

CHAPTER 5

FINANCIAL MANAGEMENT AND AUDIT 2007-11

This Act came into operation on 1st April, 2007.

Amended by:

2008-8

Law Revision Orders

The following Law Revision Order or Orders authorized the insertion and removal of pages as the case may be under the Law Revision Act Cap.2 now repealed:

2007

2008

Guide to symbols in historical notes:

- indicates an amendment made by an Act

/ indicates an amendment made by statutory instrument

CHAPTER 5

FINANCIAL MANAGEMENT AND AUDIT 2007-11

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**BARBADOS**

FINANCIAL MANAGEMENT AND AUDIT

2007-11

An Act to reform the existing law on the control and management of the public finances of Barbados and thereby make provision inter alia for

(a) the transition from cash-based accounting to accrual-based accounting;

(b) a greater degree of financial independence for the Office of the Auditor-General,

and for related matters.

[Commencement: 1st April, 2007]

Short title

1. This Act may be cited as the *Financial Management and Audit Act*.

PART I
PRELIMINARY

Interpretation

2.(1) In this Act,

“accounting officer” means any person designated as such by the Director pursuant to section 18 and charged with the duty of accounting as specified in that section;

“appropriate Minister” means, in relation to a statutory body, the Minister with responsibility under the relevant Act that established that body;

“Appropriation Act” means an Act that contains the aggregate sums that are proposed to be expended otherwise than by way of statutory expenditure during the financial year for such services as are specified in that Act;

“borrowing” means

(a) any borrowing of money or any other receipt of credit, whether secured or unsecured; and

(b) any hire-purchase agreement or finance lease,

but does not include the purchase of goods or services on credit for a period of 90 days or less;

“budget” includes

(a) annual estimates of revenue and expenditure;

(b) projected balance sheet;

(c) projected cash flow;

(d) any other statements that may be required; and

(e) any notes to those statements;

“collector of revenue” means an officer charged under this Act or any other enactment with the duty of collecting revenue;

“commitments” means future expenses and liabilities incurred at the balance date;

“Director” means the Director of Finance and Economic Affairs;

“expenditure” means

- (a) expenses, including costs; and
- (b) asset charges

measured in accordance with generally accepted accounting practice;

“finance lease” means a lease where

- (a) the lease transfers ownership of the relevant asset to the lessee by the end of the lease term;
- (b) the lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than the fair value at the date the option becomes exercisable;
- (c) the lease term is for the major part of the economic life of the asset, even if title is not transferred; or
- (d) at the inception of the lease, the present value of the minimum lease payments approximates the fair value of the leased asset;

“generally accepted accounting practice” means

- (a) the International Public Sector Accounting Standards issued by the International Federation of Accountants;
- (b) where no guidance is provided by the Standards mentioned in paragraph (a), the Accounting Standards issued by the International Accounting Standards Board; or
- (c) where no guidance is provided by the Standards specified in paragraph (a) or (b), accounting practice that is generally accepted

within the accounting profession in Barbados as appropriate for reporting by the public sector including statutory bodies;

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“International Federation of Accountants” (IFAC) means the global organisation for the accounting profession;

“International Accounting Standards Board” (IASB) means the Board for setting accounting standards for the global organisation of the accounting profession;

“office of Parliament” means an office to which paragraph (a) of section 10(1) of the *Parliament Administration Act*, Cap. 10 applies;

[2008-8]

“officer” means any person employed in the service of the Crown;

“perform”, in relation to functions, includes exercise;

“public debt” means all outstanding loans payable by the Crown;

“public moneys” means

- (a) all moneys received by the Crown, including the proceeds of all loans raised, grants, donations and other unrequited funds received on behalf of the Crown;
- (b) any money held in trust as trust money or money received and held by the Crown, whether temporarily or otherwise, by an officer in his official capacity, either alone or jointly with any other person, whether an officer or not;
- (c) any money held by an office of Parliament; or
- (d) any other money that the Minister directs to be paid into a Crown Bank Account;

“revenue” means all levies, taxes, rates, duties, fees, penalties, forfeitures, rents and dues, proceeds of sale and all other amounts earned by the Crown, from whatever source arising, over which Parliament has the power of appropriation;

“statutory body” means any public authority, board, commission or similar body corporate, established and incorporated by an Act;

“statutory expenditure” means expenditure charged on the Consolidated Fund or on the general revenues and assets of Barbados by any of the provisions of the *Constitution* or by the provisions of any other enactment for the time being in force in Barbados;

“trust assets” means any assets held by or deposited with or entrusted to the Crown pursuant to the terms of a trust deed, trust instrument, agreement (whether expressed or implied) or court order or an arrangement governing the use of assets so held.

