

## **Budget legislation**

Financial and accounting procedure of the state

### **Chapter one**

#### **The budget**

##### **Article 10**

#### **The financial Year**

The financial year shall begin on the first day of January and end on the thirty first day of December.

##### **Article (11)**

#### **(Preparation)**

1. The ministry of finance, on the basis of proposals supported by justifications made by each minister and of data gathered by officers of the ministry of Finance, shall prepare, not later than the 30<sup>th</sup> of September of each year, the draft estimated budget for the following financial year.
2. In the draft estimated budget, there shall also be shown.
  - a) The emoluments of the president of the republic and the amount for the running of his establishment;
  - b) The estimated expenditure relating to the National Assembly.

##### **Article 12**

#### **(Contents and classification)**

1. All the estimated revenue and expenditure of the state shall be shown in gross in the budget.
2. All the revenues shall be utilised without distinction for the requirements of all public services, except as otherwise provided by law.
3. Revenue and expenditure shall be divided into heads and sub-heads

##### **Article 13**

#### **(Approval)**

1. The draft estimated budget approved by the council of the Ministries together with a written statement of the minister of finance shall be presented to the National Assembly

at least two months before the end of the financial year preceding the year to which such draft estimated budget relates.

2. Subject to the provisions of Article 15 below, the National Assembly shall approve by law the estimated budget not later than the thirty first of December of the said financial year.

#### **Article 14**

##### **(Special budget)**

1. The government may prepare, in the manner and within the time limits established in the proceeding articles, a special budget for economic and social development and special expenditure to be presented to the National Assembly together with the ordinary budget.
2. The special budget shall include”
  - a) As revenue : all sums available for the purposes referred to in paragraph I, including sums provided in the ordinary budget, the proceeds of internal and external loans, contributions given by other States or international organizations and any other sums;
  - b) As expenditure: expenditure relating to the projects undertaken for the said purposes, based on the availability of funds.
3. Where the full amount shown in the special budget, in respect of a project not started or completed, has not been utilized in a financial year, the balance shall be available for the same project without having to be shown in the special budget of the following financial year.

#### **Article 15**

##### **(Vote on Account)**

1. Where the draft estimated budget has not been approved by the thirty first of December, a vote on account may be authorized but law, for periods the total of which shall not exceed three months.
2. The vote on account shall be based on the draft estimated budget presented to the National Assembly.
3. During the period of the vote on account, the warrants authorizing expenditure shall be limited to one twelfth of the total expenditure shown under each sub-head of the draft estimated budget, for each month covered by authorization.
4. Where expenditures have a fixed date of payment which falls within the period of the vote on account, the total amount, due may be paid, notwithstanding the limitation referred to in the previous paragraph. Where the date of payment falls outside the said period. The amount shall not be utilized.

## **Article 16**

### **(Variations)**

1. Where during a financial year it is necessary to make variations consisting of new expenditure or the virement of sums from one head or sub-head to another, the said variations shall be approved by law.
2. Where variations involving new or larger State expenditure are made, the law shall specify the means for meeting such expenditure.
3. In the law approving the budget, the National Assembly may confer on the Government the power to make virements between sub-heads within the same head.

## **Chapter 11**

### **(Revenue of the State)**

#### **Article 17**

##### **(Definition and Revenue)**

The revenue of the State shall consist of all sums that the state has a right to collect, by virtue of law, decree, regulation or otherwise.

#### **Article 18**

##### **(Revenue to be shown in the budget)**

All estimated revenue shall be shown in the budget. However, the State shall have the right to collect, and the competent officers and agents the duty to assess and collect those items of revenue which may not have been shown in the budget.

#### **Article 19**

##### **(Classification and Revenue Collectors)**

The detailed classification of revenue and the list of offices whose duty it shall be to assess, collect and pay in revenue shall be established each year by decree of the minister of finance.

## **Article 20**

### **(Payment and Revenue)**

1. The revenue of the state shall be collected on cash
2. No certificate of credit or other credit due by the state shall be offset against a debit due to the state except where authorized in writing by the minister of finance.
3. Revenue collectors shall issue receipts for all sums collected.

