

BILL NO. 16 OF 2019

A BILL

FOR AN ACT TO AMEND THE FINANCIAL MANAGEMENT ACT 2004

ENACTED by the Parliament of the Republic of Fiji—

Short title and commencement

1.—(1) This Act may be cited as the Financial Management (Budget Amendment) Act 2019.

(2) This Act comes into force on 1 August 2019.

(3) In this Act, the Financial Management Act 2004 is referred to as the “Principal Act”.

Section 2 amended

2. Section 2(1) of the Principal Act is amended by deleting the definition of “responsible authority” and inserting the following new definitions—

““responsible authority” means the person or persons as prescribed by regulations;

“standard expenditure group” means a standard expenditure group as identified in the annual budget;”.

*Section 7 amended***3.** Section 7 of the Principal Act is amended by—

- (a) renumbering section 7 as section 7(1); and
- (b) after subsection (1), inserting the following new subsections—

“(2) The responsible authority for a head of appropriation or standard expenditure group is responsible for managing the head of appropriation or standard expenditure group in accordance with the requirements of this Act and with due regard to the principles of responsible financial management.

(3) The responsible authority for a State entity may, in writing, either generally or particularly, delegate any of its responsibilities under subsection (1) to an officer within the State entity as the responsible authority thinks fit.

(4) Any delegation under subsection (3) is revocable at will by the responsible authority, and no such delegation prevents the exercise of any responsibility by the responsible authority.

(5) Any delegation under subsection (3), until revoked, continues in force according to its tenor notwithstanding that all or any of the members of the responsible authority at the time when the delegation was made has ceased to hold office, and continues to have effect as if made by a successor in office.”.

*Section 37A amended***4.** Section 37A(7) of the Principal Act is amended by deleting the definition of “responsible authority”.*Section 80 amended***5.** Section 80 of the Principal Act is amended by deleting paragraph (b) and substituting the following—

“(b) the powers, functions and duties of a permanent secretary under this Act are exercisable in relation to the entity by the responsible authority.”.

June 2019

FINANCIAL MANAGEMENT (BUDGET AMENDMENT) BILL 2019

EXPLANATORY NOTE

(This note is not part of the Bill and is intended only to indicate its general effect)

1.0 BACKGROUND

- 1.1 The Financial Management (Budget Amendment) Bill 2019 (**‘Bill’**) seeks to amend the Financial Management Act 2004 (**‘Act’**).

2.0 CLAUSES

- 2.1 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 2019.
- 2.2 Clause 2 of the Bill replaces the definition of “responsible authority” in section 2(1) of the Act. The definition of “responsible authority” in section 2(1) of the Act restricts the meaning of the responsible authority of a State entity to the permanent secretary, board or governing body of the entity or chief executive officer of the entity if the entity does not have a board or other governing body. The definition is being amended so that responsible authorities are those persons as prescribed by regulations. Clause 2 of the Bill also inserts the definition of “standard expenditure group” in section 2(1) of the Act to provide clarity to the proposed amendment to section 7 of the Act under clause 3 of the Bill.
- 2.3 Clause 3 of the Bill amends section 7 of the Act. Section 7 of the Act states that the responsible authority of a State entity is responsible for managing the financial affairs of the entity in accordance with the requirements of the Act and with due regard to the principles of responsible financial management. This provision, however, does not apply to a head of appropriation or standard expenditure group, for example Head 26: Higher Education Institutions, Head 50: Miscellaneous Services and Head 51: Pensions, Gratuities and Compassionate Allowances. Clause 3 of the Bill amends section 7 of the Act to extend the application of the provision to a head of appropriation or standard expenditure group. It also empowers the responsible authority of a State entity to delegate its responsibilities under section 7 of the Act to an officer within the State entity.

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2.4 Clause 4 of the Bill deletes the definition of “responsible authority” in section 37A(7) of the Act for consistency with the proposed amendment to the definition of “responsible authority” in section 2(1) of the Act under clause 2 of the Bill.

2.5 Clause 5 of the Bill amends section 80 of the Act by replacing paragraph (b) to align the provision with the proposed amendment to the definition of “responsible authority” in section 2(1) of the Act under clause 2 of the Bill.

3.0 MINISTERIAL RESPONSIBILITY

3.1 The Act comes under the responsibility of the Minister responsible for finance.

A. SAYED-KHAIYUM
Attorney-General