

**S.I. 57 of 2014****PUBLIC FINANCE MANAGEMENT ACT, 2012***(Act 9 of 2012)***Public Finance Management Regulations, 2014**

In exercise of the powers conferred by section 36 of the Public Finance Management Act, 2012, the Minister of Finance, Trade and Investment hereby makes the following regulations, namely—

**PART I - PRELIMINARY**

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|----|---|----------------|
| 1. | These regulations may be cited as the Public Finance Management Regulations, 2014.  | Citation       |
| 2. | In these regulations, unless the context otherwise requires—  | Interpretation |
|    | “Act” means the Public Finance Management Act, 2012;  | Act 9 of 2012  |
|    | “Auditor General” means the Auditor General appointed under article 158 of the Constitution;  |                |
|    | “budget dependent entities” means the public bodies that rely on Government budget for operational purposes;                                    |                |
|    | “Comptroller General” means the Comptroller General appointed by the Minister of Finance to oversee the Government budget planning and control; |                |
|    | “International Public Sector Accounting Standards” means the accounting standards issued  |                |

by the International Public Sector Accounting Standards Board for use by public sector entities in the preparation of financial statement;

“Seychelles Licencing Authority” means the Seychelles Licencing Authority established under the Licences Act.

## PART II - ACCOUNTING AND RECORDING PROCEDURES

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Budget classification and chart Accounts

3. The Comptroller General shall, with the approval of the Government, in relation to the budget classifications —

- (a) specify and maintain an uniform Chart of Accounts applicable to all public bodies;
- (b) establish in the Chart of Accounts, standards terms and classifications for fiscal and budget information of the Government, including information on revenues, expenditures and non-financial assets;
- (c) specify and maintain accounting codes for recording the Government transactions, ensure consistency of the accounting codes with budget classifications and accounting standards;
- (d) request the approval of the Cabinet, when making changes to the Chart of Accounts, including changes to classifications for appropriation; and
- (e) ensure all transactions are recorded, accounted and reported according to the Chart of Accounts.

4. The Comptroller General shall ensure that —

Accounting Standards

- (a) the annual financial statements are prepared in accordance with the cash basis of the International Public Sector Accounting Standards; and
- (b) the policies for public body are implemented.

5. Every public body shall, in addition to a general ledger and subsidiary ledgers, maintain the register, prescribed by the Minister of Finance, to record and monitor payables, receivables, financial assets, non-financial assets, budget appropriations, budget allocations and liabilities including contingent liabilities.

Accounting Records

6. There shall be open an operating account within the Ministry responsible for finance for income and expenditure transactions for category 3 budget dependent entities and where necessary, for other public bodies, and the Accounting Officer shall ensure that —

Operating Accounts

- (a) the source of the transactions is readily identifiable;
- (b) the amounts included in the suspense accounts are cleared and correctly allocated to the relevant items of budget classification and Chart of Accounts on a monthly basis;
- (c) the monthly reconciliations are carried out to confirm the balance of each account; and
- (d) the reports are provided to the Accounting Officer about items not cleared on a monthly basis.

Retention of  
financial  
information

7.(1) Every Accounting Officer shall retain all financial information in its original form for a period of at least 10 years.

(2) The Accounting Officer shall, on the expiry of the period of 10 years, secure information in an alternative form, ensuring the integrity and reliability of the data and reproduce the information when required under subregulation (3).

(3) When financial information is required as evidence in proceedings before a court, the National Assembly, an official inquiry, for the purposes of an audit, or otherwise, the Accounting Officer shall ensure such information is secured and furnished in its original form.

Changes of  
financial  
information

8. A person employed in a public body shall not, without the prior written approval of the Principal Secretary of Finance, amend any computerised systems or institute a new computerised system that will affect financial administration of the public body.

Reporting  
procedures

9. The Comptroller General, in consultation with the Auditor General, may prescribe special reporting format and consolidation procedures for reporting by the public bodies.

### PART III - MANAGEMENT OF GOVERNMENT ASSETS AND LIABILITIES

Asset  
management

10.(1) Every Accounting Officer shall apply the asset management procedures provided for in the accounting manual and establish the procedure and system to enable the public body where he or she is employed, to meet the service delivery requirements by —

- (a) maximising the service potential assets by ensuring that they are appropriately used and maintained;
- (b) reducing the demand for new assets through demand management techniques;

- (c) achieving greater value for money in the acquisition, use and disposal of assets;
- (d) reducing unnecessary acquisition of assets through acquisition management techniques;
- (e) defining clearly responsibility, accounting and reporting requirements; and
- (f) supporting the effective, efficient, economical and transparent use of the institution's assets.

(2) The Accounting Officer shall integrate the asset management plans, decisions and activities with the Government's planning and budgeting processes, and comply with the instructions issued by the Ministry of Finance for the asset management procedures and systems.

(3) The Accounting Officer shall ensure, proper internal control for the custody and use of assets, that —

- (a) are acquired in accordance with the Public Procurement Act and instructions of the Ministry of Finance issued from time to time;
- (b) preventive mechanisms are in place to eliminate theft, losses, wastage and misuse;
- (c) stock levels are at an optimum and economical level; and
- (d) the sum so authorised for withdrawal does not exceed one third of the sum appropriated for the relevant expenditure head in the previous financial year.

Asset recording,  
valuation and  
reporting

11.(1) The Ministry of Finance shall prescribe—

- (a) principles for recognition and measurement for Government assets;
- (b) uniform useful lives for different classes of assets;
- (c) asset valuation principles and schedule for asset valuation;
- (d) criteria for establishing and managing public asset portfolios;
- (e) procedures for the recording, use, disposal, and reporting of assets;
- (f) requirements for asset maintenance;
- (g) appropriate information systems for asset management; and
- (h) other matters relating to asset management.

(2) The Ministry of Finance shall establish procedures for public bodies for maintaining assets registers in accordance with the asset classification and for recording of—

- (a) the physical features of the assets, including class of assets, location, quantity, size, useful life and value;
- (b) the financial features of the assets, including net book value and replacement cost;
- (c) the legal features, including the identification of asset owners, managers and users; and

- (d) the economic features, including whether the assets are tradable or non-tradable and cost benefit estimations.

(3) The Ministry of Finance may require, from time to time, such assets management information from the Accounting Officers, in the form and within such time as it deem fit.

12.(1) Every Accounting Officer shall, for the purposes of disposal, leasing, lending and other dealings with assets—

Disposal,  
leasing or  
lending of  
assets

- (a) comply with the instructions issued by the Ministry of Finance and ensure that the assets are disposed of, or leased or lent, in a manner that will maximise public interest;
- (b) dispose of movable assets at a market value or by price quotation, bid or public auction; and
- (c) obtain a written approval of the Principal Secretary of Finance to vary requirements relating to disposal and letting of Government assets and note the approval details in the asset register.

(2) Notwithstanding subregulation (1), an Accounting Officer may—

- (a) transfer, with the prior approval of the Principal Secretary of Finance, movable assets free of charge to another public body;
- (b) ensure that the immovable property of the Government is leased out at market value, unless approved otherwise by the Minister of Finance in consultation with the Ministry

responsible for land, and record the approval in the assets register; and

- (c) review annually all fees, charges, rates, tariffs or scales of fees or other charges relating to Government's land.

Receivables

13.(1) Every Accounting Officer shall, in accordance with the instructions for the efficient management of moneys issued by the Ministry of Finance, ensure that —

- (a) the money is collected from a public body in a timely manner;
- (b) the procedures set out by the Ministry of Finance for handling receipts books, licences or tickets issued to the Ministries or Departments are followed;
- (c) the accounts and records for all debtors are maintained;
- (d) the follow-up with debtors and issue demands for payments are done promptly; and
- (e) the matters are referred promptly to the Attorney General for consideration and institution of legal proceedings.

(2) Every Accounting Officer shall comply with the provisions of section 16 of the Act to write-off a debt owed to the Government, if all reasonable steps have been taken to recover the debt, and —

- (a) the recovery of debt is not economical; or
- (b) the recovery is not in the public interest.

