

NEW HEBRIDES CONDOMINIUM

JOINT REGULATION

No. 24 of 1980

TO PUT INTO EFFECT the Resolution of the Representative Assembly No. 12 of 1980, passed the 16th day of July 1980. To provide for the establishment of a Revenue Fund, Other Special Funds, the control and management of public moneys and other matters connected therewith.

MADE by the Resident Commissioners under the provisions of Article 2(2) of the Anglo-French Protocol of 1914 and Article 28(3) of the Schedule to the Exchange of Notes made at London the 15th day of September 1977 between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the French Republic.

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| Scheduled Resolution put into effect. | 1. The Resolution of the Representative Assembly No. <u>12</u> of 1980, set forth in the Schedule is hereby put into effect. |
| Short title and commencement. | 2. This Joint Regulation may be cited as the <u>Public Finance Regulation 1980</u> and shall have effect from the <u>Date of Signature</u> . |

ENACTED at Vila this 29 day of July 1980

Delegate Extraordinary
for the French Republic
in the New Hebrides,

Her Britannic Majesty's
Resident Commissioner,

Four to be signed by the
delegates of the
Notary

J.S. ROBERT

ACS
A.C. STUART

Le Chambellan

J. PERES

RA3/D/80-12.

PUBLIC FINANCE REGULATION

1980

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NEW HEBRIDES
REPRESENTATIVE ASSEMBLY

RA3/D/80-12

16 July

~~RA3/D/12-17~~
16 July, 1980.
Original: English

RESOLUTION NO 12 OF 1980

To provide for the establishment of a Revenue Fund, a Development Fund and other Special Funds and for the control and management of the finances of the Government of the Republic of Vanuatu, for the collection, issue and payment of public moneys and for other matters connected therewith.

The Representative Assembly at its sitting on the 16 July 1980 hereby resolves and decides in accordance with Article 23 of the Schedule to the Exchange of Notes of the 15th September 1977 to adopt the following measures -

PART 1 - INTERPRETATION

Interpretation.

1. In this Regulation unless the context otherwise requires -
 - "accounting officer" includes every public officer who is charged by the Minister with the duty of collecting, receiving or accounting for, or who in fact collects, receives or accounts for, any public moneys, or who is charged with the duty of disbursing or who does disburse any public moneys and every public officer who is charged with the receipt, custody or disposal of, or the accounting for, public stores or who in fact receives, holds, disposes of, or accounts for public stores;
 - "Appropriation Act" means any Act to apply a sum out of the Revenue Fund for the service of a financial year and includes a Supplementary Appropriation Act;
 - "Revenue Fund" means the Revenue Fund established by Section 4;
 - "Financial Year" means a period of twelve months ending on the 31st day of December or any other period of twelve months so declared by the Minister;
 - "Minister" means the minister for the time being responsible for finance;
 - "public stores" means all things of whatsoever nature, the property of or in possession of or under the control of the Government;
 - "Special Fund" means a fund established or considered to have been established by or under Section 9;
 - "Statutory Expenditure" means expenditure charged on the Revenue Fund by the Constitution or any law (including this Regulation) other than an Appropriation Act.

PART 2 - POWERS AND DUTIES OF THE MINISTER AND ACCOUNTING OFFICERS

Powers of
Minister.

2. (1) The Minister shall so supervise the expenditure and finances of the Government as to ensure that a full account thereof is made to Parliament and that control by Parliament is upheld and for such purpose, shall, subject to

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the provisions of this Regulation, have the management of the Revenue Fund and the supervision, control and direction of all matters relating to the financial affairs of the Government which are not assigned to any other person by or under any Act.

- (2) The powers, duties and functions of the Minister under this Regulation may be exercised by any officer, agent or trustee, authorised by him in writing to the extent of the authority contained in such writing.

Duties of
Accounting
Officers.

3. Every accounting officer and every other person concerned with or responsible for the collection, receipt, custody, issue or payment of public or other monies, stores, stamps investments, securities or negotiable instruments whether the property of the Government or entrusted to the Government or to any public officer in his official capacity either alone or jointly with any public officer or any other person, shall be subject to this Regulation and any order made hereunder and shall perform such duties, keep such books and render such accounts as may be proscribed by or under this Regulation or by instructions issued by order of the Minister in matters of accounting or financial procedure not inconsistent therewith.

PART 3 - PUBLIC FINANCE

Revenue
Fund.

