

**LAWS OF SOUTH SUDAN**

**APPROPRIATION BILL, 2014/2015**

**JUNE/2014**

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**APPROPRIATION BILL, 2014/2015**

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## LAWS OF SOUTH SUDAN

### APPROPRIATION BILL, 2014/2015

An Appropriation Bill to provide for the control and management of the Republic of South Sudan revenue and expenditures from the Consolidated Fund intended for the security and benefit of the citizens of South Sudan, from 1<sup>st</sup> July 2014 to 30<sup>th</sup> June 2015.

## CHAPTER ONE

### PRELIMINARY PROVISIONS

#### 1. Title and Commencement.

This Bill may be cited as “The Appropriation Bill 2014/2015” and shall come into effect upon its signature by the President.

#### 2. Definitions.

In this Bill, unless the context otherwise requires, the following words and expressions shall carry the meanings assigned to them:

“**Accounting Officer**” means the individual designated by this Bill to make all payment requests, and provide all necessary accountability, for the expenditures of a Government Spending Agency; and shall have the meaning assigned to it under the Public Financial Management and Accountability Act, 2011;

“**Activity estimate**” means the budgetary allocation to an activity defined in the Approved Budget through the allocation of a specific programme area and activity code;

“**Budget line**” means an expenditure classification defined in the Approved Budget through the allocation of a specific three-digit expenditure code;

“**Chapter**” means one of the five main expenditure categories of Wages & Salaries, Use of Goods & Services, Transfers, Capital expenditures and Other expenditures, as defined in the Approved budget through the allocation of a specific two-digit expenditure code;

“**Consolidated Fund**” means the central group of revenue, expenditure and reserve accounts, maintained by the National Ministry of Finance & Economic Planning in the Bank of South Sudan, for receiving public revenue and meeting public expenditure;

**“Spending Agency”** means any Government entity receiving an appropriation under this Bill;

**“Legislature”** Means the National Legislative Assembly and the Council of States

**“Minister”** means the National Minister of Finance & Economic Planning in the Government of the Republic of South Sudan;

**“Ministry”** means the National Ministry of Finance & Economic Planning in the Government of the Republic of South Sudan; and

**“President”** means the President of the Republic of South Sudan.

## **CHAPTER TWO**

### **APPROPRIATIONS**

#### **3. Appropriations from the Consolidated Fund.**

The total estimates of the National Budget for the Fiscal Year 2014/2015 amount to Eleven Billion Two Hundred Seventy Eight Millions Seven Hundred Sixty Four Thousand Eight Hundred Ninety Four South Sudanese Pounds **(SSP 11,278,764,894)**;

(1) classified as follows-

(a) Nine Billion Five Hundred Thirty Two Millions Three Hundred Sixteen Thousand Three Hundred Twenty Four South Sudanese Pounds **(SSP 9,532,316,324)** appropriated to Government Spending Agencies from Government’s own resources;

(b) Two Hundred Fifty Millions South Sudanese Pounds **(SSP 250,000,000)** appropriated to the Emergency Contingency Fund;

(c) Eight Hundred Millions South Sudanese Pounds **(SSP 800,000,000)** appropriated to the Arrears Fund; and

(d) Four Hundred Thirty Six Millions Four Hundred Forty Eight Thousand Five Hundred Seventy South Sudanese Pounds **(SSP 436,448,570)** appropriated to Government Spending Agencies from external loan and grant funds.

(2) Expenditures from the Consolidated Fund are authorised for the period of 1<sup>st</sup> July 2014 to 30<sup>th</sup> June 2015 for each Spending Agency on a chapter by chapter basis, as set forth in the attached schedule.

(3) Payments for salaries to public service employees, use of goods, services costs and capital expenditures shall be in accordance with the Public Finance Management & Accountability Act 2011, Public Service Laws and this Appropriation Bill, 2014/2015.

- (4) Scales and procedure shall be in accordance with the Public Services Laws and Regulations.
- (5) Payment requests against a Spending Agency's appropriation shall be submitted to the National Ministry of Finance & Economic Planning by the designated Accounting Officer, as specified in the Approved Budget. No other individual is authorised to submit a payment request on behalf of a Spending Agency. In the event the designated Accounting Officer is out of station or otherwise unavailable, a senior official within the Spending Agency may be nominated by the head of the Spending Agency to act on behalf of the designated accounting officer.
- (6) No job specific allowances may be paid except as specified in the Approved Budget.

