



THE FINANCIAL ADMINISTRATION ACT, 1996

ARRANGEMENT OF SECTIONS

<u>SECTIONS</u>	<u>TITLE</u>
PART I	
<u>PRELIMINARY PROVISIONS</u>	
1.	Short title and commencement.
2.	Interpretation.
PART II	
<u>PUBLIC FUNDS (CONSOLIDATED FUND)</u>	
3.	The Consolidated Fund.
4.	Appointment of Paymaster General.
5.	The power of Paymaster-General to station in any government department any person employed in his office.
6.	General functions of the Paymaster-General.
7.	Officer.
8.	Custody of public and trust moneys, Bank accounts.
9.	Payment for services.
10.	Receipt and payment of deposits.
11.	Special Funds.
12.	Remission of tax fees or penalties.
13.	Deletion from the accounts Bad debts.
PART III	
<u>PUBLIC DISBURSEMENTS</u>	
<u>(CONSOLIDATED FUND)</u>	
14.	Annual Estimates.
15.	Memorandum to House.



16. Payments out of the Consolidated Fund.
17. Appropriation of public moneys.
18. Charges on appropriation and orders for disbursement.
19. Provision if appropriation law is not in force.
20. Payment for work done.
21. Payment for contracts.
22. Government contracts and Central Tender Board.
23. Cheques etc.
24. Unspent balance of appropriation.
25. Investment of Public money in securities.
26. Advances from the Consolidated Fund.
27. Refund or repayment of expenditure.
28. Loans from Consolidated Fund.
29. Equity Investments of the Consolidated Fund.

PART IV
GOVERNMENT STORES

30. Government Stores.
31. Operation of revolving fund for Government Stores.
32. Responsibility for Government Stores.
33. Order for Government Stores.
34. Deferred payment for Government Store.
35. Transfer of Government Store.



36. Discharged of accountability for Government Stores.
37. Inspection and verification of Government Stores.

PART V
GOVERNMENT ACCOUNTS

38. Public accounts and other Government accounts.
39. Basis of public accounts.
40. Classification of public accounts.
41. Monthly Statement of public accounts.
42. Closure of public account.
43. Annual Statement of public.
44. Qualifying information.
45. Certification public accounts.
46. Charges to the General Revenue Balance.
47. Basis and classification of the accounts.
48. Financial year.
49. Responsibility of accounting officers.
50. Annual reports by heads of departments.

PART VI
AUDIT OF ACCOUNTS

51. Auditing of all accounts.
52. Audit Staff and Stationing of officers in Ministries and departments.
53. Powers of the controller and Auditor-General.
54. Audit reports and queries.



55. Disallowances by the Controller and Auditor-General and surcharge by the House of Representatives.
56. Responsibility of the Controller and Auditor-General.
57. Failure to answer audit query may result in the forfeiture of emoluments and allowances.
58. Controller and Auditor-General to submit annual report to the House.
59. House may request the Controller and Auditor-General to audit.

PART VII
THE STATUTORY CORPORATIONS AND
OTHER PUBLIC INSTITUTIONS

60. Application of this part of the Act.
61. Financial year.
62. Government Corporation Budgets.
63. Funds of a corporation.
64. Bank accounts.
65. Special accounts with Government.
66. Payment over surplus moneys.
67. Investment of moneys.
68. Approval of the Minister before raising a loan.
69. Award of contracts.
70. Reserves.
71. Banks of accounts and Audit.
72. Annual report.



73. The Managing Director and the Board of Directors to ensure preparation of accounts.
74. Withdrawal of Government grant or subsidy on neglect of a Corporation to collect moneys due to it.
75. Efficiency auditing.
76. Concerned Minister's power of direction,
77. Government Directors of enterprises partly owned by the Government.

PART VIII
LIABILITIES AND OFFENCES

78. Liability for keeping public moneys.
79. Offences.

PART IX
MISCELLANEOUS PROVISIONS

80. Government Property.
81. Deductions from moneys due by the Government.
82. Transfer, etc of Government Property.
83. No Bank charge on Government cheques etc.
84. Repeal.
85. Regulations.