4. There shall be one revenue fund for the Republic of Vanuatu which shall be called the Revenue Fund and which shall be kept by the Treasury.

Payments into
Revenue Fund.

5. Except as provided by Sections 9, 10 and 11 all revenue or other monies raised or received for the purposes of the Government (not being revenue or other monies that are payable by or under any law including this Regulation, into some other fund established for a specific purpose) shall be paid into and form the Revenue Fund.

Issues from
Revenue Fund.

6. (1) No money shall be issued from the Revenue Fund, except in accordance with the provisions of this Regulation or any Act.
(2) Any monies forming part of the Revenue Fund which are -
(a) invested in accordance with the provisions of section 7; or
(b) advanced in accordance with the provisions of section 12;
shall be considered not to have been issued from the Revenue Fund for the purposes of this Section.

Investment of
Revenue Fund
and other
public monies.

7. (1) Monies received by the Government may be kept with such bank or banks as the Minister may direct.
(2) All public monies paid into a bank shall be the property of the Government lent by the Government to the bank.
(3) No accounting officer shall open any public or official account in any bank without the .../3.

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authority in writing of the Minister and no bank shall permit any Government account to be over-drawn without the prior approval of the Minister or in accordance with the provisions of Section 8 of this Regulation.

- (4) Money standing to the credit of the Government with any bank, or otherwise held by the Government, may be invested by the Minister :-
- (a) by deposit in any bank or in any joint fund maintained overseas for investment of Government monies; or
 - (b) as otherwise authorised by this Regulation or any other Regulation or Act or by resolution of Parliament.
- (5) The monies invested in shares held by the Government in the bodies set out in Schedule 1 at the time of the coming into force of this Regulation shall be considered properly invested for the purposes of this Section.
- (6) Interest from the monies invested in accordance with the provisions of sub-section (4) shall be credited to the Revenue Fund except where it is provided in any Act or under the rules of any special account that the interest received from the investment of any monies standing to the credit of any special account kept by the Treasury shall be paid to the credit of that special account.

Restrictions on
Borrowing.

8. (1) The Government shall not borrow money except in accordance with the provisions of an Act except that the Minister in order to meet any current requirement of the Government, shall be authorised to borrow by means of advances from any bank or other similar institution by means of a fluctuating overdraft, or otherwise, amounts not exceeding the limits, and in accordance with the provisions proscribed in the annual Appropriation Act or a resolution of Parliament.
- (2) The Principal and interest of all borrowed monies shall be charged upon and paid out of the Revenue Fund without further authority than this Regulation.

Special Funds.

9. (1) The Minister may make financial provision for the establishment of Special Funds.
- (2) Special Funds shall not form part of the Revenue Fund.
- (3) The Special Funds set out in Schedule 2 shall be considered to have been established in accordance with the provisions of sub-section (1) and the balance standing to the credit of each of them at the close of account on the coming into operation of this Regulation shall be considered to have been appropriated by the Minister for the purposes specified in respect of each fund.
- (4) The Minister may direct that any Special Fund established or considered to have been established in accordance with the provisions of this section shall be wound up and thereupon after all the liabilities of such Fund have been paid, the Fund shall be closed accordingly.
- (5) The balance of monies standing to the credit of any Special Fund wound up and closed under the provisions of sub-section (4) shall be paid into the Revenue Fund.

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- Development Fund. 10. (1) Subject to subsection (2), there shall be established a Development Fund to be maintained by the Treasury for the purpose of financing capital projects and other non-recurring expenditure of the Government into which shall be paid all monies that shall be approved and appropriated thereto by Parliament and from which expenditure shall be authorised with the approval of Parliament.
- (2) It shall be lawful for the Development Fund to be in debit at any one time to an amount not exceeding FNH 500 million or such other sum as Parliament may from time to time by resolution approve.
- Deposits. 11. (1) Any monies not being monies raised or received for the purposes of the Government which may be deposited with the Treasury or with any Public Officer authorised by the Minister to receive such deposits shall not form part of the Revenue Fund and, except as provided in subsection (2), shall not be applied in any way for the purposes of the Government.
- (2) The Minister in his discretion may authorise the use of deposits for the purpose of making advances for all or any of the purposes stated in section 12.
- Advances. 12. (1) The Minister may by warrant under his hand authorise disbursements of monies forming part of the Revenue Fund or other funds for the purpose of making advances :-
- (a) on behalf of and recoverable from other Governments;
 - (b) on behalf of public bodies or institutions when in the opinion of the Minister such advances are in the public interest and are repayable within a period of 12 months from the close of the financial year in which such advances are made;
 - (c) to or on account of any Special Fund when such advances are recoverable before the close of the financial year in which such advances are made;
 - (d) to public officers for such purposes and under such terms and conditions as may be prescribed from time to time;
 - (e) to meet expenditure authorised by a Loan Act in anticipation of the receipt of any instalment of the loan authorised by such Act.
- (2) The total of the sums disbursed for the purpose of making advances in accordance with subsection (1) shall not exceed in aggregate at any one time, after deducting repayments, an amount of FNH 100 million.
- Guarantees to be approved by Parliament. 13. No guarantee involving any financial liability shall be binding upon the Government unless approved by resolution of Parliament.

