

# BILL NO. 14 OF 2022

## 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 (Revised Budget Amendment) Act 2022.

(2) This Act comes into force on 1 April 2022.

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

*Section 10 amended*

**2.** Section 10 of the Principal Act is amended by deleting subsection (3) and inserting the following new subsections—

“(3) Notwithstanding subsection (2) and the provisions of the Trustee Act 1966, upon the dissolution of a trust, any trust money remaining, that is unclaimed for a period of one year after having become repayable to the depositor or payable to any other person entitled to the trust money, is, together with any interest, deemed to be public money and must be paid into the Consolidated Fund.

2 *Financial Management (Revised Budget Amendment)— of 2022*

(4) Notwithstanding subsection (2) and the provisions of the Trustee Act 1966, if a budget sector agency is unable to distribute money that is held by the budget sector agency on trust because the budget sector agency does not know—

- (a) who is, or may be, entitled to the trust money;
- (b) whether any person who is, or may be, entitled to the trust money is, or at any material date was, in existence;
- (c) whether any or all of the persons who are members of any class that is, or may be, entitled to the trust money are, or at any material date were, in existence; or
- (d) whether any such person in paragraphs (b) and (c) is alive or dead or where he or she is to be found,

the trust money is, together with any interest, deemed to be public money and must be paid into the Consolidated Fund.

(5) If any person claims any trust money which has been deemed to be public money under this section, and establishes a claim to the satisfaction of the permanent secretary responsible for finance, the money must be paid to that person out of the Consolidated Fund, without further appropriation than this Act.

(6) Other money within the meaning of this Act may, subject to the Finance Instructions, be paid into the Consolidated Fund.”.

*Consequential amendment*

3. Section 7 of the Financial Management (Amendment) Act 2021 is deleted.

*March 2022*

## **FINANCIAL MANAGEMENT (REVISED BUDGET AMENDMENT) BILL 2022**

### **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 Act 2004 (**‘Act’**) *inter alia* regulates the financial management system of the State.
- 1.2 The Financial Management (Revised Budget Amendment) Bill 2022 (**‘Bill’**) seeks to amend the Act to ensure effective management of trust accounts by budget sector agencies and to address audit issues raised by the Office of the Auditor-General in relation to trust accounts.

#### **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 April 2022.
- 2.2 Clause 2 of the Bill amends section 10 of the Act to ensure effective management of trust accounts by budget sector agencies by introducing mechanisms for the transfer of trust money when a trust is dissolved and when beneficiary records are unavailable. Clause 2 of the Bill also provides mechanisms for claims to be made against any trust money transferred into the Consolidated Fund.
- 2.3 Clause 3 of the Bill consequentially deletes section 7 of the Financial Management (Amendment) Act 2021 (**‘2021 amendment’**) given that the 2021 amendment is not in force at the time the Bill is being tabled in Parliament.

#### **3.0 MINISTERIAL RESPONSIBILITY**

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

**A. SAYED-KHAIYUM**  
Attorney-General