(2) Where any function is by this Act or by any other subsidiary legislation made thereunder required, permitted or otherwise to be performed by the Minister, the Director or the Accountant-General, that function may be performed by some person authorised in that behalf by the Minister, the Director or the Accountant-General, as the case may be.

(3) References in this Act to a department include references to a Ministry.

PART II

CONSOLIDATED FUND

Payment of revenues into the Consolidated Fund

3.(1) Subject to the provisions of this or any other Act for the time being in force, the revenues of Barbados shall be credited to the Consolidated Fund.

(2) The public debt of Barbados, including the interest on that debt, sinking fund payments and redemption moneys in respect of that debt, and the costs, charges and expenses incidental to the management of that debt, shall be a charge on the Consolidated Fund.

Withdrawals from the Consolidated Fund

4.(1) No sum shall be charged on the Consolidated Fund except upon the authority of a warrant under the hand of the Minister or under the hand of some person authorised by him in writing.

(2) Any sums issued in accordance with subsection (1) shall be disposed of for meeting the cost of the public services specified by the Appropriation Act for the financial year during which the withdrawal is to take place or for services otherwise lawfully charged on the Consolidated Fund.

PART III**FINANCIAL MANAGEMENT***A. Budgeting***Annual budget**

5.(1) The Minister shall, before the end of each financial year, cause to be prepared an annual budget in detail comprising estimates of the probable revenue and expenditure of Barbados for public services during the succeeding financial year.

(2) The budget shall include any expense or liability to be incurred and any payment to be made, and shall state the legislative authority for each such expense, liability or payment.

(3) A separate appropriation shall be made for each

- (a) capital contribution;
- (b) purchase or development of capital assets;
- (c) category of other expenditure

contained in the budget.

(4) The budget, when prepared, shall be laid before the House of Assembly for its consideration, and shall be introduced by the Minister.

(5) The estimates of expenditure shall show separately the sums required to meet statutory expenditure and the sums required to meet other expenditure proposed to be charged to the Consolidated Fund.

[2008-8]

[2008-8]

Authorisation of expenditure

6. The provisions of subsections (1) to (6) of section 109 of the *Constitution* apply in respect of the authorisation of expenditure.

[2008-8]

Saving of certain rights of House of Assembly

7.(1) Nothing in this Part shall be construed as restricting or in any way interfering with the right of individual members of the House of Assembly to introduce any bill, resolution or any other measure of legislation where the bill, resolution or other measure of legislation does not create any charge upon the Consolidated Fund or does not provide for the expenditure of public moneys.

(2) Notwithstanding this Act, all aids and supplies to the Crown shall be the sole gift of the House of Assembly, and the House of Assembly has and may exercise its undoubted and sole right to

- (a) withhold, reduce, or grant such aids and supplies;
- (b) direct, limit, and appoint such aids and supplies, whensoever granted; and
- (c) limit and appoint the ends, purposes, conditions, limitations, and qualifications of such grants, aids and supplies;

but it shall not be competent for the House of Assembly to increase any of the items or the aggregate amount of the estimates of expenditure submitted in accordance with this Part.

B. Banking and Investment

Treasury Account

8.(1) The Bank Account of the Crown, to be known as “the Treasury Account”, shall be the principal bank account of the Crown and shall be opened, maintained, and operated by the Accountant-General at such bank or banks as the Minister may direct.

(2) The Minister may determine at what banks officers shall keep the public moneys entrusted to them, and the Director may determine what accounts, so opened in the names of officers or of their offices in the books of any bank, shall be deemed to be public accounts.

(3) Sums that are required for the current transactions of the Crown may be paid or met from the Treasury Account.

[2008-8]

Duties of the Accountant-General

9.(1) Subject to the provisions of this Act and any rules, the Accountant-General is hereby charged with the general management and supervision of the cash transactions and accounting operations of the Crown and is accountable for all public monies received by the Accountant-General.

