

CAYMAN ISLANDS



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**THE PUBLIC MANAGEMENT AND FINANCE (AMENDMENT) LAW,
2004**

(LAW 4 OF 2004)

**THE PUBLIC MANAGEMENT AND FINANCE (AMENDMENT) LAW,
2004**

ARRANGEMENT OF SECTIONS

1. Short title.
2. Amendment of section 2 of the Public Management and Finance Law (2003 Revision) - commencement.
3. Amendment of section 3 - definitions.
4. Amendment of miscellaneous provisions of the principal Law - references to "Government" replaced by references to "core government".
5. Amendment of section 8 - appropriations required for various transactions.
6. Amendment of section 10 - appropriations.
7. Amendment of section 11 - permanent appropriations.
8. Amendment of section 12 - authorisation in advance of appropriation.
9. Insertion of section 12A - global executive expense appropriations and global executive capital appropriations.
10. Amendment of miscellaneous provisions of the principal Law - references to "entire public sector" replaced by references to "Government".
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34. Amendment of section 59- powers and duties of Auditor-General.
35. Amendment of miscellaneous provisions of the principal Law - references to “Office of the Complaints Commissioner” inserted.
36. Amendment of section 81- transition of accounts.
37. Amendment of section 82- transition to responsible financial management.
38. Repeal of section 83 - interim input control system.
39. Amendment of Second Schedule - Forecast Financial Statements.
40. Amendment of Third and Fourth Schedules - Quarterly Financial Statements; Annual Financial Statements.
41. Amendment of Fifth Schedule – ownership performance measures.
42. Amendment of the principal Law – performance agreement.

CAYMAN ISLANDS

Law 4 of 2004.

I Assent

B. H. Dinwiddy

Governor.

21 April, 2004

**A LAW TO AMEND THE PUBLIC MANAGEMENT AND FINANCE
LAW (2003 REVISION); TO AMEND THE PRINCIPLES OF
RESPONSIBLE FINANCIAL MANAGEMENT RELATING TO
BORROWING RATIOS, GOVERNMENT BUDGETING AND
GOVERNMENT REPORTING; TO ESTABLISH PERFORMANCE AND
FINANCIAL ACCOUNTABILITY ARRANGEMENTS FOR THE OFFICE
OF THE COMPLAINTS COMMISSIONER; AND FOR INCIDENTAL
AND CONNECTED PURPOSES**

ENACTED by the Legislature of the Cayman Islands.

1. This Law may be cited as the Public Management and Finance (Amendment) Law, 2004. Short title
2. The Public Management and Finance Law (2003 Revision), in this Law referred to as “the principal Law”, is amended in section 2 as follows - Amendment of section 2 of the Public Management and Finance Law (2003 Revision) - commencement
 - (a) in subsection (2) -
 - (i) by repealing the words “Finance and Economic Development” and substituting the words “Finance and Economics”; and
 - (ii) by inserting after the words “the Audit Office,” the words “the Office of the Complaints Commissioner or its chief officer,”; and
 - (b) by repealing subsection (3).
3. The principal Law is amended in section 3 as follows - Amendment of section 3 - definitions

- (a) in the respective definitions of the terms “appropriation” and “equity investment” by repealing the words “on behalf of the Government”;
- (b) in the definition of the term “borrowing” by repealing the words “means any borrowing” and substituting the words “, except in section 14(3)(c), means any borrowing”;
- (c) by repealing the respective definitions of the terms “centralised accounting information system”, “centralised banking system”, “portfolio” and “statutory authority” and substituting the following definitions -

“ “centralised accounting information system” means the accounting information system established, operated and managed by the Portfolio of Finance and Economics under section 53;

“centralised banking system” means the system of bank accounts consisting of the executive bank account and the bank accounts of ministries and portfolios, the Office of the Complaints Commissioner and the Audit Office established, operated and managed by the Portfolio of Finance and Economics under section 53;

“portfolio” means the whole of a division of government administration for the actions of which an official member is accountable to the Legislative Assembly, and includes -

