

CHAPTER 359

FINANCIAL ADMINISTRATION AND AUDIT

FINANCIAL REGULATIONS

S.I. 10/1975
S.I. 6/1993
S.I. 13/1996

(SECTION 21)

*[Commencement 14th February, 1975]***ARRANGEMENT OF CONTENTS**

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THE FINANCIAL REGULATIONS

S.I. 10/1975

(SECTION 21)

S.I. 6/1993

S.I. 13/1996

[Commencement 14th February, 1975]

1. These Regulations may be cited as the Financial Regulations. Citation.

2. In these Regulations, unless the context otherwise requires — Interpretation.

“the Act” means the Financial Administration and Audit Act;

“Bank” means the Central Bank of The Bahamas established by section 3 of the Central Bank of The Bahamas Act, 2000, or any other bank wherein the Ministry directs that any public money shall be kept; Ch. 351.

“deposit” means any moneys deposited with an accounting officer pending the completion of a transaction whereby the money may become payable to the Government or repayable to the depositor or any other person, any money payable into court by virtue of any statutory or other authority whatsoever and money payable to the Government in trust for any purpose;

“imprest” means a fixed sum advance, disbursements from which are repaid at specified intervals;

“head of department” includes in relation to a Ministry the Permanent Secretary of the Ministry and reference to a department includes reference to a Ministry;

“Minister” means the Minister of Finance unless otherwise specified.

The Bank

3. (1) The Bank shall receive for immediate credit all cash, cheques and orders collected on account of the Government. Bank to receive cash, etc., collected on account of the Government.

(2) Every branch of a bank into which money is paid for the credit of the “Treasurer for the Consolidated

Fund” (in these Regulations referred to as “the Consolidated Fund Account)” shall, at such times as the Treasurer directs, transfer the whole of that money to the Consolidated Fund Account with the Bank.

Accounting Officers

Responsibilities of accounting officers.

4. Every accounting officer shall be subject to these Regulations and shall perform such duties, keep such books and records and render such accounts as are prescribed by these Regulations or directed by the Treasurer.

Responsibility of a person coming into custody of public moneys and public stores.

5. Any person who comes into charge, custody or control of public moneys or public stores shall become responsible for such moneys and stores as though he had been appointed an accounting officer.

Liability of accounting officers.

6. An accounting officer shall be personally liable for all public moneys and public stores placed under his control and it shall be his duty to ensure that the funds expended are applied only for the purpose intended by Parliament.

Claims of questionable validity.

7. If an accounting officer is requested to authorise a commitment, make a payment or accept a charge, or take any other action which in his opinion is not lawfully authorised or is otherwise incorrect, he shall state his objection in writing to the head of his department, who shall, if he disagrees with the officer, forthwith report the circumstances to the Financial Secretary.

Collection of Money

Receivers.

8. Every person collecting, receiving, or having control over any money payable into the Consolidated Fund Account, the Deposits Fund or any other Government account, is deemed for the purposes of these Regulations to be a receiver of revenue, hereafter in these Regulations referred to as “a receiver.”

Responsibilities of principal receivers of revenue.

9. A principal receiver of revenue is responsible for the collection of all revenues which it is the function of his department to collect and, subject to section 7 of the Act, for paying the same into the Consolidated Fund Account.

- 10.** Except where the Treasurer directs otherwise, there shall be given to every person paying any money to be credited as public money to the Consolidated Fund Account or to any other Government account an official receipt in the form approved by and printed under the authority of the Treasurer. Receipts to be issued to persons paying money to be credited as public money.
- 11.** The Bank shall give to a principal receiver of revenue or any other person paying money into the Consolidated Fund Account or into any other Government account a receipt in the form approved by the Treasurer. Receipts to be issued by the bank to principal receivers of revenue.
- 12.** In no circumstances may public money be lodged in any bank to the credit of a private account or be mixed with private funds: Use of public money.
- Provided that this regulation shall not be deemed to include personal advances in respect of travelling and subsistence allowances or expenses and for such other purposes as are authorised by the Treasurer.
- 13.** Every receiver shall keep a cash book in the form approved by the Treasurer and shall enter therein the amount of his collections, the manner of their disposal and the official receipt references. Cash books.
- 14.** The Treasurer shall specify in the Treasury directives the times and the manner in which each receiver shall balance his cash book and forward a copy or summary thereof to the Treasurer. Balancing of cash books.
- 15.** Money received by way of deposit shall be dealt with in the manner provided for the collection of other public moneys, except where the Treasurer directs otherwise and subject to the provisions of regulation 16. Deposits.
- 16.** As soon as the transaction on account of which a deposit was made is completed the receiver shall return the deposit or the balance of the deposit, as the case may be, to the depositor, who shall give a receipt for the amount refunded to him. Return of deposits.