ACT NO. 8 OF 1996

I ASSENT

A. Karume
AMANI ABEID KARUME
PRESIDENT OF ZANZIBAR
AND
CHAIRMAN OF THE REVOLUTIONARY COUNCIL

..... *10-09-* 2001

AN ACT TO MAKE PROVISIONS WHICH ARE ESSENTIAL
FOR THE SMOOTH AND EFFECTIVE WORKING OF
THE FINANCIAL MACHINERY OF GOVERNMENT AND
OTHER MATTERS CONNECTED THEREWITH

ENACTED by the House of Representatives of
Zanzibar.

PART I
PRELIMINARY PROVISIONS

Short title
and
commencement.

1. This Act may be cited as the
Financial Administration Act, 1996 and shall
come into operation immediately upon being
assented to by the President.

Interpretation.

2. In this Act unless the context
otherwise requires:-

"Accountable" means the requirement to record,
report, explain and justify actions to
superior officer, the Public Accounts
Committee, to the House of
Representatives and to the Public;

"Accounting Officer Designate" means Principal
Secretary or a person appointed by the
President and charged with the duty of
accounting for any service in respect of
which moneys have been appropriated by
the House of Representatives or any
person to whom issues are made from the
Consolidated Fund. An Accounting Officer
is also a vote Holder of the respective
Government Ministry or Department.



"Appropriation" means any moneys charged on the Consolidated Fund or any other public fund or account;

"Board" means the Board of Directors;

"Civil Servant" has the same meaning assigned to it by or under the civil service Act No. 1 of 1988;

"Concerned Minister" means the Minister to whom is assigned the responsibility for a particular corporation;

"Department or Head of Department" may be extended to include any body or any person respectively in any regulations under this Act;

"Direct" means to convey an instruction by any method whatsoever;

"Government" means the Government of Zanzibar;

"House" means the House of Representatives of Zanzibar;

"Minister" means the Minister responsible for finance or any person designated to act on his behalf;

"Money" means any coin, note or negotiable instrument;

"Money received by or on behalf of the Government for a special purpose" includes all moneys that are paid to a public officer under or pursuant to an enactment, trust, treaty, undertaking or contract and which are to be disbursed for a purpose specified in or pursuant to such enactment, trust, treaty, undertaking or contract;

"Negotiable instrument" includes cheque, draft, travellers cheque, bill of exchange, money order, postal remittance and any other similar instrument;



3

"Officer" means any person in the employment of Government;

"Other Government accounts" has the meaning assigned to it in section 39;

"Paymaster-General" means the Principal Secretary within the Ministry responsible for Finance;

"President" means the President of Zanzibar and Chairman of the Revolutionary Council;

"Principal Accountant" means an officer appointed by the treasury to head the accounting section of a self accounting Ministry, Department or parastatal organization owned by the Government;

"Public accounts" has the meaning assigned to it in section 39;

"Public service" includes service in any civil capacity of the Government, the emoluments attaching to which are paid directly out of moneys provided by Government and service with any statutory corporation established entirely out of public funds or moneys provided by Government;

"Securities" includes securities of the Government or of any other country approved by the Minister and includes bonds, notes, deposits, certificates, debentures and treasury bills;

"The Treasury" means the Minister and includes such officer or officers as may be deputed by the Minister to exercise powers and to perform duties under this Act.



PART II
PUBLIC FUNDS (CONSOLIDATED FUND)

The Consolidated Fund.

3.(1) There shall be a Consolidated Fund into which, subject to the provisions of this Section, shall be paid:-

- (a) all revenue or other moneys raised or received for the purposes of, or on behalf of the Government (herein referred to as "public Money");
- (b) any other moneys raised or received in trust for or on behalf of the Government (herein referred to as trust money); and
- (c) any revenues paid to Zanzibar by any statutory body as might be empowered by the Union Government or its Agencies for Zanzibar.

(2) The revenues or other moneys referred to in subsection (1) shall not include revenues or other moneys:-

- (a) that are payable by or under any enactment into some other fund established for a specific purpose; or
- (b) that may by or under any enactment be retained by the department of Government that received them for the purposes of defraying the expenses of that department.

Appointment of Paymaster General.

4.(1) There shall be Principal Secretary a person who shall perform the functions of the Paymaster General as specified in this Act and who shall be a public officer within the Ministry responsible for Finance as stipulated under the Zanzibar Constitution.