## **Article 21**

### **(Paying in accounting for Revenue)**

1. Revenue collectors shall pay in their collections of the revenue daily, in cash, money orders or **assegni circolari**, to the nearest Accounting Officer, or to bank where so authorized by the Accountant General, except as provided for in the regulations.
2. Without prejudice to any criminal liability as may on Revenue Collectors for failure, delay or other irregularities in the paying in of revenues collected, or in the rendering of accounts.

## **Chapter III**

### **State expenditure**

## **Article 22**

### **(Definition of Expenditure)**

**State expenditure shall be the payments which are charged against the budget.**

## **Article 23**

### **(Authority to make commitments and to incur Expenditure)**

1. Ministers may make commitments and incur expenditure within the limits established in the budget subject to the availability of funds. However the

council of the ministers, on the proposal of the minister of finance may reserve expenditures in the approved budget, except for payments which the Government is legally bound to make.

2. Commitment may normally be entered into for the current financial year. However, where a commitment extends over more than one year, payments relating thereto shall be limited to amounts provided therefor in the budget of the current financial year.

#### **Article 24**

##### **(Vouchers)**

Vouchers shall be supported by such documents as are necessary to justify the payment, and shall be in the form prescribed in the regulations.

### **Chapter IV**

#### **Annual Accounts**

#### **Article 25**

##### **(Contents)**

The annual accounts shall contain such accounts, data and information as may be necessary to show the results of the management of the budget, a comparison between the estimated and the actual revenues and expenditures and any other information **prescribe in the regulations.**

#### **Article 26**

##### **(Preparation and Audit)**

The annual accounts shall be prepared by the Minister of Finance and shall be submitted to the magistrate of Accounts for audit in accordance with Article 90 of the constitution not later than the 30<sup>th</sup> of April of the year following that to which the said Annual Accounts relate.

## **Article 27**

### **(Approval)**

The annual accounts, approved by the Council of Ministries and accompanied by a report of the Minister of Finance and a report of the Magistrate of Accounts on his audit, shall be presented to the National Assembly for approval not later than the 30<sup>th</sup> June following year to which the Annual Accounts relate.

## **Chapter V**

### **Administrative and Accounting Control**

## **Article 28**

### **(Organs of control)**

1. The control over the accounts shall be exercised by the Accountant General of the ministry of Finance and by the Magistrate of accounts.

## **Article 29**

### **(The accountant General)**

1. The office of the accountant general shall be directed by the Accountant General may be established in any ministry, Region or district.

## **Article 30**

### **(Duties of the Accountant General)**

The Accountant General shall:-

- a) Manage the accounts of the state
- b) Control the accounts of each ministry
- c) Exercise supervision over the correctness of the receipts and payments of public money, the management of cash and stores, the handling of public money, securities, stamps and other moveable property of the state.
- d) Exercise any other duty that may be attributed to him by law or regulation.

## **Article 30**

### **(Magistrate of Accounts)**

The composition and organization of the office of the magistrate of Accounts and the guarantees of the independence of its members shall be governed by a separate law.

## **Article 32**

### **(The duties of the magistrate of Accounts relating to the Accounts of the state)**

The magistrate of accounts shall:

- a) Exercise prior control over the legality of Government acts involving financial obligations on the part of the State.
- b) Exercise post audit on the budget
- c) Audit the accounts referred to in part. III of this decrease attributed to him by law or regulation.

## **Article 33**

### **(Registration of Acts of Government)**

1. Acts of the government and of other organs of the public. Administration involving financial obligations of any kind shall require the prior registration by the magistrate of Accounts.
2. The following acts shall be exempt for registration acts having legislative force or of a political nature acts done in the exercise of the constitutional prerogative of the Head of the State in accordance with Articles 52 paragraph 2, 53, 61, 62 paragraphs 2, 63, 64, 75, 78 paragraphs 3 and 4 and 99 of the constitution.