Control of Expenditure

- 17.** The approved estimates of recurrent and capital expenditure are not in themselves authority to spend funds. Estimates not in themselves authority to spend funds.

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- Warrants. **18.** The Minister may issue to the Treasurer the following warrants in respect of expenditure to be incurred —
- (a) a general warrant, for withdrawals from the Consolidated Fund;
 - (b) a contingencies warrant, for advances from the Contingencies Fund; and
 - (b) an advance warrant, for advances from the Deposits Fund.
- Treasurer's warrant. **19.** The Treasurer shall, on receipt of a warrant referred to in regulation 18 from the Minister, issue to the head of a department, a Treasurer's warrant for such sum as the Financial Secretary may direct.
- Financial authority. **20.** No commitment by way of order or contract shall be entered into without proper financial authority. The level of proper financial authority shall be determined by the minister for different categories of expenditure and, if no such authority has been so determined, financial authority shall remain in the hands of the Minister.
- Procedure on receipt of Treasurer's warrant. **21.** On receipt of a Treasurer's warrant the head of a department may issue a warrant to his accounting officer for his apportionment of the funds which have been released to the extent that the head of the department desires to delegate financial control, and where financial control is retained by the head of a department himself no further warrant may be issued.
- Accounting officers to submit purchase order to Treasurer. **22.** Accounting officers shall submit purchase orders and contracts to the Treasurer in order that a record of commitments may be made; and every such purchase order and contract shall contain the item to be charged:
- S.I. 6/1993.* Provided that the Treasurer may direct that purchase orders under five hundred dollars in value or such categories of purchase orders as he may from time to time specify in writing should not be submitted, but that accounting officers should submit monthly to the Treasurer a summary of such purchase orders in order that a record of commitment may be made.
- Virement. **23.** (1) As the appropriation is made by heads and the release of funds by Treasurer's warrant by main items

within heads, the Minister concerned may apply to the Minister for a virement warrant where it is desired to have additional authority for a particular item and equivalent savings can be made on another item within the same head.

(2) On receipt of the Minister's authority a Treasurer's virement warrant shall be issued to adjust the original release of funds.

24. The head of a department may vire between sub-items of the same main item except in the case of sub-items in the categories declared in writing by the Financial Secretary as being capital, special or transfers in which virement shall not be permitted.

Power of head of department to vire.

25. If the Minister is satisfied that —

- (a) certain expenditure is likely to be incurred in a financial year upon a service —
 - (i) thereby causing an excess on the sum provided for that service by the Appropriation Act for that year; or
 - (ii) which being in respect of a new service, was not provided for by the Appropriation Act relating to that year; and
- (b) the circumstances are such that the expenditure cannot without injury to the public interest be postponed until adequate provision is made by Parliament,

Contingency warrant.

the Minister may authorise such expenditure to be met by an advance from the Contingencies Fund in accordance with paragraph (2) of this regulation.

(2) The Minister may authorise the Treasurer to pay the expenditure as it becomes due as a charge against the nominated head and item as a contingencies advance and the Treasurer may then issue a contingencies warrant to the department concerned so that the increase may be added to the sum appropriated.

26. Where there is a delay in the promulgation of the Appropriation Act or the Governor-General dissolves Parliament before provision has been made for carrying on the Government and the Minister has issued a general warrant for the withdrawal of sums from the Consolidated Fund in accordance with section 13 of the Act, then the Treasurer may issue a memorandum for the provisional release of funds:

Provisions for release of funds by Treasurer.

Provided that on the passing of the first Appropriation Act thereafter any such provisional release of funds may be absorbed into the Treasurer's warrant in accordance with the provisions of these Regulations.

Commitment not to be made without financial authority.

27. No commitments may be made without proper financial authority or beyond the extent of funds for which a warrant is held, except where authorised by these Regulations:

Provided that this regulation shall not preclude accounting officers from submitting to the Treasurer for commitment purchase orders in respect of public stores required in the normal course of provisioning in advance for recurrent items.

Warrants lapse at end of financial year.

28. The general authority conveyed by warrants to incur expenditure lapses on the last day of the financial year in which they are issued, and no payments may be made after that date except under the authority of a warrant to incur expenditure issued for the service of the ensuing financial year.

Record of commitment.

29. Where a financial authority has been recorded as a commitment and the expenditure is completed without using the total amount originally estimated, the accounting officer of the department concerned shall inform the Treasurer of the unexpended amount of the commitment so that he may cancel the same in his records.

Accounting officer to report immediately inadequacy of financial authority.

30. Every accounting officer shall, on becoming aware that a financial authority will prove inadequate, make a report immediately to the head of his department so that prompt action may be taken to adjust the deficiency in the authority in accordance with Treasury directives.

Payment of Money

Vouchers.