- (a) a departmental section or unit which forms part thereof;
- (b) the Governor’s office; and
- (c) the judicial administration;

but “portfolio” does not include a statutory authority or government company, the Office of the Complaints Commissioner or the Audit Office;

“statutory authority” means an entity established by a law to carry out functions which are capable under that law, of being funded, partly or entirely, by money provided by the Governor in Cabinet, and for which the Governor or the Governor in Cabinet has the power to appoint or dismiss the majority of the Board or other governing body;”;

- (d) in the definition of the term “chief officer” -
 - (i) in paragraph (b)(i) by repealing the words “the Deputy Chief Secretary” and substituting the word “such public officer in the Portfolio as may be designated by the Governor”;

- (ii) by repealing paragraph (b)(iii) and substituting the following -;
 - “(iii) in the case of the Portfolio of Finance and Economics, such public officer in the Portfolio as may be designated by the Governor;”;
- (iii) by repealing the word “and” appearing at the end of paragraph (d);
- (iv) by inserting the word “and” at the end of paragraph (e); and
- (v) by inserting after paragraph (e) the following paragraph -
 - “(f) in the case of the Office of the Complaints Commissioner, the Complaints Commissioner;”;
- (e) in the respective definitions of the terms “coercive revenue”, “entity assets”, “entity expenses”, “entity liabilities” and “entity revenue”, by repealing the word “Government” and substituting the words “core government”;
- (f) by inserting in their appropriate alphabetical places the following definitions -
 - “ “core government” means the Legislative Assembly, the Governor in Cabinet, ministries, portfolios, the Office of the Complaints Commissioner and the Audit Office and includes the equity investment in statutory authorities and government companies;
 - “Government” means the Government of the Islands;
 - “Office of the Complaints Commissioner” means the department, including all of its staff and physical resources, of which the chief officer is the Complaints Commissioner;”;
- (g) in the definition of the term “entire public sector” by inserting before the words “and the Audit Office” the words “, the Office of the Complaints Commissioner”;
- (h) in the definition of the term “entity”, by inserting after the words “government company” the words “, the Office of the Complaints Commissioner and the Audit Office”;
- (i) in the respective definitions of the terms “entity assets”, “entity expenses”, “entity liabilities”, “entity revenue”, “equity investment”, “ministry” and “non-governmental output supplier”, by inserting after the words “government company” the words “, the Office of the Complaints Commissioner or the Audit Office”;
- (j) in the definition of the term “executive assets” by inserting after the word “government companies” the words “, the Office of the Complaints Commissioner and the Audit Office;”;

- (k) in the respective definitions of the terms “executive assets”, “executive expenses”, “executive liabilities”, “executive revenue” and “trust assets”, by repealing the word “Government” wherever it appears and substituting the words “core government”;
- (l) in the definition of the term “executive expenses” by inserting after the word “portfolios” the words “, the Office of the Complaints Commissioner, the Audit Office”;
- (m) in paragraph (c) of the definition of the term “generally accepted accounting practice” by repealing the words “entire public sector, or ministries, portfolios, statutory authorities or government companies” and substituting the words “national governments, regional governments, local governments and related governmental entities such as agencies, boards, commissions and enterprises”;
- (n) in paragraph (a) of the definition of the term “government company” by repealing the word “Government” and substituting the words “core government”;
- (o) in the definition of the term “outcomes” by repealing the word “Government” and substituting the words “entire public sector, the core government”; and
- (p) in the definition of the term “trust assets” by inserting after the word “portfolio” the words “, the Office of the Complaints Commissioner”.

Amendment of miscellaneous provisions of the principal Law - references to “Government” replaced by references to “core government”

4. The principal Law is amended in sections 6, 32(e), 35(h), 35(j) and 36(2)(a), respectively, by repealing the word “Government” and substituting the words “core government”.

Amendment of section 8 - appropriations required for various transactions

5. The principal Law is amended in section 8 as follows -
- (a) in paragraphs (b) and (d), respectively, by repealing the word “Government” and substituting the words “Governor in Cabinet”; and
 - (b) in paragraph (c) by inserting after the words “may be made” the words “by the Governor in Cabinet”.