14. Every Accounting Officer, in respect of liabilities — Liabilities

- (a) shall take necessary steps to recover any loss in accordance with the instructions and directions of the Principal Secretary of Finance;
- (b) may, with the prior approval of the Principal Secretary of Finance, commit funds with respect to settlement of a claim for loss by the public body; and
- (c) shall report any loss which he or she becomes aware is due to a criminal act or possible criminal act by any public officer and refer the matter to the Attorney General for taking appropriate legal action.

15. A public officer shall be liable personally for any loss caused directly or indirectly in the course of his or her employment, where the loss results from —

Personal liability of public officers

- (a) fraud or other criminal act or omission;
- (b) serious or gross misuse or abuse of powers;
- (c) the influence of alcohol or drugs;
- (d) serious or gross failure to perform duties of his or her employment; or
- (e) failure to comply with instructions which he or she was aware of or could reasonably have been aware of.

16. Every Accounting Officer shall ensure that a person employed in the public body does not borrow money on behalf of the public body, or gives a security,

Loans, guarantees and other commitments

guarantee or indemnity or makes any other commitment without a written authorisation by the head of the public body.

Risk  
Management  
Plan

17. Every Accounting Officer shall prepare and monitor a risk management plan for fiscal risks, including contingent liabilities.

#### PART IV - BANKING AND CASH MANAGEMENT

Government  
General Bank

18. The Moneys received and raised for and on behalf of the Republic, shall be deposited in the Government General Bank Account, operated by the Treasury at the Central Bank of Seychelles.

Responsibilities  
of Comptroller -  
General

19. The Comptroller General shall be responsible for the effective and efficient management of the Government General Bank Account and —

- (a) ensure that the Government General Bank Account has sufficient resources to meet appropriated expenditure and direct charges;
- (b) ensure immediate remittance of Government revenues into the Government General Bank Account;
- (c) make payments from the Government General Bank Account, including transfers and subsidies, when necessary; and
- (d) prescribe and implement efficient and effective cash management procedures which optimise Government debt and optimise returns from any idle cash balance held in Government General Bank Account.

Banking  
arrangements

20.(1) Where an Accounting Officers is authorised, by virtue of section 21 of the Act, to open a bank account in a bank

or financial institution, other than the Central Bank, or outside the Government General Bank Account, the Comptroller General may —

- (a) specify the terms and conditions to operate the bank account and give such directions as the Comptroller General considers appropriate; or
- (b) close or suspend the operation of the bank account if necessary.

(2) The Accounting Officer who operates any Government bank account shall, when required by the Comptroller General, the Chief Internal Auditor, the Auditor General, the Government Audit Committee or a representative thereof, produce statement of account or a certificate of balance for examination.

(3) An Accounting Officer shall —

- (a) not overdraw a Government bank account or take any advance without the prior authorisation of the Principal Secretary of Finance;
- (b) not close or suspend any Government bank account without prior authorisation of the Comptroller General;
- (c) reconcile monthly the balance in the bank account with the corresponding cash book balance and file or recorded where appropriate in the cash book; and
- (d) inform the Ministry of Finance, on a quarterly basis, the details of signatories of non-Government General Bank Accounts

and provide reconciliation statements to the Comptroller General.

Imprest  
account

21.(1) A public body may hold a petty cash imprest of such amount as approved by the Comptroller General.

(2) The imprest referred to in subregulation (1) shall be issued to an imprest holder who shall be a designated Accounting Officer in the public body.

(3) The Accounting Officer shall ensure that —

- (a) the imprest shall at no time be in excess of the authorised amount;
- (b) the physical cash balance of the imprest conforms with the balance as per the cash book of the imprest account;
- (c) all cash in excess of the authorised amount shall be deposited in the Government General Bank Account; and
- (d) the payments may be made out of the imprest up to the limit specified in the imprest warrant and for the purpose specified in the Accounting Manual.

Custody of  
cash balance

22. Every public body shall —

- (a) follow the procedures laid down in the Accounting Manual to ensure the cash balance and cash-in-transit at his or her premises are safeguarded and periodically reconciled with the receipts and payment transactions;
- (b) ensure shortage and discrepancies in cash

balance are rectified in accordance with the provisions in the Accounting Manual; and

- (c) ensure the custody of cheque books and other financial valuables.

23. There is hereby established under the Comptroller General a Cash Management Unit, to ensure efficient management of the Government cash resources, which shall —

Cash  
Management  
Unit

- (a) prepare an annual consolidated cash flow plan following the passage of the Appropriation Act;
- (b) prepare and submit to the Liquidity Committee a cash plan for three months period, including an operational plan for the first month of quarter, ten days before the start of the following month;
- (c) update on a weekly basis the quarterly cash plan based on the weekly revenues and expenditures statements provided by Central Bank;
- (d) submit a monthly report to the Cash Management Unit showing actual outturn compared to the planned cash flows, highlighting variances and proposing remedial measures;
- (e) review the financing implications of the consolidated annual cash plan and quarterly cash flow forecast and advise the Cash Management Unit accordingly;
- (f) monitor balances and major cash movements in all Government bank accounts to ensure that they are managed in an efficient manner;

- (g) review the daily cash position, monitor receipts and payments, monitor bank account balances and report to the Comptroller General as appropriate; and
- (h) ensure that the public bodies carry out monthly reconciliations of their expenditures and revenues with those recorded in the Treasury and bring to the notice of the Comptroller General any unexplained accumulation of unreconciled balances.

24.(1) The Accounting Officer shall —

- (a) be responsible for establishing systems, procedures, training and awareness programmes to ensure efficient and effective banking and cash planning in the public bodies; and
- (b) abide by the provisions of the Cash Management Manual on cash planning and cash management.

(2) The Accounting Officers shall establish a cash planning committee to assist in the cash planning functions, to —

- (a) forecast all inflows and outflows in the public body, including subordinate budget formations and departments;
- (b) revise each week the forecast on a rolling basis for the following three months;
- (c) prepare a monthly rolling cash plan for the following quarter for submission to the Comptroller General;

Cash planning responsibilities and cash planning committee

- (d) ensure that cash plans are aligned with the procurement schedule;
- (e) periodically review the accuracy of forecasts and take remedial measures to minimize deviations;
- (f) ensure that all spending units in the Ministry's track payables and arrears and liquidate them promptly;
- (g) keep the Comptroller General informed about all arising spending pressures as soon it becomes aware of any such pressure; and
- (h) monitor any arising issue that might affect revenue inflows and keep the Comptroller General informed in a timely manner.

**PART V - PREPARATION AND FRAMEWORK OF MACRO-ECONOMIC**

25. The Minister of Finance shall, pursuant to section 4 of the Act, develop and implement a national macro-economic and fiscal policy framework comprising of the annual budget calendar containing —

Macro - economic and fiscal policy framework

- (a) revenue estimates for the next financial year with information on the current year revenue estimates and the previous year actual;
- (b) financing estimates and Appropriation Bill for the next financial year, including —
  - (i) plans for external financing in the form of borrowing and grants;
  - (ii) plans for domestic issuance of Government debt and any other financial liabilities;



- (iii) plans for issuance of guarantees to public or private entities;
  - (iv) plans for divestment of Government assets;
  - (v) plans for the approval of new public private partnership contracts; and
  - (vi) other financing information that the Minister of Finance considers necessary;
- (c) expenditure estimates for the next financial year and subsequent 2 years and a medium term performance, with information on current year estimates and previous year actual expenditure, including expenditures for each Ministry and the Ministry's related bodies, and performance information related to such expenditures;
- (d) Appropriation Bill; and
- (e) budget speech and annexes, including—
- (i) updated macroeconomic and fiscal forecasts and a statement of economic assumptions including significant changes from the assumptions of the Budget Strategy Paper;
  - (ii) statement containing multi-year commitments of the Government;
  - (iii) expected levels of donor funding;
  - (iv) maximum upper limits for external, internal and total borrowing; for

- issuing guarantees; for the value of public private partnership contracts; and for incurring other financial liabilities;
- (v) statement of planned tax relief and exemptions;
- (vi) summary of public enterprise's financial positions as provided for in section 39 of the Public Enterprise Monitoring Commission Act, 2013; Act 3 of 2003
- (vii) summary analysis of updates to the Statements of Corporate Intent provided by the Public Enterprise Monitoring Commission in pursuance of section 34 of the Public Enterprise Monitoring Commission Act, 2013; Act 3 of 2013
- (viii) a statement of fiscal risk analysis of operations of public enterprises provided by the Public Enterprise Monitoring Commission in pursuance of section 11(h) of the Public Enterprise Monitoring Commission Act, 2013; Act 3 of 2013
- (ix) a medium term debt management strategy including plans to manage arrears;
- (x) information on the statutory expenditure for the forthcoming year, estimates for the current year and actuals for the previous year;
- (xi) a report from the Ministry of Finance specifying the measures taken by the Government to implement the audit

recommendations from the previous year;

(xii) a statement signed by the Minister of Finance and the Principal Secretary of Finance attesting to the reliability and completeness of the information in the budget documents and conformity with the Act and the regulations made thereunder; and

(xiii) such other documents as the Minister of Finance may determine.