#### **4. Emergency Contingency Fund**

- (1) Spending from the Emergency Contingency Fund shall be for the purpose of providing for National Emergencies, up to the amount appropriated in Section 3 (1) c of this Bill.
- (2) National Emergencies shall be defined as the consequences of epidemics, unforeseen Acts of nature or war which could not have been anticipated at the time of preparing the National Budget, and for which spending cannot be postponed without detriment to the public interest.
- (3) Spending from the Emergency Contingency Fund shall be authorized by a resolution arising from a meeting of the Council of Ministers at which the Minister of Finance & Economic Planning is in attendance. Individual expenditures from the Emergency Contingency Fund shall not exceed thirty million South Sudanese Pounds **(SSP 30,000,000)**.
- (4) Each expenditure authorised by the Council of Ministers from the Emergency Contingency Fund shall be charged by the Ministry of Finance & Economic Planning to the Government Spending Agency responsible for executing the expenditure. The Spending Agency shall be responsible for providing a detailed breakdown of the expenditure to the Ministry, according to chapter, budget line and activity code. The Ministry shall also assign the expenditure a specific fund code, in order to identify that it is funded from the Emergency Contingency Fund, rather than the Spending Agency's appropriated budget.
- (5) Whenever an expenditure is made from the Emergency Contingency Fund, the balance of appropriated funds available to the Fund shall be reduced accordingly.
- (6) A report on the use of Funds from the Emergency Contingency Fund shall be laid before the Assembly by the Minister within 3 months of expenditure.
- (7) In the event that the funds appropriated to the Emergency Contingency Fund are exhausted, the Minister shall submit a supplementary expenditure request

to the National Legislature for its replenishment, consistent with the provisions of Section 7 of this Bill.

## 5. Arrears Fund

- (1) Spending from the Arrears Fund shall be for the purpose of paying Government contractual obligations that are in arrears, up to the amount appropriated in Section 3 (1) d of this Bill.
- (2) An Arrear shall be defined as an outstanding claim for the delivery of a good or service that was delivered and invoiced before the 1<sup>st</sup> July 2014. An outstanding claim shall only be considered an eligible arrear if it is supported by a contract signed by the Ministry of Justice, a signed and dated invoice, a certificate verifying supply signed by the relevant Government Spending Agency, and proof of supplier company registration with both the Ministry of Trade, Investment & Industry and the Ministry of Justice.
- (3) The following claims are not eligible for payment under the Arrears Fund:
  - (a) Salaries, allowances, incentives, overtime and pension contributions of Government officials, including job specific allowances;
  - (b) Travel costs, subsistence costs, rent, medical benefits and other assistance claims of Government officials;
  - (c) Donations;
  - (d) Insurance premiums;
  - (e) Claims arising from the delivery of goods and services before 1<sup>st</sup> January 2006;
  - (f) Claims arising from contractual obligations entered into by State Governments;
  - (g) Claims arising from damages to property resulting from war or conflict;
  - (h) Dura Claims that have not been approved by the Council of Ministers and the National Legislature; and,
  - (i) Debt repayments.
- (4) In order to be considered for payment from the Arrears Fund in 2014/15, arrears claims must be resubmitted by the Accounting Officer of the relevant Government Spending Agency to the Ministry of Finance & Economic Planning after 1<sup>st</sup> July 2014 and before 30<sup>th</sup> August 2014.
- (5) Payment of arrears claims that amount to less than one million South Sudanese Pounds **(SSP 1,000,000)** shall be authorized by the Ministry of Finance

&Economic Planning. Any arrears claim that exceeds this limit must be submitted by the Minister of Finance & Economic Planning to the Council of Ministers for approval. Approval will be provided through a resolution of the Council. Claims that exceed one million South Sudanese Pounds (**SSP 1,000,000**) may not be split into smaller amounts to enable payment authorization by the Ministry of Finance &Economic Planning without the approval of the Council.