Amendment of section 10 - appropriations

6. The principal Law is amended in section 10(3) as follows -
- (a) in paragraph (a) by inserting after the word “portfolios” the words “, the Office of the Complaints Commissioner, the Audit Office”; and
 - (b) in paragraphs (g) and (h) by repealing the words “on behalf of the Government”.

7. The principal Law is amended in section 11(2)(d) by repealing the word “Government’s” and substituting the words “core government’s”.
Amendment of section 11 - permanent appropriations
8. The principal Law is amended in section 12(4) by repealing the word “government” and substituting the words “core government”.
Amendment of section 12 - authorisation in advance of appropriation
9. The principal Law is amended by inserting after section 12 the following section -
Insertion of section 12A - advance approval of executive expenses and capital expenditure

“Advance approval of executive expenses and capital expenditure

12A.(1) Subject to subsection (2), the Governor in Cabinet may authorise -

 - (a) executive expenses for an output group, category of transfer payment, or category of other executive expense; and
 - (b) the acquisition or creation of executive assets, the making of loans or the making of equity investments,

that are not included in an Appropriation Bill for a financial year.

(2) Before an executive expense is incurred, an executive asset acquired or created, or a loan or equity investment made in accordance with an authority granted under subsection (1) the approval of the Finance Committee of the Legislative Assembly is to be obtained.

(3) The executive expenses incurred, executive asset acquired or created, or a loan or equity investment made in accordance with subsection (1) are to be included in a supplementary Appropriation Bill for that financial year.”.
10. The principal Law is amended in sections 13(2)(a) and (b), 28(4), 29(5), 32(f), 43(4), 44(5) and 50(4) and paragraph 3(a) of the Second Schedule of the principal Law, respectively, by repealing the words “entire public sector” and substituting the word “Government”.
Amendment of miscellaneous provisions of the principal Law - references to “entire public sector” replaced by references to “Government”
11. The principal Law is amended in section 14 as follows -
Amendment of section 14 - responsible financial management
 - (a) in subsection (1) by repealing the words “entire public sector” and substituting the words “core government”;
 - (b) in subsection (2) by repealing the word “Government’s” and substituting the words “core government’s”; and
 - (c) by repealing subsection (3) and substituting the following subsection -

“(3) The principles of responsible financial management referred to in subsection (2) are-

- (a) total core government revenue less total core government expenses (measured using generally accepted accounting practice) should be positive;
- (b) total core government assets less total core government liabilities (measured using generally accepted accounting practice) should be positive;
- (c) borrowing should not exceed an amount for which the sum of interest, other debt servicing expenses and principal repayments for a financial year are more than ten per cent of core government revenue (calculated using generally accepted accounting practice) for that financial year, where, for the purposes of this principle, borrowing is defined as all borrowing that is in the name of the Government regardless of whether it is serviced directly by the core government or by a statutory authority or government company;
- (d) net debt should be no more than eighty percent of core government revenue, where, for the purposes of this principle, net debt is defined as -
 - (i) core government borrowing less core government liquid assets;
 - (ii) borrowing that is serviced directly by a statutory authority or government company but is in the name of the Government; and
 - (iii) the percentage of statutory authority and government company debt guaranteed by the Government that Regulations made under this Law specify, is to be included in the net debt calculation;
- (e) cash reserves should be maintained at a level no less than the estimated executive expenses (measured using generally accepted accounting practice) for the following ninety days, where, for the purposes of this principle, cash reserves are defined as core government cash and cash equivalents, marketable securities and deposits, and other liquid assets, including any amounts held for restricted funds and reserves purposes; and
- (f) the financial risks, including contingent liabilities, facing the core government should be managed

prudently so as to minimise the likelihood of any such risk resulting in an expense or liability.”.

12. The principal Law is amended in section 15 as follows -
 - (a) in subsection (1) by repealing the words “Government shall” and substituting the words “core government shall”; and
 - (b) in subsection (2) by repealing the word “Government” wherever it appears and substituting the words “core government”.

Amendment of section 15 - shareholding arrangements for government companies
13. The principal Law is amended by repealing the heading “**Entire Public Sector Budgeting**” appearing above section 17 and substituting the heading “**Government Budgeting**”.

