

Statutory Instrument No. 118 of 2022

PUBLIC FINANCE MANAGEMENT ACT
(Cap. 54:01)

**PUBLIC FINANCE MANAGEMENT (GUARANTEED LOANS INSURANCE
FUND) ORDER, 2022**

(Published on 29th September, 2022)

ARRANGEMENT OF PARAGRAPHS

PARAGRAPH

1. Citation
2. Interpretation
3. Continuation of Fund established under S.I. No. 43 of 1988
4. Purpose of Fund
5. Administration of Fund
6. Management of Fund
7. Receipts into Fund
8. Disbursements from Fund
9. Surplus in Fund
10. Investment of Fund monies
11. Accounts of Fund
12. Revocation of S.I. No. 43 of 1988

IN EXERCISE of the powers conferred on the Minister of Finance by section 38 of the Public Finance Management Act, the following Order is hereby made —

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| Citation | 1. This Order may be cited as the Public Finance Management (Guaranteed Loans Insurance Fund) Order, 2022. |
| Interpretation | 2. In this Order, unless the context otherwise requires —
“Accounting Officer” means the Permanent Secretary in the Ministry responsible for finance appointed under paragraph 5;
“Committee” means a Management Committee appointed under paragraph 6; and
“Fund” means the Public Finance Management (Guaranteed Loans Insurance Fund), continued under paragraph 3. |
| Continuation of Fund established under S.I. No. 43 of 1988 | 3. The Guaranteed Loans Insurance Fund established under the Guaranteed Loans Insurance Fund Order by section 38 (1) of the Act, is hereby continued under a Special Fund known as Public Finance Management (Guaranteed Loans Insurance Fund) and shall continue to exist as if established by this Order. |
| Purpose of Fund | 4. The purpose of the Fund is to —
(a) insure motor vehicles and private dwellings, purchased with financing banks, guaranteed by the Government in respect of its employees;
(b) insure, at the sole discretion of the Fund Administrator, motor vehicles and private dwellings, which are the property of employees of the Government on which there is no guarantee;
(c) ensure that the insurance cover on purchased assets is operative during the period of the guarantee; |

- (d) establish as wide a basis of insurance cover as is required to provide counter guarantees on loans guaranteed; and
- (e) provide insurance cover as economical as possible, commensurate with the objectives of the Fund.

5. (1) The Permanent Secretary in the ministry responsible for finance (hereinafter referred to as "the Accounting Officer") shall be a public officer responsible for the administration of the Fund. Administration of Fund

(2) The Accounting Officer may, with the written approval of the Minister appoint a person registered as an insurer or a broker in terms of the Insurance Industry Act to undertake the day to day activities of the Fund. Cap. 46:01

(3) The Accounting Officer may exercise all such powers and perform all such duties as may be required to be exercised or performed for the proper discharge of his or her functions under this Order.

6. (1) The Minister shall, after consultation with the Accounting Officer, appoint a Management Committee for the Fund. Management of Fund

(2) The Committee shall be responsible for —

- (a) determining the disbursement procedures and investment strategy of the Fund, in accordance with the Act;
- (b) making recommendations to the Accounting officer on any amendments in the Fund Order, for subsequent approval by the Minister;
- (c) reviewing and approving audited financial statements of the Fund for submission and incorporation in the annual statement of accounts; and
- (d) monitoring the contract agreement to ensure compliance and implementation; and
- (e) any other duties as may be approved by the Accounting Officer.

(3) The Committee appointed under subparagraph (1) shall consist of —

- (a) the Deputy Secretary from the division responsible for finance administration or a representative at Director level, who shall be the Chairperson of the Committee;
- (b) a Director from the division responsible for finance administration, compliance and reconciliation;
- (c) a representative from the office of the Accountant-General at Director level;
- (d) the Chief Executive Officer responsible for the Fund management and administration appointed under paragraph 5 shall be appointed for a period not exceeding the contract;
- (e) a senior officer nominated by the Fund administrator; and
- (f) the finance administration division in the Ministry responsible for finance shall provide Secretariat services to the Committee.

(4) The members of the Committee shall be appointed for a period of three years, and shall be eligible for re-appointment for a further term not exceeding three years.

7. There shall be paid into the Fund —

- (a) all monies received in respect of premiums received from insured employees of the Government; and
- (b) interest as may accrue from the investment of monies of the Fund.

Receipts into Fund

8. There shall be paid from the Fund —

- (a) costs of claim settlements commensurate with the provisions of the insurance cover provided by the Fund;
- (b) costs of administration of the Fund; or

Disbursements from Fund

- (c) such other sums, as the Accounting officer may, in writing approve, provided that such disbursement qualify as reasonable expenses incurred in the performance of duties consistent with the objects of the Fund.
- Surplus in Fund **9.** If the Fund is in surplus at the end of a financial year, such surplus shall remain as part of Fund balance and be carried forward to the next financial year.
- Investment of Fund monies **10.** Any monies accrued to the Fund which are not required for immediate use shall be invested in accordance with the objectives of the Fund as the Accounting-General may direct and interest from such investment shall accrue to the Fund.
- Accounts of Fund **11.** The Accounting Officer shall —
(a) keep and maintain or cause to be kept and maintained, proper books of accounts and records of all financial transactions, assets and liabilities of the Fund in respect of each financial year;
(b) maintain an account into which all receipts into the Fund and all disbursements from the Fund shall be recorded and the monthly reconciliation for the Fund accounts shall be carried out; and
(c) prepare, sign and transmit to Accountant-General and Auditor-General a statement of income and expenditure and a balance sheet of the Fund in respect of the financial year, containing such information in the manner that the Minister in consultation with Accountant-General may direct, within a period of two months after the close of each financial year.
- Revocation of S.I. No. 43 of 1988 **12.** The Guaranteed Loans Insurance Fund is hereby revoked.

MADE this 6th day of September, 2022.

PEGGY O. SERAME,
Minister of Finance.