PART 4 - CONTROL OF EXPENDITURE

- Annual Estimates. 14. (1) The Minister shall cause to be prepared and laid before Parliament not later than one month prior to the commencement of each financial year estimates of revenue and expenditure of the .../.

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- Government for that year.
- (2) Subject to subsection (3) the estimates of revenue and expenditure laid before Parliament shall be in such form as the Minister may from time to time direct.
- (3) (a) The estimates of statutory expenditure shall show the sums to be issued from the Revenue Fund to meet the expenditure of each service of the Government and shall contain a reference to the law authorising the expenditure of such service to be charged on the Revenue Fund.
(b) the estimates of other expenditure shall describe the ambit of each head and shall show the sum required to be applied to such head by appropriation from the Revenue Fund.
- Authorisation of expenditure. 15. (1) The proposals for expenditure (other than for statutory expenditure) contained in the estimates for the financial year shall be included by head in a Bill to be known as an Appropriation Bill which shall be introduced into Parliament together with the estimates to provide for the issue from the Revenue Fund of the sums necessary to supply those heads and for the appropriation of those sums for the purposes specified in the Bill.
(2) Subject to subsection (3), on the coming into operation of the Appropriation Act the Minister shall authorise by warrant under his hand the issue from the Revenue Fund of such sums as may have been applied to the service of the financial year by such Appropriation Act.
(3) Notwithstanding the issue of a warrant under subsection (2) the Minister may limit or suspend any expenditure (not being statutory expenditure) with or without cancellation of the warrant if in his opinion financial exigencies or the public interest so require.
(4) The Minister shall authorise by warrant under his hand the issue from the Revenue Fund of the sums required during the financial year to meet statutory expenditure.
- Provisional appropriation. 16. Notwithstanding the other provisions of this Regulation, if the Appropriation Act has not come into operation at the commencement of any financial year, the President of the Republic may authorise the Minister to approve provisionally by warrant under his hand the issue from the Revenue Fund of such sums as are necessary for carrying out the services of the Government at a level not exceeding the level of those services in the previous financial year for a period of 3 months or until the Appropriation Act comes into operation, whichever is the earlier.
- Supplementary Estimates. 17. Where it is necessary in respect of any one financial year to provide for expenditure upon any service not already provided for by the Appropriation Act or any Supplementary Appropriation Act relating to that year or which is in excess of the provision made in respect of that service by that Appropriation Act or any Supplementary Appropriation Act proposals for such expenditure shall be shown in supplementary estimates and presented to Parliament and shall

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be included in a Supplementary Appropriation Bill.

revision for
urgent and
un-foreseen
expenditure.

18.(1) Subject to the provisions of this section, the Minister if he is satisfied that an urgent need for expenditure has arisen :-

- (a) for which no provision exists or for which the existing provision is insufficient;
- (b) for which funds cannot be provided under the provisions of Section 19;
- (c) which cannot be deferred without detriment to the public interest; and
- (d) which is due to exceptional circumstances which could not have been foreseen.

may by a contingencies warrant under his hand, but only with the prior approval of the Council of Ministers in anticipation of the grant of an appropriation, authorise the issue of monies from the Revenue Fund to meet that need.

(2) The total of the sums which may be authorised under subsection (1) shall not exceed at any one time an amount of FNM 100 million or such other sum as Parliament may by resolution from time to time approve.

(3) Where any issue is made from the Revenue Fund under the provisions of this section a supplementary estimate of the sum required for the service for which such issue was made shall be presented to Parliament at its meeting next following the date on which the warrant was issued and shall be included in a Supplementary Appropriation Bill.

rements.

