



Financial Management (Budget Amendment) Bill 2017

Bill No. 24 of 2017

Introduction

The **Financial Management (Budget Amendment) Bill 2017** seeks to amend *the Financial Management Act 2004* ('Principal Act'). The *Financial Management Act 2004* gave legal effect to the Financial Management Reform Policy Framework. The 2004 act replaced the *Finance Act 1981* and suspended the *Public Financial Management Act 1999*. It covers the overall financial management responsibilities of the Minister and other authorities as well as setting out accounting procedures.

Objectives, scope and intent of the Bill

The main objective of the *Financial Management (Budget Amendment) Bill 2017* ('Bill') is to amend *the Financial Management Act 2004* ('Principal Act') with accordance to the 2017-2018 Budget.

Summary of provisions

Clause 1 of the Bill provides for the short title and commencement. If passed by Parliament, the amending legislation will come into force on 1 August 2017.

Clause 2 of the Bill amends section 36. This section in the Principal Act deals with the delegation of authority to write off losses. The amendment allows the responsible authority of an off-budget State entity to write off losses in—

- (a) a manner that satisfies the requirements of the Finance Instructions; or
- (b) such other manner as approved by Cabinet.

Under the Act, an off-budget State entity is a State entity that does not receive a formal allocation under a head as part of the Appropriation Bill. It may instead receive a grant from its respective Government ministry.

Clause 3 of the Bill deals with financing for independent offices. An independent office is defined as 'an entity that is required by a written law to independently exercise its powers and perform its functions and duties'. It inserts a new section to ensure that the Ministry provides the body with an appropriate amount of money.

Clause 3 of the Bill also ensures that an independent office is responsible for the administration of any money it receives. However, it is not required to comply with the Finance Instructions and regulations governing procurement under the Act if it has its own rules, regulations or guidelines in respect of procurement which—

- (a) promote good governance and the appropriate use of funds; and
- (b) have been published in the Gazette or are otherwise publicly available.

The independent office must submit an annual report to the Minister who will table it in parliament. The new clause also sets out the timeframe within which this should happen. The office must also have its financial statements signed by its 'responsible authority' and be



audited by the auditor general. The 'responsible authority' can be the board or governing body or the head of the office.

Clause 3 part 6 sets out that if there are inconsistencies between the provisions of this section and any other sections of the Act this section will take priority.

Gender analysis

As the amendment Bill relates solely to the administration of financial management it does not have any disproportionate impact on women and men.

Sources

Fiji Government (2004) Financial Management Act 2004 – Policy guide. Available at www.economy.gov.fj/policy-guides.html?download=204:policy-guides

Disclaimer

This bill summary was prepared to assist consideration of the Bill by Members of Parliament. It has no official status. Although every effort has been made to ensure accuracy, it should not be taken as a complete or authoritative guide to the Bill. The Research and Library Team shall not be liable for any errors or omissions, or for any loss or damage of any kind arising from its use, and may remove, vary or amend any information at any time without prior notice. The Research and Library Team accepts no responsibility for any references or links to, or the content of, information maintained by third parties. Other sources should be consulted to determine the subsequent official status of the Bill.