#### **PART VI - DUTIES AND RESPONSIBILITIES (FINANCIAL AND ACCOUNTING)**

Responsibilities  
of Minister of  
Finance

**26.** The Minister of Finance shall, in regards to the budget—

- (a) act as the Government's budgeting advisor and manage the relations between the Cabinet, the National Assembly, and the public bodies during the process of formulation of the Budget Strategy Paper, the Medium Term Fiscal and Budget Framework, and the Annual Budget;
- (b) coordinate the implementation of these regulations within the public bodies;
- (c) provide economic and financial advice to the planning and budgeting processes for cost effectiveness of public bodies;
- (d) promote the Government's budget and fiscal policies;
- (e) promote and enforce transparency and effective performance management in

respect of revenue, expenditure, assets and liabilities of the public bodies;

- (f) lay down standards for the financial management systems and monitoring the performance of such systems including internal audit;
- (g) authorise a public body to incur expenditure commitments up to a specified level;
- (h) mobilise resources including assistance from development partners and integrating these funds into the planning, budgeting, reporting and accountability processes;
- (i) provide the accounting functions for the accounting of the whole of Government position and leadership for the accounting function throughout Government;
- (j) record and monitor financial and non-financial assets of the Government including but not limited to interests in private sector entities;
- (k) provide oversight of the ownership interests in the public enterprises;
- (l) monitor the financial and related performance of the public bodies;
- (m) ensure that at an operational level the financial system of the Government is reliable and produces timely, comprehensive and accurate information;
- (n) implement and maintain Government policy performance in relation to public moneys raised and utilised;

- (o) coordinate responses from public bodies to audit and other issues that are provided to the National Assembly;
- (p) produce the financial reports and performance reports for the Government as a whole;
- (q) manage Government bank accounts;
- (r) manage the cash for the Government;
- (s) manage Government assets and liabilities; and
- (t) fulfill other responsibilities assigned by or under the Act.

Responsibilities  
of Accounting  
Officers

27. Without prejudice to sections 7, 13 and 24 of the Act, every Accounting Officer shall, in respect of the Government's budget—

- (a) manage revenue efficiently and effectively by developing and implementing appropriate and efficient processes that provide for the identification, collection, recording, reconciliation and safeguarding of revenue and information about revenue;
- (b) establish procedures to ensure that —
  - (i) commitments of the public body are within the available budget allocation;
  - (ii) cash outflows conform to the cash plans provided to the Ministry of Finance;
  - (iii) procurement procedures prescribed under the Public Procurement Act, 2008 is followed;

- (iv) approved commitments are recorded against the appropriate budget allocations; and
- (v) performance measures targets submitted to the National Assembly are achieved and in case the targets are not achieved, explanation are provided;
- (c) ensure that the costs related to the personnel establishment are aligned to the budgetary allocation;
- (d) ensure that the public officer is not paid from the budget allocations until the public officer's appointment, pay, and allowances are authorised by the competent authority;
- (e) maintain appropriate measures to ensure that transfers and subsidies are applied for their intended purposes where such purposes are specified;
- (f) exercise all reasonable care to prevent and detect unauthorised, irregular, fruitless and wasteful expenditure, and shall implement effective, efficient and transparent processes of financial and risk management;
- (g) establish systems, procedures, and processes to ensure the public body has efficient and effective banking and cash management arrangements;
- (h) establish asset management procedures and systems which comply with regulations and instructions issued by the Ministry of Finance, and enable the public body to meet its service delivery requirements;

- (i) ensure that proper internal controls exist for the custody and use of assets;
- (j) take effective and appropriate steps to collect all money due to the Government in a timely manner;
- (k) report on all known contingent liabilities of the public body in its annual report and provide information on liabilities including contingent liabilities to the Ministry of Finance in the form and within the time required by the Ministry of Finance;
- (l) have a risk management plan for fiscal risks including contingent liabilities that is actively monitored by the Accounting Officer;
- (m) ensure that all the transactions of the public body are supported by authentic and verifiable source documents, clearly indicating the approved budget allocation;
- (n) retain all financial information in the form and for period prescribed by the Ministry of Finance;
- (o) ensure that the performance information of public bodies are supported by authentic and reliable source documentation, and a system is put in place to retain all performance information in the form and for a period stipulated by the Ministry of Finance;
- (p) ensure that internal procedures and internal control measures, conform with the standards and guidelines provided by the Ministry of Finance, are in place for payment

approval and processing, and the internal controls shall —

- (i) provide for segregation of responsibilities for purchase or appointment, payment approval, and accounting;
  - (ii) provide reasonable assurance that all expenditure is necessary and appropriate;
  - (iii) ensure that payments are effected promptly and any discounts for prompt payment are obtained;
  - (iv) ensure that all expenditure is within the available budget; and
  - (v) ensure that payments are recorded and reported in accordance with the Act and these regulations;
- (q) take effective and appropriate disciplinary action in accordance with the Public Service Orders, Public Service Procedure Manual, the Employment Act or other written law for the time being in force, against the public officer who —
- (i) contravenes or fails to comply with the financial and accounting procedures;
  - (ii) commits an act which undermines the financial management and internal control systems; and
  - (iii) makes or permits an unauthorised expenditures, irregular expenditure or

fruitless and wasteful expenditure;  
and

- (r) promptly report to the head of department of his or her inability to comply with any of the responsibilities provided for in these regulations.

Efficient Cash  
Management

**28.** Every Accounting Officer shall, pursuant to section 22(2) of the Act, abide by the following responsibilities and procedures —

- (a) provide each year after enactment of an Appropriation Act, the Ministry of Finance in the prescribe format, a monthly breakdown of the anticipated or estimated revenue and expenditure of the public body for that fiscal year;
- (b) ensure that the monthly breakdown of estimated expenditure is in conformity with the annual procurement plan as envisaged in sections 71(2) and 71 (3)(b) of the Public Procurement Act, 2008;
- (c) submit to the Ministry of Finance when necessary, an explanation of any material variances and a summary of the steps that are taken to ensure that the projected expenditure and revenue remain within budget;
- (d) establish a Cash Management Committee with roles and responsibilities as prescribed in these Regulations and in instructions or manuals issued by the Ministry of Finance;
- (e) provide the Comptroller General within 15 days before the start of the following month,

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a projection of expected expenditure and revenue collection for the quarter ahead with the projections for the first month of the quarter being broken down by weeks.