19.(1) Subject to subsection (2) if the exigencies of the public service render it necessary to alter the proportions assigned to items within a subhead of expenditure shown in the estimates, or to create a new item the Minister may direct by a warrant that there shall be supplied in aid of any item which may be deficient or in aid of any new item a further sum out of savings arising on any other item within the subhead.

(2) When the Minister issues a warrant under subsection (1) :-

- (a) the sum appropriated to any head by the Appropriation Act shall not be thereby exceeded; and
- (b) the ambit of any item shall be within the ambit of the head within which it is created.

Expenditure in
excess of
appropriation.

20. If at the close of account for any financial year it is found that any monies have been expended on any head in excess of the sum appropriated for that head by an Appropriation Act or for a purpose for which no money has been appropriated, the excess, or the sum expended but not appropriated as the case may be, shall be included in a statement of heads in excess which, together with the report of the Public Accounts Committee thereon, shall be presented to Parliament and shall also be included in a Supplementary Appropriation Bill.

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PART 5 - ABANDONMENT OF CLAIMS AND WRITES-OFF
OF PUBLIC MONIES AND PUBLIC STORES

Abandonments
and
writes-off.

21. (1) Parliament may by resolution authorise the Minister, in his discretion to the extent specified in such resolution, to abandon and remit any claims by or on behalf of the Government or any service thereof and to write-off losses of public monies, stores or other movable property belonging to or provided for the Government.
- (2) The Minister in his discretion may by writing under his hand delegate to any public officer any of the powers which he is authorised to exercise by resolution of Parliament under this section.

Disposal of
Serviceable
Stores etc.
to certain
organisations.

22. The Minister, in his discretion, may authorise the gift of serviceable Government stores or property not required for Government purposes to institutions or organisations in the New Hebrides established solely or principally for educational, scientific, cultural or charitable purposes.

PART 6 - ACCOUNTS AND AUDIT

Annual
Accounts and
Audit.

23. (1) Within a period of six months after the close of each financial year, or such longer period thereafter as Parliament may by resolution appoint, the Minister shall transmit to the Auditor-General statements and accounts showing fully the financial position of the Government on the last day of such financial year.
- (2) The statements and accounts referred to in subsection (1) shall include :-
- (a) a statement of assets and liabilities;
 - (b) a summarised account of receipts and payments;
 - (c) a detailed statement of revenue and expenditure;
 - (d) a summarised account of receipts and payments for the Development Fund; and
 - (e) such other statement as Parliament may from time to time require.
- (3) The Auditor-General shall prepare and transmit to the Speaker of Parliament within a period of eight months after the close of each financial year, or such longer period as Parliament may by resolution decide, a report upon his audit and examination of all accounts relating to public monies, securities, public stores and other Government property, together with certified copies of the statements and accounts referred to in subsection (2).
- (4) The Speaker of Parliament shall lay the certified statements and accounts and the report of the Auditor-General before Parliament within thirty days of their receipt by him or if Parliament is not in session within fourteen days after the commencement of the first sitting of its next meeting.

PART 7 - GENERAL

Orders.

24. (1) The Minister may make orders not inconsistent with the provisions of this Regulation for carrying out the provisions hereof and without prejudice to the generality of this provision such orders may provide for :-
- (a) the collection, receipt, custody, issue,

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- expenditure, due accounting for, care and management of all public monies and the guidance of all persons concerned therewith;
- (b) the effective recording, examination, inspection and checking of receipts and expenditure and the keeping of all necessary books and accounts;
 - (c) the forms for all accounts, books and documents whatsoever required under the provisions of this Regulation or orders made hereunder;
 - (d) the purchase, safe custody, issue, sale or other disposal or writing-off of public stores and other property of the Government and the proper accounting for and stocktaking of such stores and property;
 - (e) the preparation of estimates of revenue and expenditure of the Government;
 - (f) the authorisation of rates of payment of public funds not provided for by this Regulation or any other Regulation or Act; and
 - (g) the making of advances to public officers and the rates and limits of such advances and the rates of interest thereon.
- (2) Notwithstanding any provision to the contrary, any orders made in accordance with this section shall be published in such manner as the Minister may specify therein but shall not have retrospective effect.

SCHEDULE 1

(Section 7 (5))

Compagnie de Navigation Inter-Iles
South Pacific Fishing Company

SCHEDULE 2

(Section 9 (3))

Deferred Pay Fund
Re-afforestation Fund
Housing Loan Fund
Radar Wind-Sonde Excess Contribution Fund
STABEX Fund
Agricultural Loans Fund