31. All claims on the Government must be entered on a voucher form approved by and printed under the authority of the Treasurer.

Preparation and signing of vouchers.

32. (1) All vouchers for the expenditure of public money shall be prepared by one officer and checked by another before being signed by an officer designated as a certifying officer.

(2) A certifying officer shall be appointed by the head of his department and shall have such duties and responsibilities as to certification as the Treasurer may determine.

(3) In all cases the certifying officer signing a voucher certifies the accuracy and validity of the payment and certifies that the balance on the Treasurer's warrant is sufficient to cover the expenditure.

33. Except where payments are directed to be made from an imprest account, all claims on the Government shall be paid by cheque drawn by the Treasurer. All claims to be paid by cheque.

34. Every cheque in excess of two hundred dollars must be crossed, except where given to obtain cash, and shall be accompanied by an advice of payment. Cheques must be crossed.

35. Except in the case of payments made on the production of a power of attorney, letters of administration or probate, payments to persons other than to persons to whom payment is due may be made only under the authority of such persons given in a form approved by the Treasurer. Any such authority may be either special, that is to say, for one case, or general. Delivery of cash or cheques.

36. (1) An authority referred to in regulation 35, to pay another, including payments to the credit of a bank account, may be accepted by the Treasurer only for the convenience of the person to whom payment is due and such person may revoke a general authority at pleasure. Authority for payment.

(2) An authority given by or on behalf of a company shall be signed by two directors or the managing director thereof.

(3) The Treasurer may not recognise or act upon any endorsement or addition to a form of general authority which purports to make the authority irrevocable or to alter in any way its substance or effect.

(4) A general authority must be renewed at the expiration of two years from the date thereof if it is desired to keep it in force for any longer period; otherwise the Treasurer may regard the authority as cancelled.

(5) The records of current general authorities shall be kept by the accounting officers of the departments concerned.

Officer not to act as agent or attorney for receipt of money without approval.

37. An officer shall not, without the approval of the head of his department, act as agent or attorney for the receipt of money due by the Government to any person.

Bank to return cheques to Treasurer.

38. The Bank shall return to the Treasurer or to such officer as the Treasurer may direct such paid cheques as the Treasurer may require.

Officers required to open bank accounts.

39. (1) The Treasurer shall require every officer whose salary is payable monthly to open an account at a commercial bank in The Bahamas into which the Treasurer shall transfer credits for salary or wages and other emoluments when they become due.

(2) The Treasurer may require every officer periodically to give acknowledgement of the receipt of his salary or wages credits in such manner as the Treasurer may from time to time direct.

Weekly paid employees.

40. Where it is necessary to hand an open wages cheque to a Government employee whose salary is payable weekly, before the cheque is handed over, the paying officer shall require the foreman with whom the employee works to identify the employee. The paying officer shall also require the employee to sign a receipt or the voucher.

Imprests

Imprest accounts.

41. The Treasurer may open such imprest accounts as he may consider necessary to facilitate the classes of payments specified in the Treasury directives.

Imprest may be made in cash.

42. In any place where no banking facilities exist the advances for imprest may be made in cash.

Accounting for imprests.

43. The Treasurer shall direct the method of accounting in respect of imprest accounts and shall require each accounting officer to submit a statement of account monthly.

Restriction in use of imprests.

44. Imprests shall be used only for the purposes for which they are issued and on no account shall they be used for any private purpose or for the making of advances of salary or wages.

Receipts for Payment

45. (1) Except in special cases, a receipt from the person legally entitled to received payment shall be accepted as sufficient discharge for any payment.

Receipts for payment.

(2) Where payment is made by cheque drawn on a banker to order, and where the cheque has been paid into the bank account of the person legally entitled thereto, the production of the paid cheque shall be accepted as sufficient discharge for the payment.

(3) The surrender of the bond, debenture, certificate, or coupon shall be accepted as sufficient discharge for bonds, debentures, or stock certificates which are payable to bearer and for interest coupons for such securities.

46. When payments are made other than through the mail the paying officer shall be entitled to ask for evidence of identify of a payee.

Identification of payees.

47. The Treasurer or the paying officer may require such further or other instrument of discharge to be executed by the payee, in addition to or instead of a receipt, as may seem desirable in the circumstances.

Power to require further instrument of discharge from payees.

48. Where a receipt or endorsement does not appear to have been given or made personally by the person legally entitled to receive payment, evidence may be required of the authority of the person giving or making the receipt to give a legal discharge for the money paid.

Power to require evidence where person entitled to payment did not give receipt.

49. The mark of any payee unable to write shall be witnessed by a person other than the paying officer.

Mark of payee to be witnessed.

Advances

50. No advances of public moneys shall be made from the Deposits Fund save with the authority of the Minister in accordance with the provisions of section 14 of the Act.