(2) Notwithstanding any other enactment or provisions of this Act the Paymaster-General shall have free access at all reasonable times to all files, documents and other records relating to the accounts of every Government department and he shall also be entitled to require and receive from members of the Public Services such information, reports and explanations as he may deem necessary for the proper performance of his functions.

The power of Paymaster-General to station in any government department any person employed in his office.

5. (1) The Paymaster-General may station in any government department any person employed in his office to enable him more effectively to carry out his functions under this Act or any other enactment and such department shall provide the necessary office accommodation for any person so stationed.

(2) The Paymaster-General shall require every person employed in his office who is to examine the accounts of any such department to comply with any security required to be taken by persons employed in that department.

(3) On the direction of the Minister the Paymaster-General shall:-

- (a) provide accounting and other financial services in connection with the collection and accounting of public and trust moneys by any government department; and
- (b) examine the collection and accounting practices applied in such department and report thereon to him.

General functions of the Paymaster-General.

6. (1) The Paymaster-General shall receive all public and trust moneys payable into the Consolidated Fund, provide secure custody for these moneys, and make disbursements on government behalf in accordance with or under the authority of this or any other enactment.



(2) The Paymaster-General may appoint agents to act on his behalf in the discharge of these duties, and such agents shall be accountable to him for the proper discharge of such duties in accordance with instructions issued by the Paymaster-General.

(3) The Paymaster-General shall also establish treasury offices staffed by officers of his department, for the receipt, custody, and disbursement of public and trust moneys as may be required by the circumstances of public financial business.

(4) The Paymaster-General shall be accountable to the Minister for the discharge of his responsibilities under this or any other enactment.

Officer.

7.(1) The Paymaster-General shall be the Chief accounting officer of the Government responsible for keeping, rendering and publishing statements of the public accounts as required by this or any other enactment.

(2) In such capacity the Paymaster-General shall also:-

- (a) be the Chief adviser to the Minister and the Government on accountancy matters;
- (b) approve all departmental accounting instructions; and
- (c) promote the development of efficient accounting systems within all government departments.

Custody of public and trust moneys, Bank accounts.

8.(1) The Paymaster-General shall establish such accounts with the Bank of Tanzania and other banks appointed by the Bank of Tanzania after consultations with the Government of Zanzibar.



(2) No public or official account shall be opened in any bank except under the authority of the Paymaster-General, and no bank may open any account without such authority.

(3) Every person who collects or receives any public or trust moneys shall keep a record of receipt and deposits there-of in such form and manner as the Paymaster-General may prescribe.

(4) Every person who collects or receives any public or trust moneys without having the prior authority of the Paymaster-General for doing so, shall immediately pay such moneys into the Consolidated Fund, and explain the circumstances in which these moneys came into his possession to the Paymaster-General.

(5) All persons authorized to collect or receive public or trust moneys shall pay all such moneys promptly into the Consolidated Fund in such manner as may be prescribed or as the Paymaster-General may direct.

Payment for services.

9. Where a service is provided by the Government to any person, and the Minister is of the opinion that a charge for that service should be borne by the person to whom it is provided, the Minister may, subject to the provisions of any enactment relating to that service, prescribe the fees to be charged.

Receipt and payment of deposits.

10.(1) Where any money is received by a public officer from any person as a deposit to ensure the doing of any act or thing, the public officer shall hold or dispose of the money in such manner as the Minister may prescribe.

(2) Where money is paid by any person to a public officer for any purpose that is not fulfilled, the money may be returned or repaid or other-wise dealt with as the Minister may direct less such sum as in the opinion of the Minister is properly attributed to any service rendered.



8

(3) Money paid to the credit of the Consolidated Fund, not being public money, may be returned or repaid in such manner as the Minister may prescribe.

(4) The Minister may determine the amount of cash or securities held to meet obligations under this Section.

Special
Funds.

11.(1) Moneys received by or on behalf of the Government for a special purpose and paid into the Consolidated Fund, may be paid out of the fund subject to the provisions of any enactment or agreement relating thereto.

(2). Subject to the provisions of any other enactment interest may be allowed in respect of any money to which Subsection (1) of this Section applies at rates fixed by the Minister by regulations or order.

Remission
of tax
fees or
penalties.

12.(1) Without prejudice to the powers conferred on any person by any other enactment, the Minister, when he considers it in the public interest may with the prior approval of the House remit any tax, fee or penalty.