**29.** Every public officer assigned with the financial responsibilities in a public body, shall —

Responsibilities  
of public officers

- (a) ensure that a proper system of accounting as prescribed by or under the authority of the Ministry of Finance is established and maintained;
- (b) safeguard and protect Government's accounting system or financial data from any unauthorised access and any sort of manipulations;
- (c) ensure the safe keeping of public moneys, stores, fixed assets, books of account, registers, accounting forms, securities and other financial records;
- (d) oversee the receipt of public revenue and ensure prompt collection;
- (e) bring to account promptly under the proper accounting and budget classification all moneys received;
- (f) report to relevant authorities, and promptly bring to account as revenue, any unexplained variations of cash, stores and fixed assets;
- (g) ensure that no commitments or payments are made which is not covered by proper authority;
- (h) account for disbursements of public funds promptly and accurately;

- (i) ensure that all financial and performance records are correctly posted and kept up to date;
- (j) ensure the maintenance of appropriate internal controls so as to prevent the occurrence of fraud, embezzlement or carelessness;
- (k) produce when required by the Principal Secretary Finance, the Auditor General or the Government Audit Committee all records, and access to cash, stores or fixed assets for purposes of verification;
- (l) prepare promptly such financial and performance returns and statements required by or under the Act, any regulations made thereunder or instructions issued by the Ministry of Finance;
- (m) report to the relevant authorities any apparent defect in, or difficulty in the implementation of, the procedure for revenue collection or any apparent waste or extravagance in expenditure which may come to notice during the course of duties;
- (n) reply promptly to any query made by the Principal Secretary Finance, the Comptroller General, the Chief Internal Auditor, the Auditor General or the Government Audit Committee giving complete information or particulars required;
- (o) adhere to the requirements for transfers and supplementary provision;
- (p) ensure that the operations of the public body

- do not vary to the financial policies of the Government;
- (q) carry out such other financial and accounting responsibilities as required by the Principal Secretary of Finance;
- (r) bring to the notice of the relevant authority, any apparent deficiency in these or other regulations or any means by which it appears that the financial and accounting procedures might be improved;
- (s) settle all contractual obligations and pay all money owing, including intergovernmental claims, within the prescribed or agreed period;
- (t) comply with any tax, levy, duty, pension contribution, compensation, gratuity and audit commitments as may required by any written law;
- (u) establish and maintain a proper system of evaluating all major capital projects prior to a final decision being made on the projects; and
- (v) establish and maintain an appropriate procurement system in accordance with the Public Procurement Act, 2008 and these Regulations which is fair, equitable, transparent, competitive and cost effective.

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**30. The Heads of Accounts in the public body shall —**

- (a) be primarily responsible to the Comptroller General for all the financial transactions and accounts of the government;

Responsibilities  
of Heads of  
Accounts

- (b) exercise the general management and supervision of all the accounting operations;
- (c) supervise the operations of Government accounts including expenditure and other disbursements, ensure that no payments are made which are not covered by proper authority and in the case of any apparent extravagance call the attention of Comptroller General;
- (d) prepare the Financial Statements and other returns within the time laid down by statutes and regulations and to render the accounts for audit;
- (e) ensure, once the audit is complete, that the Accounting Officer signs off the financial statements, returns and receipts and management representations prior to their submission to relevant authorities;
- (f) submit all claims for expenditure incurred by the Government on behalf of other public bodies and Government organisations; and
- (g) ensure that all the accounting regulations and instructions issued by the Comptroller General are understood and implemented by the staff of the accounting department and other departments of the public body.

31. The Head of Accounts and the Accounting Officers shall provide the facilities to enable the Auditor General and Chief Internal Auditor necessary to carry out audit inspection of the financial records in accordance with the Constitution, the Audit Act, the Act and these regulations.

Facilities for inspection

32.(1) All public officers are personally responsible for the performance of the financial and other accounting duties for the proper collection, custody and disbursement of all public moneys, receivable or payable by them or under their authority, and stores and fixed assets in their custody.

Pecuniary responsibilities

(2) Any public officer who intentionally and without authority manipulates, alters, erases or adds to the content of an application software or data held in a computer, shall be liable for disciplinary action in accordance with the Public Service Orders, the Public Service Procedure Manual, the Employment Act or any other regulations.

(3) Where a public officer fails to account for satisfactorily or produce any part of cash, stores or fixed assets entrusted to the public officer solely or jointly with another public official, the public official may be required by the Principal Secretary of Finance to make good the deficiency, which may be deducted from any money due to them from the Government.

(4) The responsibility of the Auditor General for checking and reporting any shortcomings in connection with the public accounts, finances, stores and fixed assets shall not absolve any public officer from his or her responsibility for complying or securing compliance with instructions within the scope of their own authority.

(5) The delegation of duties by a public officer shall not absolve the public officer from personal responsibility for ensuring the proper financial and accounting control.

33.(1) Every Accounting Officer shall ensure that the delegation of his or her responsibilities or power to a person —

Delegation of responsibilities or powers

- (a) is made in accordance with the Act, these regulations and any other written law;
- (b) is in writing;

- (c) specifies the nature of the power delegated, the position of the person to whom power is delegated, the name of the individual to whom power is delegated, the effective date of the delegation, and the financial limit of the delegation;
- (d) is exercised only by the person with the lawful delegation; and
- (e) is not delegated further by the person who has been delegated with the responsibility or power.

(2) Any delegation of responsibility or power by an Accounting Officer shall not absolve the Accounting Officer of a responsibility or exercise of the power.

(3) Every delegation of responsibility or power by an Accounting Officer under the Act or these regulations shall be revocable by the Accounting Officer in writing.

(4) The delegations of responsibility or power made by an Accounting Officer under the Act or these regulations shall continue in force until revoked, notwithstanding that the Accounting Officer ceased to hold office as such and shall continue in effect as if made by the successor in office of that Accounting Officer.

#### PART VII - ECONOMIC AND FISCAL MANAGEMENT

Revenue  
collection  
procedure

34. Every Accounting Officer, in relation to collection of revenue, shall —

- (a) fix and revise the rates, fees and charges, *inter alia*, based on the administrative costs of collection, the accuracy of past estimates and the relevance to current economic

- conditions and submit proposals for fixing or changing the rates, fees and charges through the responsible Minister to the Minister of Finance for submission to the Cabinet for approval;
- (b) ensure that —
  - (i) the rates are fixed at a level not higher than the cost of the most efficient method of providing the service;
  - (ii) the affected parties are adequately consulted and provided with an opportunity to be heard on the imposition of new rates, fees or charges or significant increases to existing rates, fees or charges; and
  - (iii) the rates, fees and charges are reviewed annually; and
- (c) explain any fee or charge including how it complies with the requirements of the Act to the Minister of Finance when required.

35. Every revenue collector shall —

- (a) be responsible for —
  - (i) the proper collection, receipt, custody, issue and control of public money; and
  - (ii) ensuring that full and proper accounts are kept of all transactions related to public money;
- (b) submit estimates and reports on revenue to the Ministry of Finance by such date and in such form as the Ministry of Finance may require;

Duties of  
revenue  
collectors



- (c) immediately acknowledge any public money received by issuing a Government Official Receipt, or a Computerised Generated Receipt from the approved accounting system;
- (d) remit promptly all Government revenues to the Central Bank or to an authorised agent; and
- (e) submit cash book, receipt books, licence books and ticket books for examination on the request of his or her accounting officer, the Principal Secretary Finance, Chief Internal Auditor, Auditor General or any person nominated by them.

Cheques  
and drafts

**36.(1)** Every crossed cheque and draft received on account of the Government shall be stamped on the back with the name of the receiving Ministry or department and the receipt number.

(2) Every gross amount received shall be paid into the bank, recorded in the cash book and accounted for under the respective revenue code except for reimbursements on account of expenditure incurred.

(3) Any charge upon the revenue received shall be treated separately as expenditure supported by proper payment vouchers.

Revenue  
Vouchers

**37.** Every Accounting Officers shall be responsible for ensuring that revenue vouchers contain complete, and accurate classification of revenues as prescribed in the uniform chart of accounts.

Legal tender

**38.** The money in a currency which is not legal tender in the Republic of Seychelles shall, except with the written

approval of the Principal Secretary of Finance, not be accepted from the public in payment of revenue.

**39.** Every officer entrusted with the collection of revenue shall, remit collections directly to the Government General Bank Account and provide information about the remittance to the Treasury in accordance with provisions of the Accounting Manual.

Payment to  
banks

**40.(1)** Any cash surplus shall be promptly brought to account and placed on deposit, and may be withdrawn, with the approval of Principal Secretary of Finance, where it is an apparent surplus and it is required to cover a related cash deficiency.

Cash surplus  
and deficit

(2) Any cash deficit shall be promptly brought to account and any material amount shall be reported to the Principal Secretary of Finance and the Auditor General.