(2) During each month the Accountant-General shall prepare

- (a) a statement of the revenue and expenditure charged on the Consolidated Fund showing under the several heads the totals of revenue earned and expenditure incurred during the preceding month;
- (b) a statement of the other accounts maintained by the Accountant-General showing the balances at the end of the preceding month;

- (c) a statement of the loans outstanding at the end of the preceding month and the aggregate of the sinking funds formed to redeem those loans;
 - (d) a statement of the special funds existing at the end of the preceding month;
 - (e) a statement of cash flows for the preceding month;
 - (f) a statement of accounting policies; and
 - (g) in relation to each statement referred to in paragraphs (a) and (b) of this subsection, budgeted figures for the financial year.
- (3) The monthly statements prepared by the Accountant-General pursuant to subsection (2) shall, before the last day of the month following the month in respect of which the statement is prepared, be sent to the Clerk of Parliament to be laid before the House of Assembly.
- (4) Moneys at the credit of the Consolidated Fund and any other public moneys may be deposited by the Accountant-General into the Treasury Account in such manner as the Director may direct; but if any public moneys are lost as a result of being so deposited then, subject to subsection (5), the Accountant-General is not liable to make good the loss.
- (5) Nothing contained in subsection (4) relieves or shall be construed as relieving the Accountant-General of any liability otherwise incurred by the acts or defaults of the Accountant-General.

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Deposit of excess moneys

10. The Accountant-General may, in such manner and at such rates of interest as the Director may approve, place on deposit at such bank or banks as the Minister may determine, such public moneys as may not be immediately required to meet current transactions.

Withdrawal of public moneys

11. The Director may issue directions to the Accountant-General as to the withdrawal of the balances of public moneys from the Treasury Account, and the Accountant-General, when so directed by the Director, may draw out any sum or sums of moneys that the Director may have deposited under this Act; and, if so directed by the Director, the Accountant-General may retain for the uses of Barbados such sums as the Director may determine.

Disposal of public moneys

12. Where it is provided by any enactment or any other law for the time being in force in Barbados that any sum of money or any expenditure shall be charged on, paid out of or met from the Consolidated Fund, that provision shall be construed as requiring the issue, under the hand of the Minister or of a person authorised in writing by the Minister, of a warrant for the payment of that sum or the meeting of that expenditure.

Advances to the Government

13.(1) For the purpose of meeting the current requirements of the Consolidated Fund, the Minister may borrow by means of temporary advances from any bank or banks, money to an amount not exceeding 10 per centum of the net receipts of the estimated revenue of the Government for that financial year.

(2) The interest of all the advances referred to in subsection (1) shall be charged on the Consolidated Fund.

(3) Where by any resolution in accordance with this section or in pursuance of any Act power to borrow money by means of temporary advances from a bank or banks is conferred on the Minister, that power may be exercised by means of a fluctuating overdraft on the Treasury Account.

Departmental bank accounts

14.(1) Government bank accounts other than accounts referred to in this Part shall not be opened without the approval of the Director, who may issue such instructions to the bank or banks as are necessary regarding the opening and operation of the accounts.

(2) Subject to section 13, no Government bank account shall be overdrawn nor any temporary advance obtained from the bank unless specially authorised by a resolution of Parliament.

(3) On the death, resignation or removal of any officer who was a signatory to an account referred to in this Part, the balances remaining at the credit of any such account shall upon the appointment of his successor, unless otherwise provided by any Act, vest in and be transferred to the public accounts of his successor at the said banks and shall not, in the event of the death of any such officer, constitute assets of the deceased or be in any manner subject to the control of his legal personal representative.

Investment in a Crown entity

15.(1) Subject to the provisions of any other enactment, the Minister may invest money by way of capital injection in a Crown entity only out of a capital contribution appropriated by Parliament.

(2) All shares held in an entity by the Crown shall be held in the name “the Government of Barbados”.

(3) All rights and powers attaching to the shares in a Crown entity, including the power of sale or disposition, held by the Crown shall reside with Parliament.

Payment in respect of salaries and allowances

16.(1) The fixed claims on the Crown in respect of salaries and allowances shall be paid semi-monthly, monthly, or at such other time as the Minister may determine.

(2) Notwithstanding any provision to the contrary in any enactment, the Accountant-General may

- (a) pay all fixed claims on the Government in respect of salaries, pensions and allowances on such day after the eighteenth day of the month for which those fixed claims are due as he may determine;
- (b) make to persons employed in the public service of such categories as the Minister may direct the payments to which those persons would have been entitled had section 4 of the *Holidays with Pay Act*, Cap. 348 been applicable.

