establishment of appropriate accounting systems and procedures in relation to the operation of bank accounts by accounting officers;
- (b) requirements in relation to the budgeting, financial reporting, accounting and auditing in public bodies;
- (c) the collation of financial statistics in relation to public bodies;
- (d) the procedure in relation to the exercise of the Auditor-General's functions under section 25(6);
- (e) procedures for the issue of and accounting for, warrants authorizing disbursement from appropriations;
- (f) the submission of such reports or returns by accounting officers containing such information as the Minister may require;
- (g) a Central Treasury Management System;
- (h) the linking of fiscal principles to fiscal policy, and the assessment of fiscal performance, so as to ensure that fiscal principles determine the formulation of fiscal policy and are also used to evaluate fiscal performance.

5/2010
S. 7.
19/2011
S.11.

(2) Any power conferred by subsection (1) to make regulations may be exercised—

- (a) either in relation to all cases to which the power extends or in relation to all those cases subject to specified exceptions or in relation to any specified cases or classes or case; and
- (b) so as to make, as respects the cases in relation to which it is exercised—
 - (i) the full provision to which the power extends or any less provision (whether by way of exception or otherwise);
 - (ii) the same provision for all cases in relation to which the power is exercised or different provision for different cases or classes of case or different provision as respects the same case or class of case for different purposes of this Act;
 - (iii) any such provision either unconditionally or subject to any specified condition.

(3) Any regulations under this section may contain such incidental or supplementary provisions as appear to the Minister to be expedient for the purposes of the regulations.

(4) Notwithstanding section 29 of the Interpretation Act, regulations made under subsection (1) may provide for the imposition of penalties on summary conviction in a Resident Magistrate's Court of a fine not exceeding one million dollars or imprisonment for a term not exceeding one year or of both such fine and imprisonment.

(5) Regulations made under subsection (1) shall be subject to affirmative resolution.

51. The Financial Secretary may issue instructions to be known as Financial Instructions in relation to public financial business and without prejudice to the generality of the foregoing, such instructions shall provide for—

9/2009
S. 6.

Directions
to institu-
tions by
Financial
Secretary.
13/1992
S. 8.

- (a) the collection, custody, issue, expenditure, due accounting for, care and management of all public moneys and the guidance of all persons concerned therewith;
- (b) the effectual recording, examination, inspection and departmental checks of all receipts, payments and expenditure and the keeping of all necessary books and accounts;
- (c) the forms for all accounts, books, returns and documents required for the proper accounting for public moneys and government supplies;
- (d) the classification and coding to be used for budgets and other accounts;
- (e) the purchase, safe custody, issue, sale or other disposal or writing-off of government supplies and other property and the proper accounting for and stock-taking of such supplies and other property;
- (f) the reporting of losses, by whatever means, of public moneys, government property and the reporting of any damage to or destruction of any such property;
- (g) the supply of such information relating to public moneys as the Financial Secretary may require:

5/2010
S. 8.

Provided that any directions and instructions which are in force for like purposes at the 17th August, 1992, shall continue in force insofar as they are applicable until other provision is made pursuant to this section.

52.—(1) Where it comes to the attention of an accounting officer or the Auditor-General that any expenditure requiring the authority of the Minister has been incurred without that authority the accounting officer or the Auditor-General, as the case may be, shall forthwith make a report thereof to the Financial Secretary.

Minister's
approval of
certain
payments.
13/1992
S. 8.

(2) The Financial Secretary may, if satisfied that the circumstances of the expenditure are such as to warrant the

approval of the Minister, recommend to the Minister that such approval be given.

(3) Where, in respect of any such expenditure—

- (a) the Financial Secretary is not satisfied that a recommendation should be made under subsection (2); or
- (b) the Minister refuses to give such approval as so recommended,

the amount of the expenditure shall be treated as a loss under section 20 (1) (c).

9/2009
S. 7.

FIRST SCHEDULE

(Sections 2, 33B
and 33T)

Audit Committees

Composition
of committee
and appoint-
ment of
members.

1. Subject to the provisions of this Schedule, an audit committee shall consist of not less than five nor more than seven members who shall be appointed by the Audit Commission from among persons who appear to the Commission to exhibit adequate analytical, accounting, financial or managerial expertise for appointment under this paragraph.