Amendment of principal Law - Entire Public Sector Budgeting
14. The principal Law is amended in section 18(a) by repealing subparagraphs (iv), (v) and (vi) and substituting the following subparagraphs –
 - “(iv) the forecast amount of executive expenses to be allocated to each minister, official member, the Office of the Complaints Commissioner and the Audit Office for each financial year;
 - (v) the forecast total amount of core government equity investments, acquisition of other executive assets, and loans for each financial year; and
 - (vi) the forecast total amount of core government revenue, expenses, borrowing and net worth; and”.

Amendment of section 18 - strategic phase
15. The principal Law is amended in section 23(2) as follows -
 - (a) in paragraph (d) by repealing the words “entire public sector” and substituting the words “core government”;
 - (b) by repealing paragraph (g) and substituting the following paragraph -
 - “(g) the approximate amount of executive expenses allocated to each minister, official member, the Office of the Complaints Commissioner and the Audit Office for each financial year; and”;
 - (c) in paragraph (h) by inserting before the words “equity investments” the words “core government”.

Amendment of section 23 - strategic policy statement
16. The principal Law is amended as follows -
 - (a) in sections 24(2)(d), 26(2)(b), 28(2)(b), 29(2)(c), 32(a), 53(f) and (g), and 59(a)(i), paragraphs 2, 4(a)(i) and 4(c) of the Second Schedule, paragraphs 2 and 3(a)(i) of the Third Schedule, and paragraphs 2 and 4(a)(i) of the Fourth Schedule by inserting before the words “the entire public sector” the words “the core government and”; and

Amendment of miscellaneous provisions of the principal Law - reference to “core government” inserted in the principal Law

- (b) in sections 24(2)(e) and 26(2)(d) by repealing the words “those forecast financial statements” and substituting the words “the core government forecast financial statements”.
- Amendment of principal Law - Entire Public Sector Reporting 17. The principal Law is amended by repealing the heading “**Entire Public Sector Reporting**” appearing above section 28 and substituting the heading “**Government Reporting**”.
- Amendment of section 28 - entire public sector quarterly report 18. The principal Law is amended in section 28 as follows -
- (a) in subsection (1) by repealing the words “a quarterly report for the entire public sector” and substituting the words “a Government quarterly report”; and
 - (b) in subsection (2) by repealing the words “The entire public sector quarterly report shall report the performance of the entire public sector” and substituting the words “The Government quarterly report shall report the performance of the core government and the entire public sector”.
- Amendment of section 29 - entire public sector annual report 19. The principal Law is amended in section 29 as follows -
- (a) in the marginal note by repealing the words “Entire public sector” and substituting the word “Government”;
 - (b) in subsection (1) by repealing the words “an annual report for the entire public sector” and substituting the words “a Government annual report”; and
 - (c) in subsection (2) by repealing the words “The entire public sector annual report shall report the performance of the entire public sector” and substituting the words “The Government annual report shall report the performance of the core government and the entire public sector”.
- Amendment of section 32 - duties of Financial Secretary 20. The principal Law is amended in section 32-
- (a) in paragraph (b) by repealing the words “on behalf of the Government”; and
 - (b) in paragraph (d) by repealing the word “Development” and substituting the word “Economics”.
- Amendment of miscellaneous provisions of the principal Law - references to “Government” replaced by references to “Governor in Cabinet” 21. The principal Law is amended in sections 34(1), 41(5), 42(2)(c) and (d), 49(2)(e), (f), (h) and (i), 50(2)(d), (e), (g) and (h) and 51(2)(e), (f), (h) and (i), respectively, by repealing the word “Government” and substituting the words “Governor in Cabinet”.
- Amendment of section 34 - powers relating to specific financial transactions 22. The principal Law is amended in section 34(3) as follows -
- (a) by repealing paragraph (a) and substituting the following paragraph -