(3) Nothing in this section shall make lawful the payment of any claims except upon the proper warrant.

17. *[Repealed by 2008-8.]*

*C. Accounting***Accounting officers and collectors of revenue**

18.(1) The Director shall designate in writing the officers who shall be accounting officers.

(2) An accounting officer designated under subsection (1) shall be charged with the duty of accounting for

- (a) all revenues;
- (b) all expenses and expenditure;

- (c) all assets and liabilities relating to the operations of the entity under his responsibility.
- (3) An accounting officer may by instrument in writing delegate to his authorised representative, on such conditions as he determines, any of his functions arising under or by virtue of this Act, but such delegation does not relieve an accounting officer of his accountability under this Act.
- (4) In this section,
- “authorised representative” means the most senior public officer assigned to a mission to whom an accounting officer has delegated his functions arising under or by virtue of this Act;
- “mission” means any High Commission, Embassy or Consulate of Barbados.

Functions of Director, Accountant-General and Minister

- 19.(1)** The Director may issue instructions
- (a) respecting the preparation of estimates in the form of a budget;
 - (b) respecting the collection, management and administration of, and the accounting for, public moneys;
 - (c) respecting the purchase, receipt, custody, issue, sale, transfer or delivery of any stamps, securities, stores or other property of the Crown;
 - (d) respecting the keeping of records of the Crown;
 - (e) for any other purpose necessary for the efficient administration of the financial business of the Crown.
- (2) The Director and the Accountant-General are entitled to inspect such offices, and to have access to such official books, documents and other records as may be necessary for the performance of their functions under this Act.

No expenditure without appropriation

20.(1) No expenditure of public money shall be incurred other than in accordance with an appropriation under this Act, under sections 108 and 109 of the *Constitution* or under any other Act of Parliament.

(2) No expenditure or liability shall be incurred by the Crown in relation to any transaction for which expenses or liabilities are required to be appropriated under subsection (3) of section 5 other than in accordance with an appropriation by Act of Parliament.

(3) Any moneys or expenses or liabilities appropriated under subsection (3) of section 5 may be incurred only in relation to that appropriation and for no other purpose.

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Control of expenditure and revenue

21.(1) The Minister may in his discretion limit or suspend any expenditure authorised under any Appropriation Act or under any resolution of Parliament if in his opinion the exigencies of the financial situation make such limitation or suspension necessary.

(2) Subject to this Act and to any other enactment, no sums due to the Crown by way of revenue and no other public moneys may be remitted except

- (a) in the case of sums not exceeding \$5 000, under the authority of the Minister; and
- (b) in the case of sums exceeding \$5 000, under the authority of the Cabinet;

and a detailed statement of all amounts so remitted shall be audited and submitted by the Auditor-General to the House of Assembly in accordance with section 38.

[2008-8]

Annual statements

22.(1) In respect of each financial year and as soon as possible after the close of such financial year, the Minister shall lay the following financial statements in respect of the Crown before the House of Assembly:

- (a) a statement of the financial position at the balance date;
- (b) a statement of financial performance;
- (c) a statement of cash flows;
- (d) a statement of borrowings;
- (e) a statement of sinking fund and sinking fund assets for the year;
- (f) a statement of contingent liabilities as at the balance date, including any guarantees or indemnities given under section 33 or 34;
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- (g) a statement of accounting policies;
- (h) a statement of all accounts remitted pursuant to section 21;
- (i) such other statements as are necessary to fairly reflect the financial operations for that year and its financial position at the end of the financial year.

(2) In respect of each financial year and within a period of 4 months after the close of each financial year, the Accountant-General shall prepare, sign and transmit to the Auditor-General the following statements in respect of the Crown:

- (a) a statement of the financial position at the balance date;
- (b) a statement of financial performance;
- (c) a statement of cash flows;
- (d) a statement of borrowings;
- (e) a statement of sinking fund and sinking fund assets for the year;