Eligibility for
appointment.

2.—(1) Subject to subparagraph (2) and paragraph (4), a minimum of two-thirds of the members of the audit committee shall be independent, that is of say, persons who are not employees of the department or any other person having a relationship with the department that, in the opinion of the Audit Commission, interferes or may reasonably be seen as interfering in the committee's impartial exercise of judgment in carrying out its functions.

(2) The following persons shall not be eligible for appointment to the audit committee—

- (a) the accounting officer;
- (b) the principal finance officer or the chief financial officer of the department; and
- (c) the chief internal auditor or the head of internal audit in the department.

(3) A member of an audit committee who becomes disqualified by virtue of this paragraph shall resign forthwith upon becoming aware of the disqualification, failing which he shall be deemed to have vacated his office.

3.—(1) Subject to paragraph (4), the Audit Commission shall appoint a chairman and deputy chairman from among the members of each audit committee.

Chairman and deputy chairman.

(2) In case of the chairman's inability to act, the deputy chairman shall perform the functions of the chairman and in the absence of both the chairman and the deputy chairman from any meeting, the members of the audit committee present shall elect one of their number to preside at that meeting and when so presiding the chairman, the deputy chairman or the member elected as aforesaid, as the case may be, shall have, in addition to an original vote, a casting vote in the event of an equality of votes.

4. An employee or an independent contractor of the department shall not be eligible to be appointed as the chairman of an audit committee of the department.

Officers not eligible for appointment as chairman of committee.

5.—(1) Subject to the provisions of this Schedule, a member of an audit committee shall hold office for such period, not being less than five nor more than seven years, as may be specified in the instrument of appointment (hereinafter referred to as the initial period), and shall be eligible for re-appointment.

Tenure of audit committee.

(2) Subject to subparagraph (3), at the end of the initial period, a member of an audit committee who indicates, in writing to the accounting officer of the department and the Audit Commission, his willingness to continue in office may be appointed for a further period as may be specified in the instrument of appointment not exceeding seven consecutive years.

(3) If any vacancy occurs in the membership of an audit committee the vacancy shall be filled by the appointment of another member who shall, subject to the provisions of this Schedule, hold office for the remainder of the period for which the previous member was appointed so, however, that this shall not bar the member from further service on an audit committee.

6.—(1) The chairman may, at any time, resign his office by instrument in writing addressed to the Audit Commission and such resignation shall take effect as from the date of receipt by the Audit Commission of the instrument.

Resignation of member.

(2) A member of an audit committee (other than the chairman) may, at any time, resign his office by instrument in writing addressed to the Audit Commission and transmitted through the chairman and, from the date of the receipt by the Audit Commission of such instrument, the member shall cease to be a member of the audit committee.

Revocation
of appoint-
ment.

7. The Audit Commission may, at any time, revoke the appointment of any member of an audit committee if such member—

- (a) becomes of unsound mind or becomes permanently unable to perform his functions by reason of ill health;
- (b) becomes bankrupt or compounds with, or suspends payment to his creditors;
- (c) is convicted and sentenced to a term of imprisonment or to death;
- (d) is convicted of an offence involving dishonesty or moral turpitude;
- (e) becomes disqualified for appointment by virtue of paragraph 2;
- (f) fails to carry out any of the functions conferred or imposed on him under this Act;
- (g) fails to attend three consecutive meetings without reasonable excuse;
- (h) engages in any activity which, in the opinion of the Audit Commission, is in actual or perceived conflict with the interests of the department; or
- (i) engages in such activities as are reasonably considered by the Audit Commission to be prejudicial to the interests of the committee.

Procedure of
meetings.

8.—(1) The audit committee shall meet at such times as may be necessary or expedient for the transaction of business, at least quarterly, and such meeting shall be held at such places and times and on such days as the committee may determine.

(2) The chairman may, at any time, call a special meeting of the audit committee and shall cause a special meeting to be held within seven days of a written request for that purpose addressed to him by any three members of the audit committee.