(2). A remission may be total or partial, conditional or unconditional and may be granted:-

- (a) before, after, or pending any suit or proceedings in any court for the recovery of the tax, fee or penalty in respect of which it is granted;
- (b) before or after any payment thereof has been made or enforced by process or execution; and
- (c) in case of a tax or fee, in any particular case or class of case and before the liability arises.



(3). A remission under this Act may be granted by:-

- (a) forbearing to institute a suit or proceedings for recovery of the tax, fee or penalty in respect of which the remission is granted.
- (b) delaying, staying or discontinuing any such suit or proceedings already instituted;
- (c) forbearing to enforce, staying or abandoning any execution or proceed upon any judgement;
- (d) the entry of satisfaction upon any judgement; or
- (e) by repaying any sum of money paid to or recovered by a public officer for the tax, fee or penalty.

(4) Where a remission is granted under this Section subject to a condition and the condition is not fulfilled it may be enforced, and proceedings may be instituted or continued as if there had been no remission.

(5) Where any tax, fee or penalty has already been paid, any remission granted thereof under this Act or any other enactment shall be a charge on the Consolidated Fund.

(6) A statement of all remissions made under this Act or any other enactment together with the reasons therefor shall be included in the annual financial statement of the department responsible for the collection of the tax, fee or penalty.

(7) The Minister may by regulation delegate his powers of remission subject to such terms and conditions as he may require to any public officer who shall exercise such powers personally.



- (8) For the purpose of this Section:-
- (a) "tax" includes any inland tax, levies or fees; sales tax on productions or toll, other than those relating to the Union Government payable to the Government, imposed or authorized to be imposed by any enactment; and
 - (b) "penalty" includes any forfeiture or pecuniary penalty imposed or authorized to be imposed by any enactment for any contravention of the laws, relating to the collection of revenue or to the management of any public work producing toll or revenue.

Deletion
from the
accounts
Bad debts.

13.(1) The House may, if it considers in the public interest, authorize the deletion from the public accounts or other government accounts, in whole or in part, any obligation or debt due to the Government or any claim by the Government.

(2) Such deletion from the accounts does not constitute a remission of such obligation, debt or claim and does not debar subsequent proceedings for recovery should the House see fit.

(3) The House may by regulation delegate their powers of deletion, under this Section subject to such terms and conditions as they may require to the Minister or any public officer, provided that such delegated powers shall be personally exercised by them.

(4) The obligations, debts and claims deleted from the public accounts or other government accounts shall be reported as follows:-

- (a) from the public accounts, by inclusion with the statement of the public accounts for the year in which deletion has been made;



11

- (b) if from other government accounts, by inclusion in the annual financial statement of the department concerned.

PART III
PUBLIC DISBURSEMENTS
(CONSOLIDATED FUND)

Annual
Estimates.

14. Department Estimates of Revenue and Expenditure and of other receipts and disbursements shall be prepared in the form approved by the Minister and shall be forwarded in sufficient time to reach the Minister not later than three months before the commencement of the financial year to which such Estimates relate.

Memorandum
to House.

15. No memorandum requiring either directly or indirectly an appropriation of public moneys immediately or at some future date shall be submitted to the House of Representatives without the prior approval of the Minister, who shall endorse on such memorandum the financial implications relating to appropriation; and no such memorandum shall be considered by the House unless the Minister has seen it and given such approval and endorsement.

Payments out
of the
Consolidated
Fund.

16. (1) No payment shall be made out of Consolidated Fund except under and in accordance with the provisions of any law.

(2) No payment shall be made in excess of the amount granted under an appropriation for any service.

Appropriation
of
public
moneys.

17. (1) When departmental estimates of expenditure are approved by the House, public moneys shall be deemed to have been appropriated for the service of the different departments of Government and its corresponding Ministries.



12

(2) Each estimate shall indicate the Accounting Officer in control of and accountable for the use of such public moneys.

(3) When an appropriation for a Ministry/department has been approved, it shall be used only in accordance with the purpose described and within the limits set by the different classifications within the Ministry's/department's estimate.

(4) The Minister may, by regulations:-

(a) authorize, the reallocation of expenditure within the amount of a Ministry's/department's appropriation; and

(b) delegate his powers of reallocation to Paymaster-General on any vote of a Ministry/department, who shall exercise those powers personally.