- “(a) borrow money on behalf of the Governor in Cabinet, unless the borrowing-
 - (i) has been authorised by an appropriation;
 - (ii) is consistent with the statement of borrowings included in the annual plan and estimates or supplementary annual plan and estimates for that financial year; and
 - (iii) has been approved by the Foreign and Commonwealth Office of the United Kingdom, where any of the principles of responsible financial management specified in section 14(3)(c), (d) or (e) are in breach;”;
 - and
 - (b) in paragraph (b)(ii) by inserting after the words “annual plan and estimates” the words “or supplementary annual plan and estimates”.
23. The principal Law is amended in section 35 as follows -
- Amendment of section
35 - power to make
regulations
- (a) by repealing the words “The Financial Secretary may” and substituting the words “The Governor in Cabinet, on the advice of the Financial Secretary, may”;
 - (b) in paragraphs (e) and (g), by inserting after the word “portfolios” the words “, the Office of the Complaints Commissioner”;
 - (c) in paragraph (f), by repealing the words “ministries and portfolios” and substituting the words “ministries, portfolios, the Office of the Complaints Commissioner and the Audit Office”;
 - (d) by repealing the word “and” appearing at the end of paragraph (j); and
 - (e) by inserting after paragraph (j) the following paragraph -
 - “(ja) establishing the weighting of statutory authority and government company debt to be included in the calculation of net debt in accordance with section 14(3)(d); and”.
24. The principal Law is amended in section 36 as follows -
- Amendment of section
36 - power to direct over
ownership matters
- (a) in subsection (1) -
 - (i) by repealing the words “a ministry, portfolio” and substituting the words “a ministry, a portfolio, the Office of the Complaints Commissioner”; and
 - (ii) by repealing the words “Government’s” and substituting the words “core Government’s”; and
 - (b) in subsection (2), by repealing the words “a ministry or portfolio” and substituting the words “a ministry, a portfolio, the Office of the Complaints Commissioner”.

Amendment of section 39 - powers of chief officer of a ministry or portfolio

25. The principal Law is amended in section 39(3) as follows -
- (a) in paragraph (d) by repealing the word “acquire” and substituting the words “subject to regulations made by the Governor in Cabinet on the advice of the Financial Secretary under section 35, acquire”; and
 - (b) in paragraph (e) by repealing the word “dispose” and substituting the words “subject to regulations made by the Governor in Cabinet on the advice of the the Financial Secretary under section 35, dispose”.

Amendment of miscellaneous provisions of the principal Law – nomenclature of Portfolio of Finance and Economics corrected

26. The principal Law is amended in sections 41(3)(b) and (5), 42(4)(b)(iii) and 53, respectively, by repealing the words “Economic Development” and substituting the word “Economics”.

Amendment of section 42 – performance agreement

27. The principal Law is amended in section 42(4)(b)(i), (ii), (iii) and (iv) by repealing the words “for the chief officer”.

Insertion of section 44A - application of Part IV to Office of the Complaints Commissioner

28. The principal Law is amended by inserting after section 44 the following section -

“Application of Part IV to Office of the Complaints Commissioner

44A. (1) The Complaints Commissioner shall be the chief officer of the Office of the Complaints Commissioner and shall be accountable to the Legislative Assembly for the performance of the Office of the Complaints Commissioner.

(2) Unless the context otherwise requires, Part IV shall apply in respect of the Office of the Complaints Commissioner as if-

- (a) every reference to the Governor in Cabinet or a minister were a reference to the committee of the Legislative Assembly responsible for overseeing the performance of the Office of the Complaints Commissioner, or if no such committee exists, the Speaker; and
- (b) every reference to a ministry were a reference to the Office of the Complaints Commissioner.

(3) Notwithstanding sections 10, 19, 20, 22, 30 and 31, the committee of the Legislative Assembly responsible for overseeing the performance of the Office of the Complaints Commissioner, or if no such committee exists,

the Speaker, shall-

- (a) be granted the appropriations relating to the Office of the Complaints Commissioner;
- (b) in respect of the Office of the Complaints Commissioner, undertake the duties assigned to the Governor in Cabinet or a minister under sections 19, 20(a) and (b), 22(a), 30 and 31;
- (c) provide the Financial Secretary with the necessary information in relation to the Office of the Complaints Commissioner to be included in the annual plan and estimates and the Appropriation Bill to be presented in accordance with section 24; and
- (d) provide the Financial Secretary with the necessary information in relation to the Office of the Complaints Commissioner to be included in any supplementary annual plan and estimates and the supplementary Appropriation Bill to be presented in accordance with section 25.