(3) The validity of any proceedings of the audit committee shall not be affected by any vacancy among the members thereof or by any defect in the appointment of a member thereof.

(4) Subject to the provisions of this Schedule, the audit committee may regulate its proceedings.

Management of Audit Committee

Charter.

9.—(1) The audit committee shall prepare documented terms of reference (hereinafter referred to as the charter) which shall be submitted to the Audit Commission for approval.

(2) The performance of the audit committee shall be assessed against the charter periodically.

(3) The charter shall be reviewed annually by the audit committee and any changes thereto submitted to the Audit Commission for approval.

10.—(1) The chairman of every audit committee shall prepare an annual report within four months of the end of the financial year, on all major activities for the year including— Annual reports.

- (a) details of attendance at meetings;
- (b) conclusion on the adequacy and effectiveness of internal controls in the department;
- (c) general comments on the quality of internal audit reports submitted; and
- (d) the results of the evaluation of financial and other data.

(2) The annual report shall be submitted, where appropriate, to—

- (a) the Audit Commission;
- (b) the accounting officer;
- (c) the Financial Secretary;
- (d) the Chief Executive Officer of the Executive Agency;
- (e) the Chairman of the Advisory Board appointed under section 2 of the Executive Agencies Act; and
- (f) the officer who is in charge of internal audit in the department.

11. A member of an audit committee who is directly or indirectly interested in any matter which is being dealt with by the audit committee shall as soon as possible after the relevant facts have come to his knowledge, disclose the nature of his interest at a meeting of the audit committee and shall not be present during the deliberation of the audit committee on the matter or take part in the decision of the audit committee with respect thereto. Disclosure of interest.

12.—(1) Every member of an audit committee shall demonstrate due professional care and proficiency at all times. Ethical behaviour.

(2) The members of an audit committee shall be, and make every effort to operate in a manner that is, independent of the audit functions of the department.

(3) If there is a change in circumstances that causes a member's independence to be impaired, then that member shall resign in accordance with paragraph 6 of this Schedule.

(4) Where the independence of a member is impaired, but he is not willing to resign, the majority of the committee members may indicate in writing their concerns to the chairman and make recommendations for the member's removal in accordance with paragraph 7 of this Schedule.

Protection of members.

13. No action, suit, prosecution or other proceedings shall be brought or instituted personally against any member of an audit committee in respect of any act done *bona fide* in pursuance of, in execution or intended execution of this Act.

Authentication of seal and documents.

14.—(1) The seal of the audit committee shall be authenticated by the signature of the chairman or any other member of the audit committee authorized to act in that behalf or any officer of the audit committee so authorized and shall be judicially and officially noticed.

(2) All documents, other than those required by law to be under seal made by, and all decisions of, the audit committee may be signified under the hand of the chairman or other member or officer of the audit committee authorized in that behalf.

Remuneration of members.

15. There shall be paid to the chairman and other members of an audit committee such remuneration, whether by way of honorarium, salary or fees, and such allowances, as the Minister may determine.

Membership not public office.

16. The office of the chairman, deputy chairman or a member of an audit committee shall not be a public office for the purposes of Chapter V of the Constitution of Jamaica.

9/2009
S. 7.

SECOND SCHEDULE

(Sections 2, 33B
and 33T)

Audit Commission

Constitution of Audit Commission.

1.—(1) The Audit Commission shall consist of not less than five nor more than seven members, with at least one member from each of the following category of persons—

- (a) senior Directors in the Office of Cabinet;
- (b) senior members of the Institute of Chartered Accountants of Jamaica;
- (c) senior members of the Institute of Internal Auditors;
- (d) senior directors in the Ministry responsible for finance; and
- (e) the Senior Director in the Auditor-General's Department.

(2) The Solicitor-General or his nominee shall be an *ex officio* member of the Audit Commission.

2. The Audit Commission shall be appointed by the Governor-General on the recommendation of the Minister responsible for finance.

Appoint-
ments of
Audit
Commission.

3.—(1) Members of audit committees are not eligible for appointment to the Audit Commission.

Officers not
eligible for
member-
ship.

(2) The provisions of paragraph 2 of the First Schedule shall apply, with such modifications as may be necessary, to the Audit Commission.