## **Article 34**

### **(Payment Vouchers)**

1. Each payment voucher shall be subject to prior approval by the Accountant General and shall be registered by the magistrate of Accounts.
2. The registration of payment vouchers issued under a warrant already registered by the Magistrate of Accounts shall be affected only where the Accountant General has refused his approval of the payment.
3. The approval by the Accountant General and the registration by the magistrate of Accounts shall constitute the control over the legality of the payment voucher.

## **Article 35**

### **(Procedure for registration)**

1. The original and copies of the documents relating to every act subject to registration shall be transmitted to the magistrate of accounts.
2. Where the magistrate of Accounts is satisfied of the legality of the act, he shall return without delay the original duly registered otherwise he may withhold or refuse registration and transmit his observation in writing to the originating office.

**Article 36**  
**(Registration with Reserve)**

1. Where registration is withheld is denied or omitted, the council of Ministers may request registration with reserve stating the grounds therefor.
2. The Magistrate of Accounts shall transmit without delay to the president of the National Assembly copies of the documents relating to acts registered with reserve together with his observations.
3. Registration with reserve shall not be permitted in the following cases;
  - a) Where a commitment or payment voucher exceeds the amount provided in the sub-head in the budget or is chargeable to a different subhead;
  - b) Where the appointment, recruitment or promotions of an officer in the civil service is not within the limits of the approved establishment.
4. Any controversy relating to the denial of registration with reserve shall be within the exclusive jurisdiction of the Supreme Court.

**Regulations for the Accounts of the State**

**Chapter 1**

**The Estimates**

**Article 1**

**Duty to prepare estimates**

The preparation of the draft estimates of the ordinary and special budget of the State is governed by articles 11 and 14 of the financial and accounting procedure legislative decree, and is the duty of the Minister of Finance.



## **Article 2**

### **Preparation of estimates**

1. In order to enable the ordinary and special budget draft estimates to be prepared each ministry shall submit proposals supported by justifications, to the ministry of Finance not later than the 15<sup>th</sup> of August each year .
2. The estimates shall be prepared in the form required by the Minister of Finance and in accordance with his instructions.

## **Article 3**

### **Content and estimates**

1. The estimates shall be divided into heads and sub-heads and shall include the gross receipts and gross payments as follows.
  - a) All the revenue of the state foreseen for the financial year including revenue accruing from the sale of moveable and immoveable property, interest from investments or from any other source;
  - b) All the expenditure of the State which it is foreseen shall actually be disbursed during the financial year.
2. To avoid confusion a head in the special budget shall be called a (project).

## **Article 4**

### **Presentation of the budget**

1. The draft budget law approved by the council of ministers, shall be presented to the National Assembly not later than the 31<sup>st</sup> October each year , accompanied by a statement of the minister of finance.
2. The statement of the minister of Finance may include:
  - a) The economic policy of the Government
  - b) Explanations of important differences between the estimates of revenue and expenditure under heads and subheads compared with the budget of the preceding year;
  - c) Justifications for the inclusion of new heads and sub-heads.
3. The statement shall be accompanied by such data as will show the financial positions of the State.

## **Article 5**

### **Expenditure for the year fixed**

On the approval of the budget law by the National Assembly, the expenditure for the year shall be held to be definitely limited and arranged and the government is authorized to assess and collect the revenue and to make the payments.

## **Article 6**

### **Variations to the budget**

Variations to the approved budget may be authorized as follows;

- a) Where a minister wishes to vire funds from one sub-head to another within the same head or project, he shall make application to the minister of Finance on the appropriate form;
- b) The Minister of finance shall either return the application to the Minister concerned stating in writing his reasons for refusing the application, or arrange for the approval of the virement in accordance with article 16, of the Financial and Accounting procedure legislative decree and article 62 of the constitution.
- c) Virements between Heads or projects shall be approved down in this regulation;
- d) Any increase in the authorized provision that cannot be covered by a virement shall be authorized by a supplementary budget law, which shall indicate where the funds to meet it shall be authorized by law.
- e) No change in the approved establishment or in the emoluments of any officer apart from normal increments, shall be made except after approval by the Personnel department of the Presidency Council of the Ministers and shall be subject to the provisions of the civil service law.