- (6) Each arrear paid through the Arrears Fund shall be charged by the Ministry of Finance & Economic Planning to the Government Spending Agency holding the supplier contract. The Spending Agency shall be responsible for providing a detailed breakdown of the expenditure to the Ministry, according to chapter, budget line and activity code. The Ministry shall also assign the expenditure a specific fund code, in order to identify that it is funded from the Arrears Fund, rather than the Spending Agency's appropriated budget.
- (7) Whenever an expenditure is made from the Arrears Fund, the balance of appropriated funds available to the Fund shall be reduced accordingly.
- (8) A report on the use of Funds from the Arrears Fund shall be laid before the Assembly by the Minister every 6 months.
- (9) In the event that the funds appropriated to the Arrears Fund are exhausted, the Minister shall submit a supplementary expenditure request to the National Legislature for its replenishment, consistent with the provisions of Section 7 of this Bill.

## **6. Limits to Expenditure.**

Expenditure limits issued by the 1<sup>st</sup> Undersecretary of Finance, Commerce, Investment & Economic Planning must not exceed XXX South Sudanese Pounds (SSP XXX);

- (1) No expenditure from this budget or commitments against the Consolidated Fund may be made except as authorised by this Bill.
- (2) No funds except as provided under subsection (3) of this section shall be transferred from one chapter to another during the financial year, or from one Spending Agency to another, nor shall any money be spent on any activity that is not included in the Approved Budget's activity estimates, without the approval of the National Legislature through a Supplementary Appropriation Bill.
- (3) The Minister may transfer funds against an approved budget upon a request of an individual agency between budget lines within a chapter, as long as expenditure internal transfers against the different budget lines do not exceed 20% of the category being reduced.
- (4) The Ministry of Finance & Economic Planning will establish cash limits for expenditures by Government Spending Agencies. These cash limits shall be set on the basis of revenue availability, according to the revenues that have been deposited into the Consolidated Fund, and expenditure priority, within the limits of the appropriations approved for each Spending Agency in this Bill.

- (5) In the event that the estimates of resources and revenues in the Approved Budget are not expected to be realized in full during the Financial Year, the Minister shall inform the Council of Ministers and the President accordingly. The Minister shall either recommend that the President causes a financial Bill to be submitted to the National Legislature to raise additional revenues or make a request for an allocation from the reserve funds, where available, or recommend to the Legislature that the appropriated budget ceilings be adjusted downward in line with the shortfall. In this case, the monthly cash limits shall sum to less than the annual estimates or resources and revenues.
- (6) The Government shall not finance a budget shortfall by reducing reserve funds or raising funds through Government borrowing, whether domestic or external, without the approval of the National Legislature.
- (7) No payments shall be made except in conformity with the Public Finance Management & Accountability Act, 2011.
- (8) All expenditures must be charged against the relevant code of a Spending Agency, according to the appropriate chapter and budget line, and the appropriate activity code. No expenditures shall be charged against the Reserve.
- (9) Surplus funds over revenue estimates and funds out of the legal reserve shall not be spent save by a Supplementary Appropriation Bill.

## **7. Supplementary Expenditure.**

- (1) Whenever new circumstances occur, or a matter of public concern proves not to have been satisfactorily addressed by the Approved Budget, the President may during the financial year cause a supplementary expenditure request to be submitted to the National Legislature. The Minister shall prepare all such submissions on behalf of the President.
- (2) All requests for supplementary expenditures submitted shall clearly detail the source of financing for the supplementary expenditure. Sources may include a reduction in the appropriations of other Spending Agencies, or allocation from reserve funds where existing, or new revenue raising measures detailed through a Revenue Law.
- (3) Requests for supplementary appropriation shall not exceed five percent (5%) of the total appropriated budget, unless approved by the National Legislature in the event of a national emergency.
- (4) Once a supplementary appropriation has been approved, the appropriation of the relevant Spending Agency shall be adjusted accordingly, on a chapter by chapter basis, according to the relevant budget line and activity code.