4. Members of the Audit Commission shall hold office for a maximum period of five consecutive years.

Tenure.

5.—(1) The Audit Commission shall meet at least every three months to discuss issues raised in the committee reports as well as assess the effectiveness of the audit committees.

Operation.

(2) The quorum of the Audit Commission shall be three members.

(3) Except as provided in this Act, the Audit Commission shall regulate its own proceedings.

6.—(1) The Audit Commission may, with the approval of the Minister, appoint committees for special purposes connected with the functions of the Commission and which in the opinion of the Commission would be better regulated and managed by means of committees.

Appoint-
ments of
committees.

(2) The number of members of a committee appointed under subparagraph (1), the terms of appointment of such members, the quorum of the committee and the area within which the committees is to exercise authority shall be determined by the Audit Commission.

(3) A committee appointed pursuant to this paragraph may include persons who are not members of the Audit Commission but at least one of the members of any such committee shall be a member of the Audit Commission.

(4) The provisions of paragraph 9 shall apply to a member of a committee who is not a member of the Audit Commission in like manner as they apply to a member of the Audit Commission.

(5) The validity of the proceedings of a committee appointed pursuant to this paragraph shall not be affected by any vacancy among the members thereof or by any defect in the appointment of a member thereof.

Authentication
of seals and
documents.

7.—(1) The seal of the Audit Commission shall be authenticated by the signature of the chairman or any other member of the Commission authorized to act in that behalf or any officer of the Commission so authorized and shall be judicially and officially noticed.

(2) All documents (other than those required by law to be under seal) made by, and all decisions of, the Commission may be signified under the hand of the chairman or any member or officer of the Commission authorized to act in that behalf.

Appointment
of officers
and other
employees.

8.—(1) The Audit Commission shall appoint and employ, at such remuneration and on such terms and conditions as it thinks fit, an Executive Director, a Secretary and such other officers and employees as the Audit Commission deems necessary for the proper carrying out of its functions:

Provided that—

- (a) no salary in excess of the prescribed rate shall be assigned to any post without the prior approval of the Minister; and
- (b) no appointment shall be made to any post to which a salary in excess of the prescribed rate is assigned without the prior approval of the Minister.

(2) For the purposes of subsection (1) the “prescribed rate” means a rate of four million dollars per annum or such other rate as the Minister may, by order, prescribe.

(3) The Governor-General may, subject to such conditions as he may impose, approve the appointment of any public officer in the service of the Government to any office within the Audit Commission, and any public officer so appointed shall, while so employed, in relation to any pension, gratuity or other allowance and in relation to any other rights as a public officer, be treated as continuing in the service of the Government.

Protection
of members.

9.—(1) No action, suit, prosecution or other proceedings shall be brought or instituted personally against any member of the Audit Commission in respect of any act done *bona fide* in pursuance of, in execution or intended execution of this Act.

(2) Where any member of the Audit Commission is exempt from liability by reason only of the provisions of this paragraph, the Commission shall be liable to the extent that it would be if the said member were an employee or an agent of the Commission.

Membership
not public
office.

10. The office of the chairman, deputy chairman or a member of the Audit Commission shall not be a public office for the purposes of Chapter V of the Constitution of Jamaica.

Resignation
of members.

11.—(1) Any member (other than the chairman) may, at any time, resign his office by instrument in writing addressed to the Governor-General

and transmitted through the chairman and from the date of receipt by the Governor-General of such instrument such member shall cease to be a member.

(2) The chairman may, at any time, resign his office by instrument in writing addressed to the Governor-General and such resignation shall take effect as from the date of the receipt by the Governor-General of the instrument.

THIRD SCHEDULE

(Section 48B) 19/2011
S. 12.*Minimum Contents of Fiscal Policy Paper*

The Fiscal Policy Paper shall cover central Government and public bodies, and shall include, at the minimum, the details set out below.

(Note: Information required in respect of previous financial years shall be the best actual or provisional results available at the date of preparation.

