

REPUBLIC OF KIRIBATI
(No 10 of 2008)

I assent,
Aulo Tung
Beretitenti
24 October, 2008

AN ACT TO AMEND THE *PUBLIC FINANCE (CONTROL AND AUDIT) ORDINANCE*

Commencement:
2008

MADE by the Maneaba ni Maungatabu and assented to by the Beretitenti

1. Short title

This Act may be cited as the *Public Finance (Control and Audit) (Amendment) Act 2008*.

2. Meaning of 'principal Act'

In this Act 'the principal Act' means the *Public Finance (Control and Audit) Ordinance* (Cap.79).

3. Amendment of section 2

Section 2 of the principal Act is amended—

- (a) by inserting after the definition of 'Heads of Expenditure' the following definition—
"line item' means an individual category of expenditure within a subhead;"; and
- (b) by inserting after the definition of 'public store' the following definition—
"subhead' means a division of a Head of Expenditure comprising all of the line items for a particular output under that Head."

4. Repeal and replacement of section 23.

(1) Section 23 of the principal Act is repealed and the following section is substituted—

"23. Reallocation within Heads of Expenditure

- (1) An accounting officer may, in writing and with notice to the Accountant General, transfer any unspent amount in a line item within

a subhead administered by that accounting officer to another line item within that subhead, except in the case of a line item declared in writing by the Accountant General as being an item to or from which transfers are not permitted.

- (2) The Minister may, by means of a Virement Warrant under his or her hand, authorise the transfer of any unspent amount in a subhead to another subhead within that head of expenditure:

Provided that—

- (i) the sum appropriated to any head by the Appropriation Act and by any Supplementary Appropriation Act is not thereby exceeded; and
 - (ii) any new purpose to which any sum is assigned shall be within the ambit of the relevant head.
- (3) Any Virement Warrant issued under subsection (2) must be laid before the Maneaba ni Maungatabu at its sitting next following the date on which such Virement Warrant was signed."

5. Substitution of title of office

The principal Act is amended by—

- (a) repealing 'Director of Audit' wherever it appears and substituting 'Auditor General'; and
- (b) repealing 'Chief Accountant' wherever it appears and substituting 'Accountant General'.

PUBLIC FINANCE (CONTROL AND AUDIT) (AMENDMENT) ACT 2008
EXPLANATORY MEMORANDUM

This Act amends the *Public Finance (Control and Audit) Ordinance (Cap.79)*, principally to change the way the Ordinance deals with reallocations within heads of expenditure, but the opportunity is also taken to reflect changes in the title of the offices of Auditor General and Accountant General.

With the move to output budgeting some years ago, greater responsibility for financial management was passed to the accounting officers in each Ministry. Whereas previously each head of expenditure had been divided into subheads (for salaries, local purchases, etc.), under output budgeting the new subheads were aligned with the various outputs of the head of expenditure. What was previously a subhead is now described as a line item. Accounting officers were given the authority to transfer surplus funds between line items within the same subhead, while transfers between subheads could only be effected by a Virement Warrant issued by the Minister.

Unfortunately the need to amend section 23 of the Ordinance to bring it into line with the new procedures was overlooked. Section 4(l) of this Act remedies that oversight by replacing section 23.

Section 5 updates the Ordinance so that references to the Director of Audit and the Chief Accountant become instead references to the Auditor General and the Accountant General respectively. The Director of Audit became the Auditor General after passage of the Constitution (Amendment) Act 1 995, while the post of Chief Accountant reverted to that of Accountant General some years ago.

Titabu Tabane
Attorney General
1 3 August 2008

CERTIFICATE OF THE CLERK OF THE MANEABA NI MAUNGATABU

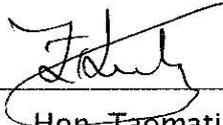
This printed impression has been carefully examined by me with the Bill which passed the Maneaba ni Maungatabu on 9 September 2008 and is found by me to be a true and correctly printed copy of the said Bill.



Ioataake Timeon
Clerk of the Maneaba ni Maungatabu

CERTIFICATE OF THE SPEAKER OF THE MANEABA NI MAUNGATABU

I certify that the above Bill was on 9 September 2008 passed by the Maneaba ni Maungatabu upon a Certificate of Urgency under section 68(3)(a) of the *Constitution*.



Hon. Taomati Iuta
Speaker of the Maneaba ni Maungatabu

Published by exhibition at the Maneaba ni Maungatabu this 24th day
of October, 2008.



Ioataake Timeon
Clerk of the Maneaba ni Maungatabu