- (f) a statement of contingent liabilities of the Crown as at the balance date including any guarantees or indemnities given under section 33 or 34;
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 - (g) a statement of all amounts remitted pursuant to section 21(2);
 - (h) a statement of accounting policies;
 - (i) such other statements as are necessary to fairly reflect the financial operations of the Crown for that year and its financial position at the end of the financial year;
 - (j) in relation to each statement required by paragraphs (a) to (c) of this subsection and, where appropriate, paragraph (i) of this subsection,
 - (i) budgeted figures for the financial year; and
 - (ii) comparative actual figures for the previous financial year.
- (3) In respect of each financial year and within a period of 3 months after the close of the financial year,
- (a) accounting officers shall prepare, sign and transmit to the Director and the Auditor-General, in such manner as the Director may approve, appropriation accounts in respect of the votes for which they are responsible;
 - (b) accounting officers shall prepare, sign and transmit to the Director, Auditor-General and Accountant-General in such manner as the Director may approve
 - (i) a statement of performance reporting in relation to each programme of the Ministry on the results achieved by the Ministry during the year as compared with the programmes budgeted for for that year;
 - (ii) a schedule of capital assets at the balance date;
 - (iii) a statement of the commitments and any other liabilities in relation to the activities of the Ministry as at the balance date;

- (iv) such other statements as are necessary to fairly reflect the financial operations of the Ministry; and
 - (v) where appropriate, budgeted figures for the financial year and comparative actual figures for the previous financial year; and
- (c) accounting officers and collectors of revenue shall prepare, sign and transmit to the Director, the Auditor-General and the Accountant-General, in such manner as the Director may direct, approved statements of receipts, revenue, receivables, refunds, waivers and remittances; and
- (d) the officer primarily responsible for a fund to which moneys have been appropriated by Parliament shall prepare, sign and transmit to the Auditor-General, the Director and the Accountant-General financial statements in respect of the fund.
- (4) The annual financial statements shall be prepared in accordance with generally accepted accounting practices.
- (5) The statements and accounts mentioned in subsections (2) and (3), when certified and reported on, shall be sent by the Auditor-General to the Speaker of the House of Assembly to be laid before the House of Assembly.

Surcharge by Director

- 23.(1)** Where it appears to the Director upon a report by the Auditor-General, or where the Director is otherwise satisfied, that any person who is or was an officer
- (a) has failed to record and collect any moneys owing to the Crown for the collection of which that person is or was at the time of his 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 for any expenses in excess of the amount authorised; or

- (c) is or was responsible for any deficiency in, or for the loss, damage or destruction of, any public moneys, stamps, securities, stores, or other property of the Government,

and where within a period specified by the Director an explanation satisfactory to the Director is not furnished with regard to the matters referred to in paragraphs (a) to (c), the Director may surcharge against that person

- (i) the amount not collected;
- (ii) such improper payment;
- (iii) payment not duly vouched;
- (iv) expenditure in excess of the amount authorised;
- (v) deficiency, loss, damage or the full value of the property destroyed, as the case may be, or such lesser amount as the Director may determine.

(2) No such surcharge may be made after the expiration of 3 years from the date of the failure to collect, improper payment, payment not duly vouched, expenditure in excess of the amount authorised, deficiency, loss, damage or destruction, as the case may be.

Notification of surcharge

24.(1) The Director shall cause the Auditor-General, the Accountant-General and the accounting officer of the department concerned to be notified of any surcharge made under section 23.

(2) The accounting officer, on being notified under subsection (1), shall notify the person surcharged and shall, subject to sections 25 and 26, recover the amount surcharged from that person.

Withdrawal of surcharge

25. The Director may at any time withdraw any surcharge in respect of which a satisfactory explanation has been received or if it otherwise appears that a surcharge should not have been made; and in that event the Director shall notify

the Auditor-General, the Accountant-General and the accounting officer of the department concerned of the withdrawal of the surcharge.

Right of appeal

26.(1) Any person who is dissatisfied with any surcharge made against him under section 23 is entitled to appeal to the Governor-General within a period of one month immediately after he has been notified of the surcharge; but the Governor-General, acting in his discretion, may extend the period within which an appeal may be made.

(2) After any further investigation as the Governor-General, acting in his discretion, may direct, the Governor-General, acting on the advice of 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.

(3) A copy of every order made under subsection (2) shall be transmitted to the Director, to the accounting officer of the department concerned, to the Auditor-General and to the Accountant-General.

Recovery of surcharge

27.(1) The amount of any surcharge made under section 23 may, subject to sections 25 and 26, be recovered before a magistrate on the complaint of the Director or any person authorised in writing in that behalf by the Director.