A. Macroeconomic Framework

1. In respect of the financial year to which the relevant Estimates of Revenue and Expenditure relate, the two financial years immediately preceding that year, and the two financial years subsequent to that year, information on the macroeconomic situation and forecasts, including—

- (a) gross domestic product and its components;
- (b) consumer prices;
- (c) employment and unemployment;
- (d) external accounts, with emphasis on the current account position of the balance of payments; and
- (e) assumptions underpinning the forecasts.

2. In respect of the financial year to which the relevant Estimates of Revenue and Expenditure relate, the two financial years immediately preceding that year, and the two financial years subsequent to that year, information on the medium to longer term trajectory for the matters referred to in paragraph 1.

B. Fiscal Management Strategy

1. In respect of the financial year to which the relevant Estimates of Revenue and Expenditure relate, the two financial years immediately preceding that year, and the two financial years subsequent to that year—

THIRD SCHEDULE, *cont'd.*

(Section 48B)

Minimum Contents of Fiscal Policy Paper, cont'd.

- (a) information as to fiscal outcomes and forecasts, including fiscal aggregates for—
- (i) the level of operating expenses categorised by type of expenditure;
 - (ii) the level of operating revenue, categorised by type of revenue;
 - (iii) the fiscal balance and primary balance;
 - (iv) the level of debt;
 - (v) the key assumptions on which the information referred to in subparagraphs (i) to (iv) are based; and
 - (vi) any other information the Minister considers material to the Fiscal Policy Paper;
- (b) the long term fiscal policy and targets that have been taken into account in formulating the Fiscal Policy Paper.

2. In respect of the financial year to which the relevant Estimates of Revenue and Expenditure relate, the two financial years immediately preceding that year, and the two financial years subsequent to that year—

- (a) an explanation of the fiscal policies as regards fiscal responsibility principles, and the fiscal targets and measures to be implemented to ensure compliance with those policies, including the overall strategy to achieve the fiscal balance, primary balance, and debt targets, and to moderate cyclical fluctuations in the fiscal positions;
- (b) details as to revenue policy and administration, including planned changes to taxation and other revenues;
- (c) details as to expenditure policy, including capital and other expenditure priorities, aggregate expenditure intentions, expenditure ceilings and other targets or limits implied, or required, by the fiscal policy;
- (d) a fiscal risk statement, including contingent liabilities, any commitments not included in the fiscal forecasts, and all other circumstances which may have a material effect on the fiscal and economic forecasts and which have not already been incorporated in those forecasts;
- (e) an explanation of the relationship between the Fiscal Policy Paper and the Fiscal Policy Paper for the previous financial year, including an explanation of any significant change.

3. In respect of the financial year to which the relevant Estimates of Revenue and Expenditure relate, information on the portion of public investment, as a percentage of gross domestic product, to be spent, and information on the medium term trajectory for public investment as a percentage of gross domestic product.

THIRD SCHEDULE, *cont'd.*

(Section 48B)

Minimum Contents of Fiscal Policy Paper, cont'd.

4. In respect of the financial year to which the relevant Estimates of Revenue and Expenditure relate, provision of an amount for weather-related risks, which amount shall be transferred to the Contingencies Fund established by section 13 of the Act.

5. In respect of the financial year to which the relevant Estimates of Revenue and Expenditure relate, full disclosure on all contingent liabilities arising from non-guaranteed borrowings, whether for public private partnerships or otherwise.

6. In respect of the financial year to which the relevant Estimates of Revenue and Expenditure relate, full disclosure on the number of public bodies most recently validated by the Auditor-General as not being part of the specified public sector.

C. *The Fiscal Responsibility Statement*

A declaration of responsibility, signed by the Minister, attesting to the reliability and completeness of the information in the Fiscal Policy Paper and its compliance with fiscal responsibility principles.

FOURTH SCHEDULE

(Section 48B (2)) 2/2014
Sch.*Public Investment Management System*

The Public Investment Management System (hereinafter called the "PIMS") is the common framework for the preparation, appraisal, approval and management of all public investments in Jamaica, irrespective of the source of funding or procurement and implementation modalities.

The PIMS shall encompass the elements set out under the respective headings below:

A. *The Public Sector Investment Programme (hereinafter called the "PSIP")*

This is a rolling five year plan of Cabinet approved, new and ongoing prioritized public investment projects, reviewed on a regular basis against—

- (i) the strategic objectives of government;
- (ii) the fiscal and debt sustainability agenda;
- (iii) prevailing socio-economic and environmental conditions; and
- (iv) the implementation status and technical capacity of executing agencies.

