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S T A T U T O R Y I N S T R U M E N T S

2008 No. 20.

**THE PUBLIC FINANCE AND ACCOUNTABILITY (CONTINGENCIES
FUND) REGULATIONS, 2008.**

ARRANGEMENT OF REGULATIONS

Regulation.

1. Title.
2. Application.
3. Object of Regulations.
4. Interpretation
5. The Contingencies Fund.
6. Administration.
7. Conditions for use of the Contingencies Fund.
8. Eligibility of beneficiary.
9. Operation of the Contingencies Fund.
10. Procedure for release and utilisation of funds from the Contingencies Fund.
11. Replenishment of advances made from the Contingencies Fund
12. Accountability.
13. Audit.
14. Offences and penalties.
15. Outstanding funds.

STATUTORY INSTRUMENTS

2008 No. 20.

The Public Finance and Accountability (Contingencies Fund) Regulations, 2008.

(Under sections 10 and 46 of the Public Finance and Accountability Act, 2003, Act No. 6 of 2003)

IN EXERCISE of the powers conferred on the Minister by sections 10 and 46 of the Public Finance and Accountability Act, 2003, these Regulations are made this 26th day of February, 2008.

1. Title.

These Regulations may be cited as the Public Finance and Accountability (Contingencies Fund) Regulations, 2008.

2. Application.

These Regulations apply to all ministries., departments, or agencies of Government.

3. Object of Regulations.

The object of these Regulations is—

- (a) to provide for the allocation of monies to the Contingencies Fund;
- (b) to prescribe procedures for accessing monies from the Contingencies Fund;
- (c) to provide for the management and administration of the Contingencies Fund; and
- (d) to provide for accountability for funds appropriated for purposes of the Contingencies Fund.

4. Interpretation.

In these Regulations, unless the context otherwise requires—

“accounting officer” means a person designated as such under section 8 of the Public Finance and Accountability Act, 2003;

“Act” means the Public Finance and Accountability Act, 2003;

“beneficiary” means a ministry, an agency or department of Government;

“contingency” means a need for government expenditure which could not have been foreseen (and therefore not budgeted for) and cannot be postponed without detriment to the public interest;

“currency point” has the meaning given in the First Schedule to the Public Finance and Accountability Act, 2003;

“Minister” means the Minister responsible for finance.

5. The Contingencies Fund.

(1) Subject to section 10 of the Act, there is established a Contingencies Fund to cater for national emergencies.

(2) The Contingencies Fund shall comprise—

- (a) a permanent capital of Shs. 2,000,000,000 (Uganda Shillings two billion only); and
- (b) such other funds as may be appropriated by Parliament for the purposes of the Contingencies Fund.

(3) For the avoidance of doubt, the Contingencies Fund shall be separate from the Consolidated Fund.

6. Administration.

Subject to the provisions of the Act and of these Regulations, the Contingencies Fund shall be administered by the Accountant General.

7. Conditions for use of the Contingencies Fund

(1) The Contingencies Fund shall be used only in cases of emergency and shall not be used to finance under-budgeting.

(2) The Minister may, if he or she is satisfied that an urgent need has arisen for expenditure which could not have been foreseen, and which cannot be postponed without detriment to the public interest, authorise, by warrant signed by him or her, addressed to the Accountant General, advances from the Contingencies Fund for the purposes of meeting that expenditure.

(3) A withdrawal from the Contingencies Fund, shall be under the following circumstances—

- (a) where a case of emergency is demonstrated by considerable reduction in the access to basic needs of a given population or society which the respective local authority cannot remedy; and
- (b) where it is demonstrated that it is not possible to postpone other activities within the given vote to enable virement.

8. Eligibility of beneficiary.

Funds shall be advanced to a beneficiary, where the Minister is satisfied that—

- (a) there has arisen an urgent and unforeseen need for expenditure for which no other provision exists; and
- (b) it is in the public interest that funds should be provided to meet that need prior to the time when the approval of Parliament shall be sought.