- (5) Where supplementary appropriations are financed through an allocation from reserve funds, reserve funds will be reduced accordingly, and the appropriation of the Spending Agency increased by the same amount.
- (6) The Minister of Finance & Economic Planning shall not borrow, guarantee, or raise a loan on behalf of the Republic of South Sudan to finance supplementary expenditures except as authorized by the National Legislature.
- (7) Supplementary expenditures shall not be incurred before the approval of the Legislature has been obtained, except when financing the following items detailed in Article 90 (5) of the Transitional Constitution of the Republic of South Sudan, 2011:
- a) emoluments of the President;
  - b) expenses of the State House;
  - c) budget of the Judiciary;
  - d) National Government contractual financial obligations;
  - e) repayment of National Government external debts under any loan agreements;
  - f) payment of any money the National Government is required to pay under a court order arising out of litigation or as a result of an arbitration award or any other settlement having similar legal effect; and
  - g) Any other expenses as shall be regulated by law.
- (8) When supplementary expenditures are incurred according to subsection (6) of this section, the Minister, within one month of the expenditure having been incurred, shall lay an explanation before the National Legislature which details the nature of the supplementary spending and its financing.

## **8. Contractual Obligations.**

- (1) No Spending Agency receiving appropriations under this Act shall enter into any contractual arrangement for consultancy services, goods and works without following procurement procedures laid down in the Public Financial Management and Accountability Act 2011 and the Interim Public Procurement and Disposal Regulations 2006.
- (2) All spending units shall record as obligations against appropriated funds any orders for purchase of goods or services at the time the order is placed, or the purchase of goods for which contracts are signed.
- (3) The Minister shall during the financial year submit all contracts to the National Legislature for approval before incurring any payment from the consolidated fund.

## **9. Progress Report.**

- (1) The Minister shall present a quarterly progress report, on revenue and expenditure to the Council of Ministers of the Government of South Sudan and to the National Legislature.

## **10. Pension Funds.**

- (1) The Ministry of Finance & Economic Planning shall maintain a Pension Account into which an employee (5% of basic salary & cost of living allowance) and employer (11% of basic salary and cost of living allowance) contributions of eligible Republic of South Sudan employees shall be deposited.
- (2) The Pension Account shall be managed by a Pension Management Board established by a Pension Law.
- (3) Expenditures from the Pension Account shall only be for purposes of provision of post service benefits or other retirement entitlements of former Government employees.
- (4) The amount of twenty million South Sudanese Pounds (SSP 20,000,000) is hereby appropriated for payment from the Pension Account for the payment of pensions to former Government Employees upon certification of the National Ministry of Labour & Public Service and Human Resource Development.

## **11. Carry over into 2015/2016.**

- (1) Programmes and project appropriated for more than one year life span at the end of the financial year shall be paid out of consolidated reserve funds as national government contractual obligation.
- (2) Appropriated funds not expended by 30<sup>th</sup> June 2015 shall not be carried over into 2015/2016 to the credit of the Ministry to which they were appropriated.
- (3) All appropriated funds except Constituency Development Fund money not expended by 30<sup>th</sup> June 2015 shall automatically revert to the Consolidated Fund and forms part of the General Reserve.

## **CHAPTER THREE**

### **PENALTIES**

## **12. Penalties.**

- (1) Every accounting officer of any Spending Agency receiving appropriation under this Bill, who causes unauthorized re-allocation between appropriations, shall be required to refund to the Treasury the amounts unlawfully reallocated. Should such accounting officer fail to refund the amounts wrongfully allocated, he or she shall bear the penalty provided under sub-section (2) of this section.
- (2) Any Accounting officer or government employee of any Government Spending Agency engaging in or promoting practices with the intent of-
  - (a) personally enriching himself or herself, or his or her family, business or other associates, in respect of public funds, appropriated under this Bill,

(b) overspending allocated budgets against the provisions of this Bill, commits an offence; and if convicted, in addition to any other Penalties which the Court may decide under the Penal Code Law or any other law, shall refund to the Treasury the amount dishonestly used and the employee shall not occupy any future public office that may involve dealing with financial matters.

**Assent of the President of the Republic of South Sudan**

In accordance with the provision of Article 85 (1) of the Transitional Constitution of the Republic of South Sudan, 2011, I, Gen. Salva Kiir Mayardit, President of the Republic of South Sudan, hereby Assent to the Appropriation Bill, 2014/2015 and sign it into law.

Signed in Juba this \_\_\_\_\_ day of the month of \_\_\_\_\_ in the year 2014.

**Gen. Salva Kiir Mayardit  
President  
Republic of South Sudan  
RSS-Juba.**