(2) Notwithstanding subsection (1), the Director may direct that the amount of any surcharge which may be due from an officer shall be recovered by monthly or semi-monthly deductions from the salary of that officer in such amounts, not exceeding one-sixth of the salary payable monthly or semi-monthly to that officer, as the Director may authorise.

Trust assets

28.(1) All trust assets shall be accounted for separately from other public assets.

(2) Subject to any other enactment or any other law, the Accountant-General shall manage all trust assets and shall have all such powers as are necessary for this purpose.

(3) The Accountant-General may charge fees in accordance with a scale prescribed for the management of trust assets; and the fees shall be deducted from the trust assets or from income from those assets but the fees charged shall be no more than the income earned on those trust assets.

Investment of trust assets

29.(1) The Accountant-General may invest any trust assets for such periods and on such terms and conditions as are beneficial to the trust.

(2) No person shall have any right of action against the Accountant-General or the Crown in respect of any investment or non-investment of trust assets.

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[2008-8]

Unclaimed trust assets

30.(1) Any trust assets that are unclaimed for a period of 10 years after having become payable to any other person entitled thereto, together with interest (if any) added thereto, shall be transferred to the Crown.

(2) Where a person claims any trust assets which have been transferred to the Crown and establishes a claim to the satisfaction of the Accountant-General, the money shall be paid to that person out of the Treasury Account without appropriation.

*D. Loans and Guarantees***Advances by Accountant-General to other Governments or Administrations**

31.(1) Subject to such conditions as the Minister may determine, the Accountant-General is hereby authorised to advance from the Treasury Account to any Government or Administration to which this section applies such sums as he may be requested by that Government or Administration to pay on its behalf.

(2) All sums advanced under subsection (1) shall be recovered by the Accountant-General from the Government or Administration that requested the payment on its behalf.

Loans to be secured

32. Loans which are given by the Government to government enterprises and non-government enterprises shall be secured by way of a loan agreement or debenture mortgage depending on the circumstances of the loan, the terms of which are to be agreed by the Cabinet.

Guarantee that imposes a liability on the Crown

33. Except as expressly authorised by any Act, it shall not be lawful for any person to give a guarantee or indemnity that imposes a contingent liability on the Crown.

Money paid under a guarantee

34.(1) Any money paid by the Crown under a guarantee constitutes a debt due to the Crown from the person, organisation, or government in respect of whom the guarantee was given.

(2) A debt referred to in subsection (1)

(a) is recoverable in any court;

- (b) may be paid over such period of time and on such terms and conditions as agreed by the Cabinet.

Loans to be made through appropriation by Parliament

35. Any loan referred to under section 32 shall be made from a capital contribution approved by Parliament for the purpose.

[2008-8]

PART IV THE AUDIT OFFICE

Duties of Auditor-General

36.(1) The Auditor-General is the auditor of the financial statements of the Government of Barbados.

(2) The Auditor-General shall also

- (a) be responsible for the audit and inspection of all public accounts, whether such accounts are of general revenue credited to and expenditure met from the Consolidated Fund or of special funds or departmental accounts and statutory bodies which receive all or part of their funds from the Consolidated Fund;
- (b) apply to the public accounts such an examination as will enable him to ascertain that in his opinion the accounts are kept on a proper system, that they are punctually and properly posted and that checks against irregularity and fraud are adequate and effective;
- (c) prepare and deliver an audit opinion to the entity whose statements have been audited;
- (d) satisfy himself that all standing instructions, enactments and other laws of Barbados relating to finance and accounts are strictly observed; and

- (e) examine, and in accordance with the outcome of his examination report on, the several statements and accounts which are required to be submitted to him under this Act.
- (3) The Auditor-General may carry out examinations into the economical, efficient and effective use of resources of any Ministry or Department or any other entity required to be audited by him.
- (4) Subsection (3) shall not be construed as entitling the Auditor-General to review the merits of the policy objectives of Government in respect of any Ministry, Department or statutory body.

Certification of pensions

37. The Auditor-General shall examine the calculations and computations of all pensions and gratuities or similar awards before any award is made, and shall certify that they are arithmetically correct and are in accordance with all statutory provisions relating thereto.