Charges on appropriation and orders for disbursement.

18.(1) No charge shall be made against an appropriation except upon the requisition of the appropriate head of the government department for which the appropriation was made or his deputy.

(2) Every requisition for payment out of the Consolidated Fund shall be in such form and certified in such manner as the Paymaster-General may require.

(3) The Controller and Auditor-General shall grant to the Treasury from time to time on its requisition authorizing payments from the Consolidated Fund if satisfied of the correctness thereof.

(4) The Controller and Auditor-General shall reject a requisition if he is of the opinion that any payment upon it:-



13

- (a) would not be a lawful charge against the appropriation;
- (b) would result in an expenditure in excess of the appropriation; or
- (c) would so reduce the balance available in the appropriation that it would not be sufficient to meet the commitments charged against it.

(5) On the authority of a requisition certified as valid for payment by the Controller and Auditor-General the Treasury may issue orders for disbursement to respective officers in control of votes of Ministries and Departments.

(6) Every credit granted by the Controller and Auditor-General shall be sufficient authority to the bank designated Fund Account, in accordance with the directions of the Treasury, the amount therein specified.

(7) Notwithstanding the issue of the warrant the Minister may limit or suspend expenditure (not being statutory) with or without cancellation of the warrant if in his opinion financial exigencies or the public interest so require.

Provision if appropriation law is not in force.

19.(1) If the estimates have not been approved by the House at the Commencement of any financial year the President may authorize by notice, withdrawal of moneys from the Consolidated Fund for the purposes of meeting expenditures necessary to carry on the services of the Government until the expiration of three months from the beginning of that financial year or the coming into operation law, which ever is the earlier.

(2) Any sum so authorized shall not exceed the sum specified on such service in the estimates presented for the current year or one-third of the sums provided in the Appropriation and



Supplementary Appropriation of the previous year which ever is lesser, and shall be set off against the amounts respectively provided in the Appropriation when it comes into operation.

Payment for work done.

20.(1) No payment shall be made for work done, goods supplied, or services rendered whether under contract or not, in connection with any part of the Public Service, unless in addition to any other voucher or certificate that is required, the Accounting Officer of the Government Ministry/department concerned, or any other officer authorized by such head of department certifies:-

- (a) that the work has been performed, the goods supplied, or the services rendered, as the case may be, and that the price charged is according to the contract or if not specified by the contract, is reasonable; or
- (b) where payment is to be made before the completion of the work, delivery of the goods or rendering of the service, as the case may be that the payment is in accordance with the contract governing the terms of payment.

(2) Where in respect of any contract under which cost audit is required to be made, the Paymaster-General reports that any cost or charge claimed by the contractor should not in his opinion be allowed such costs or charges shall not be allowed to the contractor unless the Minister otherwise directs.

Payment for contracts.

21.(1) No contract providing for the payment of any money by the Government shall be considered valid without the prior approval by the House unless that House otherwise directs through the Minister.

(2) The Minister shall signify approval on the basis of a certificate signed by an authorized consultant on Paymaster General opinion, the effect that there is a sufficient unencumbered balance



available out of any appropriation or out of an item included in the estimates, to discharge any commitments under such contract that would under the provisions thereof, become payable during the financial year the contract was entered into after the Attorney General has duly provide the adequate legal opinion.

(3) In case of forward commitments, the certificate shall state that if and when the Government grants an appropriation such commitments will be entered as charges against such appropriations.

(4) A copy of every contract under this section shall be submitted to the Controller and Auditor-General and the Paymaster-General as soon as it is made.

(5) The Paymaster-General through the Treasury, shall establish and maintain a record of all commitments chargeable to each appropriation and such record shall indicate in relation to each commitment whether payment is to be made in local or other currency.

Government
contracts
and Central
Tender Board.

22.(1) The Minister may by legislative instrument make regulations or order with regard to all or any of the following matters:-

- (a) the conditions under which Government contracts may be entered into; and
- (b) the security to be given in the name of the government to secure the due performance of contracts;

and may direct in any such regulations or order that no contract by the terms of which payments are required in excess of such amount as the Minister may prescribe shall be entered into or have effects, unless execution of the contract has been approved on the respective annual budget.



16

(2) Without prejudice to the provision of subsection (1), there shall be established Central Tender Board, the members of which shall be appointed by the Minister.