Advances.

51. (1) An advance may be made to an officer where it is in the public interest and shall be repaid by the officer concerned over a period not exceeding three years by way of monthly deductions from his salary.

Payments, etc., of advances.

S.I. 13/1996.

(2) Interest payable on any such advance shall be calculated at monthly intervals on the principal then due and owing at the rate of eight per centum:

Provided that the Minister may from time to time vary such rate of interest.

Records to be kept of advances.

52. The accounting records of a department shall show the total amount due to the Government in respect of principal and interest on advances made to officers under section 14 of the Act.

Departmental Accounts

Departmental accounts.

53. (1) The accounts kept by the various Departments shall be considered subsidiary to the system of Treasury accounts, and the Treasurer shall direct the manner in which each Department shall keep its accounts.

(2) Every accounting officer shall be responsible for keeping such accounts in accordance with any directions issued or approved by the Treasurer and such accounts shall at all times be subject to the inspection of the Treasurer.

(3) The necessary forms for all books, accounts and documents required by Departments for properly carrying into effect the provisions of the Act and these Regulations shall be those approved from time to time by the Treasurer.

Heads of Department to furnish information to the Treasurer.

54. It shall be the duty of every head of a department and every officer in the department to furnish such information as the Treasurer may at any time require regarding the receipt and expenditure of public moneys, and the accounting for public moneys or public stores under his control.

Inspection of books, etc.

55. The Financial Secretary may at any time in writing authorise any officer of the Treasury to inspect any books, accounts, contracts, and other documents, or public stores or other public property held by any department, and upon the production to the head of a department of any such authority the head of a department shall afford facilities for such inspection by such officer.

Establishment of Government Tenders Board and Award of Contracts by such Board and by the Government

56. (1) There is hereby established for the purposes of these Regulations a Board to be called the Government Tenders Board (hereinafter in these Regulations referred to as “the Board”) which shall consist of—

Establishment of Government Tenders Board.

- (a) the Financial Secretary, who shall be the Chairman;
 - (b) the Permanent Secretary of the Ministry of Works;
 - (c) the Permanent Secretary of the Ministry of Health; and
 - (d) such other public officers not exceeding three as may be appointed by the Minister in writing from time to time.
- (2) At any meeting of the Board three members, of whom the Chairman shall be one, shall constitute a quorum. The Chairman shall in the case of any equality of votes have a second or casting vote.

(3) The Minister may appoint a public officer to be secretary to the Board.

57. The functions of the Board shall be to make recommendations to the Minister of Finance for the award of contracts for supplies, works and services required by the Government in excess of fifty thousand dollars but not exceeding two hundred and fifty thousand dollars.

Functions of Board.

58. All award of contracts for supplies, works and services required by the Government for amounts in excess of two hundred and fifty thousand dollars shall be made by the Cabinet.

Power of Cabinet to award contracts.

Public Stores

59. Losses of public stores, deficiencies in public stores, and damages to public stores, otherwise than by reason of fair wear and tear, shall be reported to the Auditor-General in such manner as the Financial Secretary may direct.

Losses of public stores to be reported to Auditor-General.

Officers not to deal in public stores.

60. (1) An officer shall not, either directly or indirectly, derive advantage from dealing in public stores or with any person having a contract with the Government.

(2) The sale of public stores to an officer shall not be permitted without the authority of the Financial Secretary.

Duty of heads of departments to maintain inventory of assets.

61. (1) It shall be the duty of the head of a department to maintain a complete inventory of all Government property kept in his department.

(2) This inventory shall be revised from time to time and kept up to date so as to provide a proper control and check to the satisfaction of the Auditor-General.

Unauthorised use of public stores.

62. No officer or other person shall use any public stores for any purposes not authorised by the Act or these Regulations.

Losses and deficiencies of public stores not to be written off without authority.

63. Losses or deficiencies of public stores shall not be written off except by the authority of the Cabinet.

Miscellaneous

Preservation of accounting records.

64. (1) The minimum periods for which the various classes of accounting records set out in the first column of the Schedule to these Regulations shall be preserved shall be the periods set out in the second column of the said Schedule.

(2) Any class of records specified in the said Schedule shall not be destroyed except with the prior approval in writing of the Minister.

SCHEDULE (Regulation 64)

Class of Records	Period to be preserved
Principal Treasury Ledgers, Special Ledgers and records, e.g. Savings Bank Depositors Ledgers; Loan registers, Cash Books and Principal Journals	20 years
Vouchers and Counterfoils	7 years
Computer Statements of Revenue and Expenditure	7 years
Establishment and salary records which may be required for pension purposes	40 years
Disbursement cheques, other than Weekly Wages Cheques	5 years
Weekly Wages Cheque (30 days restriction)	1 year