Auditor General's Report

- 38.(1)** The Auditor-General shall report annually, as soon as possible and not later than the last day of December following the close of each financial year, the results of his examination of the accounts and any failure to observe the enactments or other laws of Barbados.
- (2) Notwithstanding subsection (1), the Auditor-General may at any time, if it appears to him to be desirable, transmit to the House of Assembly a special report on any matter incidental to his powers and duties under this Act.
- (3) The estimates of expenditure of the office of the Auditor-General shall be transmitted to the House of Assembly through the Public Accounts Committee; and the Public Accounts Committee shall consider the estimates in accordance with subsection (4).
- (4) In considering the estimates of expenditure under subsection (3), the Public Accounts Committee shall ensure that the estimates of expenditure are adequate

to enable the Auditor-General to fulfil the responsibilities of the office of Auditor-General, and for this purpose may make comments for the consideration of the Auditor-General, who shall consider the comments and, if necessary, revise the estimates of expenditure for re-submission to, and approval by, the Public Accounts Committee.

(5) Every report of the Auditor-General shall be addressed to the Speaker of the House of Assembly, who shall lay the report before the House of Assembly as soon as possible after the report is received by him.

(6) A copy of every report of the Auditor-General shall also be transmitted to the Senate for information.

Powers of Auditor General

39.(1) For the purpose of his examination under section 36 the Auditor-General is at all times entitled to

- (a) have access to all books, records, including data held or stored electronically, vouchers, payment requests, documents, returns, cash, stamps, securities, stores or other property in whatever form existing in the possession of the audited body; and every facility shall be given for carrying out the examination;
- (b) send for, and have custody of, any books, accounts, vouchers, payment requests, papers, data held or stored electronically or any other information in whatever form existing under the control of the audited body relating to the matter under examination, and to keep such books, accounts, vouchers, payment requests or papers for such time as he may require them;
- (c) call upon any officer for any explanation and information the Auditor-General may require in order to enable him to discharge his duties;
- (d) require any department concerned to furnish him from time to time or at regular periods with accounts of the transactions of such department up to the date as he may specify;

- (e) without payment of any fee, cause a search to be made in, and extracts to be taken from, any book, document or record in any public office;
- (f) summon and examine upon oath, declaration or affirmation (which oath, declaration or affirmation the Auditor-General is hereby empowered to administer) all persons whom he thinks fit to examine respecting
 - (i) the receipt or expenditure of money;
 - (ii) the receipt or issue of any stores affected by this Act; and
 - (iii) all other matters and things whatever necessary for the due performance of his functions;

and any person so summoned is upon production of a certificate of the Auditor-General entitled to payment for his attendance in accordance with the provisions of the *Witnesses and Interpreters (Payment) Act*, Cap. 119 as if he were a witness attending a legal proceeding in obedience to a summons issued at the instance of the Crown; but the Auditor-General may, if he thinks fit in any case, disallow the whole or any part of such payment;

- (g) to require every person employed in the office of the Auditor-General 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.
- (2) Any person summoned under paragraph (f) of subsection (1) who without reasonable excuse fails to obey the summons is guilty of an offence and is liable on summary conviction to a fine of \$5 000 or to imprisonment for a term of 12 months.

Authorisation to perform duties

40.(1) The Auditor-General may authorise any officer in the office of the Auditor-General to perform on his behalf any of his functions under this Act or

any other Act other than the administering of oaths and the certifying of and reporting on accounts for the House of Assembly.

- (2) Where it appears to the Auditor-General that
- (a) any irregularities have occurred in the collection, custody or expenditure of public moneys or in the accounting for the same;
 - (b) any irregularities have occurred in the receipt, custody, issue, sale, transfer or delivery of any stamps, securities, stores or other property of the Crown or in the accounting for the same;
 - (c) any loss of or damage to the property of the Crown has not been duly reported to the Director,

the Auditor General shall immediately bring the matter to the notice of the accounting officer and, where the case is serious, report the circumstances to the Director.

Examination of accounts on request

41.(1) The Auditor-General shall, if required by

- (a) a resolution of the House of Assembly;
- (b) the Public Accounts Committee of Parliament; or
- (c) the Minister,

examine the accounts of any person or organisation

- (i) who has received moneys by way of grant or loan out of funds voted by Parliament; or
- (ii) in respect of whom financial aid from the Crown is sought,

and shall submit a report on the results of the examination to the House of Assembly or to the Minister.

(2) Where the Minister fails within a reasonable time to present the report referred to in subsection (1) to the House of Assembly, the Auditor-General shall

transmit the report to the Speaker of the House of Assembly to be presented by him to the House of Assembly.