(3) In carrying out its duties under this section the committee of the Legislative Assembly responsible for overseeing the performance of the Office of the Complaints Commissioner, or if no such committee exists, the Speaker shall-

- (a) make its decisions in accordance with the budget process established by the Governor in Cabinet under section 17; and
- (b) ensure that its decisions are consistent with the principles of responsible financial management set out in section 14(3).”.

29. The principal Law is amended by repealing the heading “**Portfolio of Finance and Economic Development**” appearing above section 53 and substituting the heading “**Portfolio of Finance and Economics**”.

Amendment of principal Law - Portfolio of Finance and Economic Development

30. The principal Law is amended in section 53 as follows -

- (a) in the marginal note by repealing the words “Economic Development” and substituting the word “Economics”;
- (b) by repealing paragraphs (h), (i) and (j) and substituting the following paragraphs -

Amendment of section 53 – duties of Portfolio of Finance and Economic Development

- “(h) establish, operate and manage a centralised accounting information system for the core government;
- (i) establish, operate and manage the centralised banking system;
- (j) establish, operate and manage the executive bank account;”;
- (c) in paragraph (l) by repealing the words “ministries and portfolios” and substituting the words “ministries, portfolios, the Office of the Complaints Commissioner and the Audit Office”;
- (d) in paragraphs (m) and (n), respectively, by inserting after the word “portfolios” the words “, the Office of the Complaints Commissioner, the Audit Office”; and
- (e) by repealing paragraph (o) and substituting the following paragraph -
 - “(o) if requested to do so by a ministry, portfolio, the Office of the Complaints Commissioner or the Audit Office provide accounting and financial services to the entity and recover the actual cost of provision of those services from the entity to which they are provided.”.

Amendment of section
54- executive bank
account

31. The principal Law is amended in section 54 as follows

- (a) by repealing subsection (1) and substituting the following subsection -

“(1) There shall be an executive bank account which shall consist of –

- (a) a main executive bank account or accounts which shall be operated by the Portfolio of Finance and Economics; and
- (b) such subsidiary executive bank accounts as the chief officer of the Portfolio of Finance and Economics shall determine and which may be operated by a ministry, a portfolio, the Office of the Complaints Commissioner or the Audit Office in accordance with a written delegation from the chief officer of the Portfolio of Finance and Economics.”; and
- (b) in subsection (4)(a) by inserting after the word “portfolios” the words “, the Office of the Complaints Commissioner”.

Amendment of section
55- power to request
information for entire
public sector reporting

32. The principal Law is amended in section 55 as follows -

- (a) in the marginal note by repealing the words “entire public sector” and substituting the word “Government”; and
- (b) by repealing subsection (1) and substituting the following subsection -

“(1) For the purposes of preparing the government budgets and reports required by this Law, the Financial Secretary may request from members of the Governor in Cabinet, ministries, portfolios, the Office of the Complaints Commissioner, the Audit Office, statutory authorities, government companies or any non-government entity receiving money from the Governor in Cabinet, such relevant information as the chief officer of the Portfolio of Finance and Economics may need to prepare those budgets or reports, and the person or entity concerned shall supply the information requested by the date and in the format requested by the Financial Secretary.”.

33. The principal Law is amended in section 56 as follows -

- (a) in the marginal note by repealing the word “Group” and substituting the word “Unit”; and
- (b) in subsection (1) -
 - (i) by inserting after the word “portfolios” the words “, the Office of the Complaints Commissioner, the Audit Office”; and
 - (ii) in paragraphs (a) and (d), respectively, by inserting after the words “government company” the words “, the Office of the Complaints Commissioner or the Audit Office”.

Amendment of section 56- powers of Internal Audit Group

34. The principal Law is amended in section 59(c)(ii) by inserting after the words “government company” the words “or the Office of the Complaints Commissioner”.