**41.** Where a revenue collector hand over charge or cash to another officer, both officers shall sign a handing-over certificate in accordance with procedures prescribed in the Accounting Manual.

Handing-over  
certificate

**42.** Every recovery of overpayments shall be made in the following manner —

Overpayments

- (a) for the current year, all receipts in respect of overpayments made and recovered in the same financial year shall be credited to the expenditure head to which the payment was debited;
- (b) for previous years' receipts in respect of over-payments made in a previous financial year shall be credited to General Revenue Balance Account;

Collection  
of dues

43.(1) Where authorised by an Accounting Officer, credit facilities may be given for a maximum of 30 days from the date of the invoice.

(2) Where credit facilities are given, the credit shall be recorded in accounts as prescribed in the Accounting Manual.

(3) The Accounting Officer shall ensure that the outstanding debts are collected within the period of credit approved and appropriately recorded in the Debtor's Control Register.

(4) An analysis of debt by period overdue shall be included as a statement in the end-of-period financial reports.

Recovery of  
revenue

44.(1) The application to waive recovery of uncollected revenue shall be made to the Principal Secretary of Finance.

(2) Any recovery of revenue shall not be waived if it has become irrecoverable as a result of delay in enforcing payment, negligence or bounced cheque, and the officer responsible may be held personally liable.

(3) An authority to waive recovery of revenue or write-off a debt shall not mean that recovery shall not be made if the opportunity to do so arises.

Refund

45.(1) The refund of revenue shall be made when —

- (a) authorised by a Judge or Magistrate;
- (b) provided for by legislation;
- (c) a person has overpaid for a particular service and can produce receipts to substantiate over payments made; or
- (d) an excess payment of tax or duty has been made and it is certified by the head of division concerned.

(2) The refund in respect of revenue collected in the same year shall be classified as "Revenue Refunded" and debited against the head and subhead of revenue to which it was originally credited.

(3) The refund in respect of revenue collected in any previous year shall be debited to the General Revenue Balance Account.

46. All books consisting of receipts or licences or tickets used in connection with the collection of public revenue, shall be issued under the authority of the Comptroller General.

Receipt books,  
licences or  
tickets

47. Where an item of revenue falls due annually or at other set period, a register shall be kept showing details of payments which are to be received as they fall due, and a demand shall be sent out in respect of all amounts outstanding for more than a month.

Items of  
revenue due  
regularly

48. There shall be kept debtors accounts in a debtor control register for materials supplied or services rendered by Government, and an accounting officer shall inspect the debtor control register and direct further action where necessary.

Debtors  
control  
register

49. The revenue shall be collected when due and all appropriate steps shall be taken to collect arrears of revenue, and where the collection has proved to be impossible or impractical, authority to abandon the collection of arrears shall be obtained from the Principal Secretary of Finance.

Collection  
of arrears

50. Every Accounting Officer shall submit to the Comptroller General an Outstanding Debt Report form on a quarterly basis.

Monitoring  
debts

51.(1) The following procedure shall apply in respect of capital projects —

Capital  
projects

- (a) a capital project shall not be provided funding, unless it is included in the Public Sector Investment Programme as approved by the Cabinet;
- (b) all projects to be financed by loans or grants shall be included in the Public Sector Investment Programme;
- (c) the capital project shall be strategically guided from the National Development strategy so as to ensure project is chosen based on development policy priorities;
- (d) capital investment plans shall be prepared by all public bodies as part of annual budget process under budget programme on the basis of three year estimates, in an integrated manner with the current expenditure, in line with their respective sector plans and strategies;
- (e) an assessment and project appraisal shall be made to determine the feasibility of funding and implementing the capital project from public funds, containing —
  - (i) environmental and social impact assessment;
  - (ii) the need for the project is well justified in terms of the programme objectives of the public body;
  - (iii) project's objective are clearly specified;
  - (iv) broad alternative options to meet project's objectives are identified and comparatively examined;

- (v) the most promising option is subject to detail analysis;
  - (vi) project costs are fully and accurately estimated;
  - (vii) project benefit are assessed qualitatively as likely to justify the costs; and
  - (viii) project designs are comprehensive and are accurately costed with full risk assessment, performance indicators and implementation strategy;
- (f) all appraised capital project shall be recorded in a data base kept by the Ministry of Finance, ranked by priority for budget consideration and the rejected capital projects may be revisited in a time where circumstances change and they are likely to generate net positive benefits;
- (g) all project appraisal shall be subject to review so as to ensure that —
- (i) there is a clearly identified need;
  - (ii) the proposed project is worth the cost;
  - (iii) a desired outcomes and objectives of the capital project have been set out in order to identify the full range of options that may be available to deliver them;
  - (iv) the best options have been selected;
  - (v) the types of procurements have been

defined and are consistent with the Public Procurement Act, 2008; and

- (vi) the projects contribute to the budget programme objectives of the public body;
- (h) the appraisal and selection process of capital projects shall be linked to the budget cycle, and a budget ceiling shall be allocated through the annual budget circulars so as to ensure a sustainable investment strategy for all public investments;
- (i) the recurrent expenditures relating to the operation and maintenance of the assets created through the capital project shall be included in the budget;
- (j) forward cost of investment project and its funding shall be reviewed systematically by the concerned Ministries and the Ministry of Finance during budget preparation;
- (k) to ensure efficient planning, allocation and implementation of the capital project, the capital project shall not be considered outside the prescribed budget process and the capital project which have been appraised and reviewed and consistent with the Government priorities shall be considered for funding;
- (l) the budgeting process for capital projects shall be integrated with the annual budget for current spending;
- (m) all approved projects shall be implemented within the Medium Term budget Framework,

wherein the entire project costs shall be captured for the project life cycle;

- (n) implementing public body shall produce procurement plans and project plan timetables to ensure project delivery is on time according within budget estimates and procurements are timely and efficient;
- (o) the project shall be progressively monitored by the Ministry of Finance to ensure that they are being executed according to plans, and all causes of implementation discrepancies and gaps are to be identified in this process and remedial measures provided so as to ensure project delivery;
- (p) the funding reviews conducted by the Ministry of Finance and the implementing public body, may consider changes in the disbursement profile to take into account changes in the project circumstances;
- (q) the funding for capital project shall be allocated on the basis of funding requests, in tranches relating to the discreet phases of the capital project, and each funding request shall be accompanied with an updated report on progress relative to implementation plan;
- (r) quarterly reports on capital project shall be submitted to the Cabinet and Ministry of Finance in the prescribed format in an integrated manner with quarterly report on recurrent expenditure, so as to ensure sufficient funding requirement and prevent project delays, and the quarterly reports shall serve to audit both the financial and physical implementation of the project;

- (s) once a project is complete, an assessment shall be carried out to determine whether the project can start accommodating for operation and that services can be delivered;
- (t) site visits shall be regularly undertaken by the Ministries to determine if projects handed over are actually complete or requires some minor modification to fully ensure the asset shall adapt, and is suitable for its intended use, and there must be a formal handover of management of the facilities in accordance with procedures prescribed by the Ministry of Finance; and
- (u) assets created through capital projects shall be properly recorded in the government asset register, legal title to property should be affixed and the ministry responsible for the asset held accountable for maintaining the asset in accordance with procedures prescribed by the Ministry of Finance.

(2) The Ministry of Finance shall consolidate information on all approved capital projects in a Public Sector Investment Plan and present the plan together with the current estimates to the Cabinet.

(3) The Minister of Finance shall review the plan to ensure sufficient quantity and quality of public investment amongst all public bodies.

#### PART VIII - EXPENDITURE MANAGEMENT

**52.(1)** The following procedures shall apply to withdraw money against an appropriation in the Consolidated Fund —

- (a) where an Appropriation Act has been passed by the National Assembly, the Minister of

Appropriation  
in  
Consolidated  
fund

Finance shall issue to the Principal Secretary of Finance a general warrant, authorising the release of money from an Appropriation Act, to meet the expenditure covered by appropriation provided for in the approved estimates; or

- (b) where an Appropriation Act has not been passed by the National Assembly, and the National Assembly has by resolution authorised the withdrawal of money —
  - (i) the amount authorised to be withdrawn shall not exceed one third of the amount appropriated for the relevant expenditure head, in the previous financial year, and the amount authorised shall be set off against the amounts approved under the respective heads in the Appropriation Act once passed by the National Assembly; or
  - (ii) the Minister of Finance may issue to the Principal Secretary of Finance a provisional warrant, authorising the release of money.