(3) The Board shall control, consider and regulate all contract awards for supplies and service within prescribed budget limits as approved by the House on the Consolidated Fund.

(4) All tenders for construction and supply of services arising from the Donor Funded Projects Loans and Grants will be regulated by Remedial Circulars as might be issued from time to time by the Minister.

(5) Contracts arising from external loans and grants shall be widely regulated in accordance with respective Donor/Funded disbursement/utilization procedures.

(6) Where a payment under a contract is withheld to ensure the due performance of the contract, the payment may be charged to the appropriation for the contract, and the amount so charged may be credited to a special account to be paid out in accordance with such contract and in such manner as the Minister may prescribe.

Cheques etc.

23.(1) Every payment out of the Consolidated Fund relating to an appropriation shall be made under the direction of the Paymaster-General by cash, cheque or other instrument in such form and authenticated in such manner as the Minister may by regulation prescribe.

(2) Every cheque or other instrument issued under the direction of the Paymaster-General when paid, shall unless otherwise directed by the Minister, be delivered into his custody for examination and adjustment with the statement of cheques or other instruments issued.



(3) The Minister may, in consultation with the Controller and Auditor-General make the regulations relating to the destruction of caches or other instruments.

Unspent
balance of
appropriation.

24. (1) The balance of an appropriation made for a financial year that remains unexpended at the end of the financial year shall lapse, and subordinate authorities made under the appropriation shall lapse with it.

(2) Within ten days after the end of the financial year each Accounting Officer shall prepare and submit to the Paymaster-General a statement of all commitments entered into but undischarged before the end of the financial year in which they were incurred.

(3) If the Paymaster-General is satisfied that such undischarged commitments may be properly carried forward, and that unexpended balances of the previous year's appropriation are available to finance their discharge, he may issue a warrant to be known as the "revote warrant", to provide for their due discharge.

(4) The moneys specified in the revote warrant shall, as soon as possible thereafter, be included in the first supplementary estimates of the new financial year for presentation to the House for approval.

Investment of
Public
money in
securities.

25. (1) The Minister may, from time to time, cause public moneys to be invested on behalf of the Government in the purchase of securities, for such periods and on such terms as he thinks fit.

(2) The Minister may, where it appears to him so be expedient, from time to time, cause such investments to be sold and converted into money and the proceeds either credited to the Consolidated Fund or reinvested.



(3) Profits and losses realized on the sale of securities shall be charged to revenue and expenditure respectively except where such securities are held on behalf of a trust fund and an enactment or agreement provides that profits or losses shall be a charge to the fund.

(4) Certificates in respect of all securities and other investments shall be inspected by the Controller and Auditor-General at least once in every year.

(5) Annual return of all securities and other investments shall be prepared by the Paymaster-General and forwarded to the Controller and Auditor-General for verification.

Advances
from the
Consolidated
Fund.

26.(1) No moneys shall be advanced from the Consolidated Fund except under the authority of regulations made by the Minister and approved by the House.

(2) Such regulations shall specify the terms of release and repayment of advances and may require the completion of an agreement between the Government and the borrower as a condition for the release.

(3) The House may require that interest be payable in respect of such advance and shall determine the rate to be paid.

(4) The Paymaster-General may recover any advance or any portion thereof that is not repaid or accounted for as required by regulations or agreements out of any moneys payable by the Government to the person to whom the advance was made.



(5) Every accountable advance that is not repaid or accounted for in accordance with this section shall be reported in the public accounts.

(6) The Minister shall, when annual estimates are being submitted for the approval of the House, include for approval, schedules showing the amounts by which it is proposed that advances shall be increased or diminished in the ensuing financial year and he shall seek the prior approval of the House for any subsequent revision of the limits set by them.

(7) All interest received in respect of securities shall be paid into the Consolidated Fund as revenue except where such securities are held on behalf of a trust fund and an enactment or agreement requires that interest shall be paid into the trust fund.

Refund or repayment of expenditure.

27. An amount received as a refund or repayment of an expenditure and paid to the credit of the Consolidated Fund shall be included in the unexpended balance of the appropriation against which it was charged, if received in the same financial year, but otherwise it shall be credited to public revenue.

Loans from Consolidated Fund.