Fees for auditing accounts

42.(1) The Auditor-General may, subject to approval by the Minister, charge a fee for auditing the accounts of a person or body whose expenditure is not met from the Consolidated Fund.

(2) Any fees received by the Auditor-General under subsection (1) shall be credited to the Consolidated Fund.

Engagement of services by Auditor-General

43.(1) The Auditor-General may engage the services of professionally competent persons to assist in the conduct of audits, and payment for such services shall be charged on the Consolidated Fund.

(2) Where under subsection (1) the Auditor-General engages a private auditor to conduct the audit of a Government entity, the auditor of the entity shall make available all working papers and other documents to the Auditor-General.

Officers of Audit Office

44. The Audit Office shall consist of the Auditor-General and such other officers and employees as are assigned to him.

PART V

MISCELLANEOUS

Remission of duties imposed by way of penalty

45.(1) Where by any Act in force in Barbados additional duties are made payable by way of forfeiture, the Minister, upon the petition of any person who has incurred and paid these additional duties so imposed by way of forfeiture,

may, if in the circumstances of the case he considers it equitable to do so, remit such duties.

(2) The Accountant-General is hereby authorised and required to pay any such duties as are remitted under subsection (1) upon the warrant of the Minister or of a person authorised in writing by the Minister.

Remission of duties on the address of the House of Assembly

46. The Minister may, upon the address of the House of Assembly, remit and order repayment of any duties raised, levied, collected and paid to the Crown for the uses of Barbados, and the Accountant-General is hereby authorised and empowered to repay the same upon the warrant of the Minister or of a person authorised in writing by the Minister.

Power of Minister to dispense with probate or letters of administration

47.(1) On the death of any person who was employed in the public service (hereafter in this section referred to as the deceased public officer) and to whom was payable at the date of his death on account of his public service any salary, allowance, pension or gratuity not exceeding the sum of \$15 000, the Minister, on an application being made for such purpose, may, subject to subsection (3), dispense with probate or letters of administration if he is satisfied that it is expedient to do so, and direct that any such salary, allowance, pension or gratuity shall be paid to such person as appears to him best entitled to receive the same.

(2) The Accountant-General is hereby authorised and required to pay upon the warrant of the Minister or of a person authorised by the Minister in writing such sum as may be directed to be paid under subsection (1).

(3) Before dispensing with probate or letters of administration and directing the payment of any sums under subsection (1), the Minister shall satisfy himself that every reasonable care has been taken to ascertain whether or not the deceased public officer was indebted to any person at the date of his death.

(4) Any payment made under this section shall be valid against all persons, and all persons acting under the provisions of this section are absolutely

discharged from all liability in respect of any moneys duly paid or applied by them under this section; but nothing in this section shall in any way interfere with the right of any creditor or other person having any claim to or upon the property of the deceased public officer to proceed against the legal personal representative of the deceased public officer for the recovery of any money or other property which such creditor or other person may claim.

Power to make rules

- 48.(1)** The Cabinet may make rules for all or any of the following matters:
- (a) prescribing the duties of the Accountant-General and accounting officers;
 - (b) prescribing the form and manner in which any of the public accounts are to be kept;
 - (c) prescribing the procedure for the checking by accounting officers of claims against the Consolidated Fund and the paying of such claims;
 - (d) prescribing the procedure for the reporting by the Auditor-General of delays and irregularities;
 - (e) prescribing the responsibilities and liabilities of all accounting officers;
 - (f) providing for the purchase, receipt, custody, issue, sale, transfer or delivery of any stamps, securities or other property of the Government or statutory body;
 - (g) prescribing generally for the proper and efficient keeping of the public accounts, for any other matter required to be prescribed under this Act and generally for the proper carrying out of the provisions of this Act; and
 - (h) respecting the accounts of the Barbados Defence Force and the purchase of military stores, equipment and supplies therefor.
- (2) All rules shall be subject to negative resolution.

Savings

49. The

(a) *Financial Administration and Audit (Financial) Rules, 1971;*
[1971/68]

(b) *Financial Administration and Audit (Supplies) Rules, 1971*
[1971/47]

shall remain in force and shall apply in so far as they are not inconsistent with this Act, until revoked by rules made under this Act.

Repeal

50. *[The Financial Administration and Audit Act is hereby repealed.]*

[1964-23]