(2) Upon receipt of the general warrant or provisional warrant, the Principal Secretary of Finance shall issue a general treasury warrant to the Accounting Officers —

- (a) to meet the necessary expenditure; and
- (b) to meet the expenditure on grant funded projects.

**53.(1)** The application for virement shall be submitted to the Principal Secretary of Finance in the form provided for in

Virement

the Accounting Manual, and be signed by the Accounting Officer and recorded in accordance with the procedures in the Accounting Manual.

(2) The Principal Secretary of Finance shall, prior to any virement of funds between divisions, wages, salaries and services and non-financial assets heads in an Appropriation Act, approve such virements and ensure that—

- (a) the application for virement clearly shows the need could not have been reasonably foreseen when the current estimates were prepared, and the fact that the funds are not expended under one subhead is not sufficient reason to request additional expenditure;
- (b) when it is essential to incur additional expenditure under a head or sub-head of a Department's estimate, and where equivalent savings can be made on one or more other heads or sub-heads within the same Department, internal virements may be made by the Accounting Officer;
- (c) all internal virements gets prior approval of the Accounting Officer, and copies of the virement is provided to the Treasury for record purposes;
- (d) a virement is not made without ensuring that the resulting virement of funds does not result in a rejection of payments already committed; and
- (e) a virement does not give rise effect to a new principle or policy, provide for a new service, or alter amounts appropriated and giving rise to doubt that the estimates approved by the National Assembly are being contravened.

54. The following procedures shall apply when an expenditure in addition to approved estimates are required—

Supplementary  
Appropriations

- (a) the Accounting Officer shall forward an application for additional funds to the Principal Secretary of Finance, who shall prepare the Supplementary Estimates for approval by the National Assembly;
- (b) an application for additional funds through Supplementary Estimates shall be considered, where it can be clearly ascertain that—
  - (i) virement is not possible;
  - (ii) the request for additional funds is in the public interest;
  - (iii) the request cannot be delayed until the next Annual Estimates are approved;
  - (iv) the need could not have been reasonably foreseen when the Current Estimates were prepared; and
  - (v) the additional expenditure shall contribute to the realisation of programme objectives;
- (c) the application for additional funds through Supplementary Estimates shall be sanctioned only with prior approval of the Cabinet;
- (d) the Supplementary Estimates shall not substantially modify the Approved Estimates; and

- (e) where additional funds are required, for a change in an establishment or for the upgrading of post, prior approval of the Principal Secretary of finance, are required.

Expenditure  
in excess

**55.** An Accounting Officer shall not authorise any expenditure from the Consolidated Fund, or incur a liability in excess of the amount authorised by the General Warrant, Provisional Warrant, Treasury Warrant, Application for Virement or Supplementary Estimates.

Limitation or  
suspension of  
expenditures

**56.(1)** The Minister of Finance may limit or suspend expenditure even though the authority has been given, where in the opinion of the Minister of Finance, it is required considering the financial position or in the public interest.

(2) The Minister shall table in the National Assembly a report on any limitations of suspension made under subregulation (1) and provide a copy thereof to the Auditor General.

Advance  
indents or  
payments

**57.(1)** The advance indents or advance payments, except for expenditures related to projects included in the Public Sector Investment Programme, shall not be made in respect of stores, goods or services and works to be supplied in the following financial year, without prior approval of the Principal Secretary of Finance.

(2) The Principal Secretary of Finance may authorise advance payment for goods and services, where —

- (a) there are specific provisions in the contract for advance payments; and
- (b) a guarantee is received from the contractor from a financial or non-financial institution.

(3) The Accounting Officer shall cause a register to be

kept of all advances made and ensure that advance payments are deducted from subsequent payments.

**58.(1)** The Ministry of finance shall prescribe requirements for recording commitments pertaining to —

Control of  
payments  
against  
commitments

- (a) payment of wages and salaries;
- (b) purchase of recurrent goods and services;
- (c) purchase of capital goods and services;
- (d) transfers; and
- (e) subsidies.

(2) Every Accounting Officer shall take measures to ensure that—

- (a) commitments are within the available budget allocation and in conformity with the procurement plans provided for in section 71 of the Public Procurement Act, 2008;
- (b) the cash outflows conform to the cash plans provided to the Ministry of Finance;
- (c) procurement procedures under the Public Procurement Act, 2008 have been followed; and
- (d) approved commitments are recorded against the appropriate budget allocations.

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(3) An Accounting Officer shall treat the approval and recording of commitment, as obligating budget

allocation of a public body, and the amount of the budget shall be used only for paying for transactions related to the approved commitments.

(4) All approved budget estimates and related commitments and expenditures of the public body, shall be processed through the Government Financial Information System, in accordance with these Regulations and the Accounting Manual.

(5) Without prejudice to these regulations, the Principal Secretary of Finance may issue further procedures for recording and processing commitments.

#### PART IX - PAYMENT PROCEDURES

Payment  
Voucher

**59.** Every Accounting Officer shall, prior to signing a payment voucher, ensure that —

- (a) he or she has the authority to sign against the expenditure programme head to which the voucher is coded;
- (b) the relevant goods have been properly received or the relevant services and works properly provided;
- (c) entries are made in the appropriate records and the voucher is correctly made out and coded;
- (d) there is sufficient evidence that payment is being made for work duly performed, goods delivered or services duly received in accordance with the contract and the price to be paid is also in accordance with the contract;
- (e) where an advance payment or any payment is

to be made before completion of the work, supply of the goods or services, the payment is agreed in the contract;

- (f) the procurement method used is in accordance with the provisions of the Public Procurement Act, 2008;
- (g) the budget has been committed when the purchase order was issued for the expenditure programme head coded on the voucher; and
- (h) the persons named in the voucher are those entitled to receive payment as they or as the Comptroller General may be so satisfied with the identification details provided.

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**60.(1)** An Accounting Officer may in writing authorise an officer to sign payment vouchers on his or her behalf, and set the financial limits and other conditions within which this authority shall be exercised and communicate same in writing to the Comptroller General.

Delegation  
of signing  
of payment  
vouchers

(2) The Accounting Officer shall inform the Comptroller General of any changes in the officer authorised in subregulation (1).

**61.** The payment voucher shall —

- (a) be made out in favour of the payee to whom the money is due or through their banker;
- (b) be processed electronically only after the commitment pertaining to that payment has been completed, except for payment for which manual vouchers are authorised; and

Processing  
local  
payments



- (c) in case of public bodies using the manual vouchers, record the transaction in accordance with the provisions of the accounting manual.

Overseas  
Payments

**62.** Every Accounting Officer shall submit an overseas payment voucher for payment —

- (a) when the voucher is complete;
- (b) the foreign exchange payment form has been signed; and
- (c) the invoices are attached and endorsed by Accounting Officer.

Supporting  
documents

**63.** The payments shall not be made unless the payment voucher is supported by original invoices and accompanying documents as per the requirements of the accounting manual.

Specimen  
signature

**64.** Every Accounting Officer and authorising officers who have been delegated with the responsibility of approving payment vouchers, shall register their specimen signatures with the Comptroller General, and the Comptroller General shall be notified of any cancellation or change of the signature.

Acknowledgement

**65.** Every payment made in cash or open cheque shall be acknowledged by the payee signing on the payment voucher and submitting his or her identity card for verification.

Liability in case  
of duplicate  
payment

**66.** Every Accounting Officer and the authorising officer shall ensure that duplicate payment is not made, and be personally liable for any duplicate payment.

Internal transfer  
voucher

**67.** Any services performed by one public body for another shall be settled through internal transfer voucher in accordance with the procedures in the accounting manual.

**68.(1)** The Treasury shall within 14 days after the end of each month issue Treasury General Ledger Listings providing details of payments made during the previous month.