9. Operation of the Contingencies Fund

The following principles shall govern the operation of the Contingencies Fund—

- (a) the Contingencies Fund shall constitute a special fund whose proceeds at the end of the year shall not be repaid to the Consolidated Fund but, shall be retained for the purpose for which the Contingencies Fund was established;
- (b) the Contingencies Fund shall operate a separate bank account in the Bank of Uganda into which all funds released for the purpose shall be deposited and similarly, all replenishments shall be deposited;

- (c) the Accountant General shall be responsible for operating the bank account referred to in paragraph (b); and
- (d) where an advance is made, a supplementary estimate for the purpose of replacing the amount advanced shall be laid before Parliament at its next sitting.

10. Procedure for release and utilisation of funds from the Contingencies Fund.

A beneficiary requiring funding from the Contingencies Fund shall comply with the following procedure—

- (a) the accounting officer shall make a written request to the Secretary to the Treasury indicating the occurrence of a need that meets the eligibility criteria and conditions for use of funds from the Contingencies Fund;
- (b) the Secretary to the Treasury shall, where satisfied, request the Minister to issue a warrant;
- (c) the vote having the emergency shall access the monies in the manner most convenient for its management either through its Treasury General Account in the Bank of Uganda or in any other manner authorised by the Accountant General;
- (d) the authority to make payments will be given by the accounting officer of the vote receiving the advance from the Contingencies Fund;
- (e) no commitment shall be made beyond the advance authorised; and
- (f) all funds received shall belong to the respective beneficiary, and any unexpended balances at the end of the emergency shall be refunded to the Consolidated Fund.

11. Replenishment of advances made from the Contingencies Fund.

(1) A beneficiary that receives funding from the Contingencies Fund shall be, and shall remain a debtor of the Contingencies Fund until full replenishment from the Consolidated Fund has been made.

(2) The following procedure shall be followed in the replenishment of monies advanced from the Contingencies Fund—

- (a) where an advance has been made from the Contingencies Fund, a supplementary estimate for the purpose of replacing the amount advanced shall be laid before Parliament in accordance with regulation 9(d);
- (b) the department which receives the advance from the Contingencies Fund shall be responsible for making a request for a supplementary estimate to replenish the Contingencies Fund;
- (c) the release shall be paid directly into the Contingencies Fund and the respective accounting officer shall be requested to make necessary entries to enable the capturing of the contingency expenditure as voted.

12. Accountability.

(1) All requests made and funded from the Contingencies Fund shall be used to prepare requests to Parliament for approval of supplementary expenditure.

(2) The beneficiary shall account for the expenditure as part of the expenses for the vote, except that the relevant accounting officer shall prepare a justification for the supplementary estimate showing the purpose for which the funds are advanced.

(3) The records of the Contingencies Fund shall reflect the beneficiary as a debtor until the funds advanced are replenished.

(4) The Accountant General shall prepare financial statements of the Contingencies Fund within three months after the end of the financial year in accordance with the Public Finance and Accountability Act, 2003 and submit them for audit.

(5) Movement of funds from the Contingencies Fund during a financial year shall be reported separately by the Accountant General.

(6) The supplementary and actual expenditure shall be recorded and reported by the vote receiving the advance.

13. Audit.

The Contingencies Fund shall be audited by the Auditor General in accordance with the Act.

14. Offences and penalties.

A person who contravenes regulation 7, 10 or 12 commits an offence and is liable, on conviction to imprisonment not exceeding three months.

15. Outstanding funds.

The sum of two hundred and fifty million shillings set aside for the Contingencies Fund under the Contingencies Fund Act repealed by the Public Finance and Accountability Act 2003 shall form part of the funds of the Contingencies Fund under these Regulations.

DR. EZRA SURUMA,
Minister of Finance, Planning and Economic Development.