Amendment of section 59- powers and duties of Auditor-General

35. The principal Law is amended in sections 59(c)(iii), 63(1)(d) and 69(3), and paragraph 4(a)(ii) of the Second Schedule, respectively, by inserting after the word “portfolio” the words “, the Office of the Complaints Commissioner”.

Amendment of miscellaneous provisions of the principal Law - references to “Office of the Complaints Commissioner” inserted

36. The principal Law is amended in section 81(5) as follows -

- (a) by repealing the word “Government” wherever it appears and substituting the words “core government”;
- (b) by repealing the words “ministries and portfolios” and substituting the words “ministries, portfolios and the Audit Office”;
- (c) in paragraph (b) by repealing the words “ministry or portfolio’s” and substituting the words “ministry, portfolio or Audit Office”; and
- (d) in paragraph (c) -
 - (i) by repealing the words “a ministry or portfolio” and substituting the words “a ministry, a portfolio or the Audit Office”; and

Amendment of section 81- transition of accounts

- (ii) by repealing the words “ministry or portfolio” and substituting the words “ministry, portfolio or Audit Office”.
- Amendment of section 82- transition to responsible financial management
37. The principal Law is amended in section 82 as follows -
- (a) in subsection (1) -
- (i) by repealing the words “entire public sector” wherever they appear and substituting the words “core government”;
- (ii) by repealing paragraph (d) and substituting the following paragraph -
- “(d) core government cash reserves are increased each financial year to the amounts specified in subsection (4) until the level defined in section 14(3)(e) is achieved.”; and
- (b) by inserting after subsection (3) the following subsection -
- “(4) The amounts that cash reserves are to be increased to under subsection (1)(d) are -
- (a) thirty days by the end of the financial year ending 30 June 2005;
- (b) forty-five days by the end of the financial year ending 30 June 2006;
- (c) sixty days by the end of the financial year ending 30 June 2007;
- (d) seventy-five days by the end of the financial year ending 30 June 2008; and
- (e) ninety days by the end of the financial year ending 30 June 2009.”.
- Repeal of section 83 - interim input control system
38. The principal Law is amended by repealing section 83(2), (3) and(4).
- Amendment of Second Schedule - Forecast Financial Statements
39. The principal Law is amended in paragraph 1(h) of the Second Schedule as follows -
- (a) by inserting the word “and” at the end of subsubparagraph (i); and
- (b) by repealing subsubparagraph (ii).
- Amendment of Third and Fourth Schedules - Quarterly Financial Statements; Annual Financial Statements
40. The principal Law is amended in paragraph 3(a)(ii) of the Third Schedule and paragraph 4(a)(ii) of the Fourth Schedule by inserting after the word “portfolio” the words “, the Office of the Complaints Commissioner or the Audit Office”.
- Amendment of Fifth Schedule – ownership performance measures
41. The principal Law is amended in paragraph 1(1)(b) of the Fifth Schedule by inserting after the word “portfolios” the words “, the Office of the Complaints Commissioner, the Audit Office”.

42. The principal Law is amended as follows -

Amendment of the
principal Law –
performance agreement

- (a) in sections 19, 22, 30(6), 31(2), 37, 38, 39, 42(2), (3), (4) and (5), 43, 44, 77, 78 and 79 by repealing the words “performance agreement” wherever they appear and substituting the words “annual budget statement”;
- (b) in section 20(b) by repealing the words “performance agreements” wherever they appear and substituting the words “annual budget statements”;
- (c) in sections 30(1), 31(1), 42(1) and 42(7) by repealing the words “a performance agreement” and substituting the words “an annual budget statement”;
- (d) in section 41(1)(a) by repealing the words “performance agreement” and substituting the words “budget statement”;
- (e) by repealing the marginal note to section 42 and substituting the following marginal note “Annual budget statement”; and
- (f) in section 42(6) -
 - (i) by repealing the words “A performance agreement” and substituting the words “An annual budget statement”;
 - (ii) by repealing the words “amended performance agreement” and substituting the words “amended annual budget statement”.

Passed by the Legislative Assembly the 17th day of March, 2004.

LINFORD A. PIERSON

Speaker.

WENDY LAUER EBANKS

Clerk of the Legislative Assembly.