Reconciliation  
of payments

(2) Every Accounting Officers shall ensure that the details in the monthly Treasury General Ledger Listings are compared with the details entered in their General Ledger and reconciliations are carried out within a further 14 days.

(3) Every Accounting Officer shall prepare a reconciliation statement providing —

- (a) items in their General Ledger but not shown in the Treasury General Ledger Listing;
- (b) items in the Treasury General Ledger Listing but not in their General Ledger;
- (c) errors in the Treasury General Ledger Listing;
- (d) a summary age-wise analysis of discrepancies and their clearance; and
- (e) budget listing of all economic codes on treasury information system against treasury visual account mate;

(4) Any discrepancies in the reconciliation statement shall be promptly rectified as per the requirements in the accounting manual.

**69.(1)** Every Accounting Officer shall ensure that —

Payment of  
salary and  
wages

- (a) salaries are paid in accordance with the Public Service Orders issued by the Ministry responsible for Public Administration, terms of employment or contracts applicable;

- (b) the correct rate of salaries for the time or period worked is applied as per the Public Service Orders and circular in force;
- (c) salaries are processed through the Centralised Payroll Section of Treasury or through in-house systems approved by the Comptroller General available with other, non-centralised public bodies and disbursed by the Treasury;
- (d) allowances and overtime are payable in accordance with the contracts or provisions in the Public Service Orders, and shall be included as part of the salaries; and
- (e) salaries and standing allowances are due and payable on the last working day of the month.

(2) The Accounting Officer of a public body shall liaise with the Ministry responsible for Public Administration to ensure that they always have an updated nominal roll.

(3) Every Accounting Officer shall ensure that the authorisation of appointments, the authorisation of payments and the recording of the payments shall not be performed by the same person.

Centralised  
payroll

70.(1) Every Accounting Officer shall notify the Treasury, not later than the tenth of each month, of any changes to be made in respect of employees' salaries, wages, allowances and deductions through submission of the appropriate salary input forms.

(2) An employee shall not be included on the payroll until a copy of the letter of appointment and a copy of the letter of acceptance of the appointment have been received by the accounting officer, and there shall be no changes of salary or allowance unless the proper authorisation has been obtained.

(3) The salaries shall not be disbursed by the Treasury unless the supporting payment vouchers are made available.

71. Every Accounting Officer shall submit the salaries and wages of employees on other non-centralised payroll to the Treasury for payment.

Non-  
centralised  
payroll

72.(1) An officer authorising a payment to an employee shall ensure that the correct rate of pay is used against the time or period worked, and any allowance or overtime payment or deduction is made in accordance with the Public Service Orders and other administrative instructions for the time being in force.

Correct  
payment

(2) Every Accounting Officer shall ensure that every employee shall receive his or her monthly pay slip, and the pay-slip is verified for any discrepancies.

73. Where there is over payment of salary or allowance, or lesser deduction is made from salary or allowance, there shall be a refund in full immediately or by deduction from the succeeding month's payment on an instalment basis every month provided that the amount deducted at any one time does not exceed one quarter of the salary, unless the employee, in writing, authorises a higher amount of deduction.

Recovery

74. An Accounting Officer shall not make payment of a salary and allowance, if there is an uncertainty as to the applicable rate or the lowest rate shall be applied pending the decision of the Ministry responsible for Public Administration.

Uncertainty  
of rate

75. The compulsory deductions and contributions on account of approved schemes shall be made by the Treasury for all public bodies, and the deductions or contributions should be remitted promptly by the Treasury to the respective beneficiaries.

Compulsory  
deductions  
and  
contributions

Termination  
of  
employment

**76.** Any balance of salary or allowance due to a public officer who has been—

- (a) convicted for misappropriation of public moneys or Government funds or theft of Government property; or
- (b) dismissed, or whose appointment has been terminated leaving sums due to the Government,

shall be subject to the provisions of the Public Service Orders, for the time being in force.

Overseas  
mission

**77.** Every public officer in the rank of the Principal Secretary or the Chief Executive Officer attending overseas missions, independent and commercial public enterprise, shall—

- (a) request permission to attend the overseas mission from the Office of the President;
- (b) be paid their airfare and subsistence allowance (including any delegate accompanying him or her) from their employing Ministry or organisation of the; and
- (c) comply with the provisions of the Public Service Order in respect of overseas travel and subsistence allowance.

Use of  
vehicles

**78.** An Accounting Officer shall, in respect of the use of the Government vehicles, including an employee's personal vehicle and public transport ensure that—

- (a) a vehicle log book is maintained for every Government vehicle as per the requirements of the accounting manual;

- (b) all fuel coupons in the fuel coupon register is recorded, and all unused fuel coupons and the counterfoils of the used coupons are stored safely;
- (c) calculation of the monthly fuel consumption of every Government vehicle in accordance with the requirements of the accounting manual;
- (d) the Government vehicles is used for authorised journeys and the Government vehicles is not used outside working hours without the prior written approval of the Accounting Officer;
- (e) all mileage is correctly noted and accounted for in the Log Book which is safely kept and produced for verification whenever called for;
- (f) all Government vehicles are covered with adequate and valid comprehensive insurance, valuation certificates and road licences;
- (g) the Government vehicles is maintained properly and adequate care and caution is taken when using them;
- (h) the Government vehicles is in safe custody and protected when not in use;
- (i) all Government drivers are appointed by the Ministry responsible for Public Administration;
- (j) the Government drivers possesses a driving licence valid for at least 2 years and a valid fitness medical certificate;

- (k) the mileage allowance for executing official duties in personal vehicles is claimed in accordance with the procedure laid down in the accounting manual;
- (l) any person, other than the authorised Government drivers, does not drive a Government vehicle, except in special circumstances with the prior approval of the Accounting Officer;
- (m) quotation is obtained prior to repair of a Government vehicle, in accordance with the provisions of the Public Procurement Act, 2008, and the repairs shall be recorded in the vehicle log book;
- (n) the Government vehicle is not left in private garage if for the repair of the vehicle spare parts are not available;
- (o) the Government vehicle which has exhausted its useful life or are uneconomical to maintain, is disposed of in accordance with the provisions of the Public Procurement Act, 2008 and accounting manual;
- (p) the rate of private use of the Government vehicle shall be in accordance with the Public Service Orders;
- (q) the Government vehicle is not dismantled or spare parts removed without the prior approval of the Principal Secretary of Finance; and
- (r) the Seychelles Licencing Authority is notified of all transfers of the Government vehicles.

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## PART X - GOVERNMENT AUDIT COMMITTEE

79.(1) The Government Audit Committee, referred to in section 34 of the Act, shall consist of a Chairperson and 5 other members.

Composition  
of Government  
Audit  
Committee

(2) The members of the Government Audit Committee shall be independent from the Comptroller General and the majority of members shall be from outside of the public sector.

(3) The Chairperson of the Government Audit Committee shall be appointed, by the President in consultation with the Minister of Finance, from amongst persons employed in the public sector.

(4) The members of the Government Audit Committee shall be appointed by the Ministry of Finance, from amongst persons possessing appropriate qualifications and experience in the field of accounts or audit on contract on the terms and conditions determined by the Minister.

80.(1) The members of the Government Audit Committee shall hold office for a period of 3 years, and shall be eligible for reappointment upto a maximum of two terms.

Tenure of  
office

(2) The Chairperson or a member of the Government Audit Committee may be removed from office, if the he or she —

- (a) fails to attend 3 consecutive meetings of the Committee without leave of absence granted by the Chairperson, and in the case of the Chairperson, without notice to the Committee and the Minister of Finance;
- (b) is unable to perform his or her functions or commits an act of misconduct, or is incompetent; or
- (c) has breached a provision of the Committee's Charter.

(3) The Chairperson or a member of the Government Audit Committee may resign from office by giving a notice in writing to the Minister of Finance.

## Meetings

**81.**(1) The Government Audit Committee shall meet at least 4 times a year on a quarterly basis, or as often as the Chairperson may decide depending on the circumstances.

(2) The quorum for the meetings of the Government Audit Committee shall be 4.

## Committee's Charter

**82.** The Government Audit Committee shall adopt the Committee's Charter which shall specify—

- (a) the functions and powers of the Committee and the Committee's operational framework; and
- (b) the duties and responsibilities of the Committee and its members.

