

**IN THE SECOND MEETING OF THE FOURTH SESSION OF THE
THIRD PARLIAMENT OF THE FOURTH REPUBLIC**

**REPORT OF THE COMMITTEE ON SUBSIDIARY LEGISLATION ON
THE FINANCIAL ADMINISTRATION REGULATIONS 2004, L.I. 1802**

1.0. INTRODUCTION

The Financial Administration Regulations 2004, L.I. 1802 was laid in Parliament on Thursday 10th June 2004 and subsequently referred to the Committee on Subsidiary Legislation for consideration and report pursuant to Article 11 (7) of the Constitution and Standing Orders 166 (2) and (3) of the House.

2.0 REFERENCE DOCUMENTS

In considering the referral the Committee had recourse to the under-listed documents.

- The 1992 Constitution
- The Financial Administration Act 2003, Act 654,
- The Standing Orders of Parliament
- The Financial Administration Regulations 1979 L. I. 1234.

3.0 BACKGROUND

Section 2 of the Financial Administration Act 1993(Act 654) provides inter alia that:

- 2 (2) “The Minister may make such regulations or may give such directions not inconsistent with this Act as may appear to the Minister to be necessary and expedient for the proper implementation of the intent and purpose of this Act and the safety, economy and advantage of public revenue and property”.

The Act further provides in section 73 that:

“The Minister may, subject to the provisions of this Act by Legislative Instrument make Regulations on

- (a) the collection, management and administration of and the accounting for public moneys and moneys held in trust for the Government;
- (b) payment and procedures for payment out of the Consolidated Fund;
- (c) loans from the Consolidated Funds.
- (d) appropriation of public moneys
- (e) the maintenance of records of the property of Government
- (f) any purpose necessary for the efficient administration of public finance subject to the provisions of any enactment; and
- (g) anything, which is required or authorised to be made by Regulations under this Act”.

4.0 DELIBERATIONS

The Committee held two sittings in discussing the above Instrument. The Leadership of the Finance Committee and three (3) other Members were also in attendance to assist in the Committees deliberations on the Instrument.

The following Officials were also in attendance at the invitation of the Committee:

- Mr Paul Agyiri (Chief Director) Ministry of Finance and Economic Planning
- Dr. A.W. Alhassan “
- Mr Joseph Chognuru “
- Mr. Anthony Dzadra “
- Ms. Grace F. Adzroe Controller and Accountant General’s Department
- Mr. Daniel Yaw Domelovo “
- Mr. Henry Tackie Attorney General’s Department

The Committee is grateful to them for their attendance and inputs in its deliberations.

5.0 OBSERVATIONS

5.1 The Committee observed that the object of the L.I. 1802 is to review the entire Financial management set up by:

- injecting sound financial management practices in the system
- ensuring a high degree of public confidence in our financial administration system
- Promoting transparency in resource management by Government including MDA's
- Enhancing accountability in terms of the use of public funds.

5.2 In furtherance of the above objectives the L.I. 1802 provides inter alia specific regulations on

- a) the control and management of public funds;
- b) receipt and custody of public funds
- c) deposits and other trust moneys
- d) advances, loans and equity investments from the consolidated funds;
- e) revenue and expenditure management;
- f) management of government stores
- g) preparation and audit of accounts
- h) management of valued books
- i) management of losses
- j) management of financial and accounting records
- k) governance of statutory corporations and other public institutions
- l) liabilities, offences and penalties
- m) imprest administration; disbursement and retirement
- n) administration of personnel emoluments; and
- o) miscellaneous matters

5.3 The Committee has closely examined the provisions of the instrument and is of the considered view that, the proposed regulations therein if allowed by this House to pass would provide the necessary complementary legal framework for sound financial management practice.

5.4 It is also the view of the Committee that the Regulations if strictly enforced would promote efficiency and effectiveness in our financial administration system and also guarantee value for money in our economy.

6.0 RECOMMENDATIONS AND CONCLUSION

The Committee observes that the Regulations are all in conformity with the Financial Administration Act, 2003 (Act 654), the relevant provisions of the Constitution as well as the procedural requirements specified under Standing Order 166 (2) and (3) of Parliament.

The Committee accordingly recommends that this House allows the Financial Administration Regulations 2004, L.I. 1802 to come into force with the effluxion of time.

Respectfully submitted.



**HON. FRANCIS AGBOTSE
CHAIRMAN, COMMITTEE ON
SUBSIDIARY LEGISLATION**



**EBENEZER AHUMAH DJIETROR
CLERK, COMMITTEE ON
SUBSIDIARY LEGISLATION**