B. An Annual PSIP Policy Paper

This paper is to be developed by the Planning Institute of Jamaica to aid the Cabinet's decision making on the PSIP and shall be presented each year to the Cabinet for discussion and approval, prior to its approval of the Estimates of Revenue and Expenditure for the succeeding financial year, and shall include:

- (a) a diagnosis of PSIP performance;
- (b) an analysis of the prevailing socio-economic and environmental conditions;
- (c) recommendations for adjustments based on review of recent socio-economic developments or findings;
- (d) a forecast of the likely impact of the continuing PSIP on development indicators; and
- (e) recommendations of prioritization criteria for determining the size and composition of the PSIP.

C. Public Investment Management Guidelines

These are the rules, procedures, requirements and guidelines which shall be prescribed for the governance of all public investments (irrespective of source of funding and origin), in ministries, departments, public bodies and public private partnerships.

D. A Public Investment Management Committee (hereinafter called the "PIMC")

This committee, the membership of which shall be appointed by the Cabinet, shall have responsibility for—

- (a) the screening of all investment proposals for feasibility and consistency with government's strategic objectives;
- (b) reviewing all projects for technical, financial, economic and environmental feasibility;
- (c) prioritizing projects for financing and recommending to Cabinet their inclusion in the Public Sector Investment Programme (PSIP); and
- (d) reviewing project performance, monitoring risks to the achievement of objectives and continued relevance to government's policy priorities.

E. A Public Investment Secretariat

This unit will undertake the assessment of project proposals presented for screening and appraisal, and provide technical support and advice to the PIMC to facilitate its decision making.

FOURTH SCHEDULE, *cont'd.*

(Section 48B(2))

F. A Public Investment Governance Framework

This framework shall operate as follows—

- (a) PIMC shall submit recommendations to the Cabinet for approval; and
- (b) the Minister shall update Parliament on the implementation status of the PSIP in each Fiscal Policy Paper update.

G. A Public Investment Management Information System

This is the web-enabled system that will serve as the repository of information on all public investment projects (central government, public bodies and public private partnerships), at the various stages of the project cycle (inclusive of concept, feasibility, approval, implementation and evaluation) thereby allowing access for the tracking of status and performance information on all projects as they move through the project cycle.

H. A Public Investment Performance Report

This is a comprehensive performance report on the Government’s Public Investment Programme, which shall be produced and published periodically by the Minister.

I. A Public Investment Monitoring and Evaluation System

This entails the systematic collection, analysis and use of project information to enable—

- (a) ongoing review and monitoring of projects during implementation, to ascertain financial and physical progress against set performance objectives, and a determination of whether projects are being executed effectively; and
- (b) ex post assessment of the impact and outcomes of investment projects.

FIFTH SCHEDULE

(Section 48C(1)(a))

2/2014
Sch.

Annual Fiscal Balance to be Maintained

This fiscal balance requirement is to be calculated as follows:

$$d_t = \frac{d_{t-1}}{1+n_t} - fb_t$$

Where d_t is the public debt at the end of period t as a ratio of the gross domestic product (GDP) in period t , fb_t is the fiscal balance in period t as a ratio of GDP in period t , and n_t is the nominal GDP growth rate between periods $t-1$ and t .

FIFTH SCHEDULE, *cont'd.*

(Section 48C(1)(a))

The public debt target, represented as d^* and the number of years (N) required to achieve that ceiling, as specified in 48C(1)(b) or pursuant to a suspension on the grounds specified in 48C(2), determines the fiscal balance target fb^* required over the period N .

$$fb^* = \frac{-n}{(1+n)((1+n)^N - 1)} ((1+n)^N d^* - d_0)$$

The long-run nominal GDP growth rate is represented by n and the initial level of debt-to-GDP ratio is represented by d_0 .

The fiscal balance target referred to in 48C(1)(a) depends on the target date to achieve the debt ceiling and average economic growth, conditional on the initial level of debt.