## Other duties

**83.**(1) Notwithstanding the provisions of the Committee's Charter, the Government Audit Committee shall—

- (a) approve the charter of the internal audit division;
- (b) approve the internal audit charter of the public bodies and assist the public bodies in the development of an efficient internal audit plan;
- (c) ensure the implementation of international internal audit practices as appropriate for the Republic;
- (d) monitor the settlement of internal and external audit observations related to public bodies; and

- (e) report to the Minister of Finance, and whenever necessary recommend sanctions or surcharge as provided for in section 37 of the Act.

(2) Every public body shall submit audit and annual audit reports of the internal audit division and the annual audit reports to the Government Audit Committee.

(3) The Government Audit Committee may require public bodies to provide any additional information if required in performance of its functions.

(4) The Auditor General shall submit to the Government Audit Committee letter of management and reports of the external auditors.

(5) The Government Audit Committee may, through the Minister of Finance, request the internal audit division to investigate into any matter within the scope of its responsibility.

**84.**(1) The Government Audit Committee shall be supported in the discharge its functions by the officers and other employees provided by the Ministry of Finance in consultation with the Committee.

Support to Committee

(2) The Government Audit Committee shall be allocated with adequate resources to enable the Committee to cater for necessary back up of professional skills and experience from within and outside the public service and in areas of specialised skills relevant to the conduct of the Committee's business.

## PART XI - INTERNAL AUDIT

**85.** There is hereby established an independent Internal Audit Division within the Ministry responsible for finance, which shall review the finance management system operated by the public bodies.

Internal Audit Division

Appointment  
of Chief  
Internal  
Auditor

**86.** The Minister of Finance, in consultation with the members of the Government Audit Committee and the Principal Secretary of Finance, shall appoint a Chief Internal Auditor who shall be responsible for the affairs of the Internal Audit Division.

Terms and  
conditions of  
Chief Internal  
Auditor

**87.** The Chief Internal Auditor shall hold office upon such terms and conditions as the Minister of Finance may determine.

Functions of  
Chief  
Internal  
Auditor

**88.(1)** The Chief Internal Auditor shall perform the functions specified under section 27(b) of the Act.

(2) Without prejudice to subregulation (1), the Chief Internal Auditor shall—

- (a) comply with the provisions of the Act, the Public Service Orders and other laws in respect of the duties and activities undertaken by the Internal Audit Division;
- (b) secure the approval of the Minister of Finance or the Principal Secretary of Finance for the internal audit strategic plans and the annual risk-based operational audit plans after clearing them with the Government Audit Committee;
- (c) apprise the Minister of Finance, the Principal Secretary of Finance and the Government Audit Committee of any changes to the approved annual operational audit plans for the Minister's approval in consultation with the Government Audit Committee's approval;
- (d) report to the Minister of Finance and the Principal Secretary of Finance at least once

annually on the overall state of internal controls in the public body and highlight any systemic issues requiring management attention; and

- (e) provide information to the Government Audit Committee periodically;

**89.** The Chief Internal Auditor may, in consultation with the Minister of Finance, employ such persons as are necessary for the efficient performance of functions of the Internal Audit Division.

Staff of  
Internal Audit  
Division

**90.** The Chief Internal Auditor shall co-ordinate with other internal and external providers of assurance to ensure proper internal audit coverage and to minimise duplication of effort.

Coordination  
of internal  
and external  
providers

**91.** The Chief Internal Auditor shall be accountable to the Minister of Finance, the Principal Secretary of Finance and the Government Audit Committee for the conduct of the internal audit.

Accountability  
of Chief  
Internal  
Auditor

**92.** The Internal Audit Division shall—

- (a) carry out the audits on the basis of the annual risk-based operational audit plan approved by the Minister of Finance at least 2 months prior to the commencement of the financial year;
- (b) prepare the annual operational audit plan;
- (c) ensure, while formulating the annual operational audit plan that each public body is audited at least once every 4 years;
- (d) ensure the annual operational audit plan includes the type of audit, the period of audit,

Internal  
audit  
planning

and the staff resources to be assigned to each audit included in the plan; and

- (e) provide, in addition to conducting internal audit, guidance to the public bodies on measures required to mitigate deficiencies noted in their internal control processes and systems during audit.

Special audit

**93.** The Minister of Finance and the Principal Secretary of Finance shall have power to authorise, when necessary, specialised audits in addition to those approved in the annual operational audit plan.

Internal audit reporting and requirements

**94.** The Chief Internal Auditor shall —

- (a) ensure that audit reports are discussed with the accounting officers of the audited public body, and the explanations and comments of the accounting officer are recorded in the final audit report;
- (b) ensure the final audit report include the status of issues outstanding from previous audit reports;
- (c) submit the final audit report to the Minister of finance, the Principal Secretary of Finance, concerned Minister, concerned Accounting Officer, the Auditor General and the Chairperson of the Government Audit Committee;
- (d) report to the Minister of Finance, the Principal Secretary of Finance and the Government Audit Committee at least once annually, on the overall state of internal controls in the public bodies and any systemic issues requiring management

attention based on the work of internal audit; and

- (e) report to the Principal Secretary of Finance quarterly on —
- (i) any exceptional issues encountered while implementing the Public Sector Internal Audit Charter and the resolution of such exceptions;
- (ii) audits completed, and a summary of issues outstanding from previous audits with reasons for delays or non-compliance;
- (iii) progress in implementing the Annual Audit Plan; and
- (iv) the status of the implementation of any specialised audits authorised by the Minister of Finance.

**95.(1)** The Chief Internal Auditor's functions and activities shall be without influence from the management of the public bodies.

Independence of internal audit function

(2) The Chief Internal Auditor shall have full, free and unrestricted access to all functions, premises, assets, personnel, records and other documentation and information of the public bodies, which the Chief Internal auditor considers necessary to perform his or her functions under the Act and these regulations.

**96.(1)** Every public enterprise listed under Schedule 1 to the Public Enterprises Monitoring Commission Act, 2013, shall establish —

Internal audit of public enterprises Act 3 of 2003

- (a) an Audit Committee to oversee the internal control and management of the public enterprise; and

- (b) an internal audit unit to perform internal audit functions of the public enterprise.

(2) In case a public enterprise has not established an Audit Committee keeping in view of its annual turnover, the functions of the Audit Committee shall be performed by the board of the public enterprise.

(3) The public enterprise referred to in subregulation (2) may engage any private auditor to perform the functions of the internal audit unit in accordance with the provisions of the Public Procurement Act, 2008.

Act 33 of 2008

(4) The Audit Committee referred to in subregulation (1) shall—

- (a) establish an audit charter for the system of internal audit implementation in the public enterprises;
- (b) approve the annual risk based audit operational plan;
- (c) examine the audit report and annual report;
- (d) monitor the settlement of external and internal audit observations; and
- (e) ensure operation of adequate and effective system of internal control and risk management.

(5) The internal audit unit shall—

- (a) carry out the audit of public enterprise in accordance with the international standards;
- (b) establish at least once every year a report on the internal control and any matter requiring attention of management based on the audit.

(6) The Accounting Officer of the public enterprise shall prepare an audit plan and on being approved by the Audit

Committee, submit to the Government Audit Committee for approval.

(7) The annual audit report of the public enterprise shall contain—

- (a) the internal audit strategy;
- (b) available internal audit resources;
- (c) a comparative statement on the audit carried out during the year and the audit planned for the year;
- (d) statement on the result of the audit;
- (e) recommendations based on the audit findings made during the year;
- (f) statement on the implementation of recommendations made in the previous years; and
- (g) the annual audit plan for the following years.

(8) The Audit Committee shall examine the annual audit report under subregulation (7) and furnish its findings to the Government Audit Committee and a copy thereof to the Public Enterprises Monitoring Commission.

97. Every internal auditor shall abide by the provisions of the State Security Act, and applicable professional standards in the matters of confidentiality.

Confidentiality

MADE this 7th day of August, 2014.

PIERRE LAPORTE  
MINISTER OF FINANCE, TRADE  
AND INVESTMENT