28.(1) The Government may authorize the Minister to enter into an agreement for the granting of a loan from Consolidated Fund for the respective Financial Year.

(2) An agreement entered into under subsection (1) of this section shall be laid before the Cabinet and shall not come into operation until it has been approved by the House and that agreement shall contain a clause to this effect.

(3) The Minister may by regulation authorize the particular classes of loan subject to such limitations as may be required by the Government for a particular financial year in question.



(4) The Minister shall, when annual estimates are being submitted for approval by the House, include for approval a schedule of the loans to be payable or repayments to be recovered during the year, and should seek the prior approval of the House for any additional amounts that may be required under any general authority to lend, given in accordance with subsection (3) of this Section.

(5) The amount issued as loans from the Consolidated Fund shall be shown in the public accounts as an asset of the Consolidated Fund until recovery has been effected.

(6) All interest on such loans shall be paid into the Consolidated Fund as revenue and all recoveries shall be paid into the Consolidated Fund.

(7) For the purposes of this section the term "loan" shall mean all moneys issued from the Consolidated Fund on condition of return or repayment over or after a period of more than one year.

Equity
Investments
of the
Consolidated
Fund.

29.(1) The Government may authorize the Minister to provide for, acquire by agreement, or purchase all or part of the equity capital of any company or other organizations from the Consolidated Fund on grounds of public policy.

(2) The Minister shall, when submitting the annual estimates for approval by the House, include for approval a schedule of the equity investments to be made or to be sold or otherwise disposed of during the year.

(3) The amounts issued for provision, acquisition or purchase of equity investments from the consolidated Fund shall be shown in the public accounts as an asset of the Consolidated Fund until the asset has been sold or otherwise disposed of by authority of the House.



21

(4) All profits and dividends or proceeds of sale arising from such equity investments shall be paid into the Consolidated Fund.

(5) A detailed statement of government's equity investments shall be reported annually in the annual statement of the public accounts.

PART IV
GOVERNMENT STORES

Government stores.

30.(1) Every government department shall maintain adequate records of stores and the Minister, by legislative instrument, may make regulations or orders governing the acquisition, receipt, issue, custody and control of such stores.

(2) Subject to such other regulations made under subsection (1) of this Section, as may with the authority be approved by the Minister, the store keeping operations of the Government are under the general management and supervision of the Paymaster-General through Government Stock Verification Department.

Operation of revolving fund for Government stores.

31.(1) Subject to the other provisions of this Section, when the Minister has authorized any department to operate a revolving fund for the purpose of acquiring and managing stores or for manufacturing, producing, processing or dealing in stores or materials and has fixed the amount that may be charged to the revolving fund at any time:-

(a) a payment may be made from the Consolidated Fund for such purposes, subject to such terms as the Minister may direct; and

(b) the Paymaster-General shall keep an account to which shall be charged:-

(i) the cost of such stores and materials on hand in the department at the time the revolving fund is established as the Minister may specify; and



(ii) the payment made under paragraph (a) of this subsection.

(2) There shall be shown as credit in the account kept under paragraph (b) of subsection (1):-

- (a) all moneys received into the Consolidated Fund in respect of operations of the revolving fund; and
- (b) amounts charged to appropriations as the reimbursements of costs charged to the revolving fund of stores or materials issued or work performed in respect of services for which the appropriations were made.

(3) A payment made under subsection (1) out of the consolidated Fund together with the balance of the revolving fund shall not be greater than the amount fixed by the House as the amount that may be charged to the revolving fund at any time or such lesser amount as the House may prescribe.

(4) At the end of each financial year the value of the stores and materials held, and account receivable in respect of the operation of the revolving fund shall be determined in such manner as the Minister may prescribe by regulations.

(5) If such value added to the receipts shown in the revolving fund exceeds the total of the expenditures shown in such fund and liabilities in respect of the operations of the fund then due and payable, the excess shall be transferred from the revolving fund to revenue. No amount may, however, be credited to revolving fund to meet any deficiency if the value is less, except with the authority of the House.

(6) All accounting transactions with respect to a revolving fund shall be recorded at cost but for the purpose of valuing stores or material on hand at the date of establishment of the revolving fund and of valuing inventories and issues of



stores, and materials, cost may be determined in accordance with such recognized accounting practices as the Minister may direct.

(7) For the purposes of this Section, "balance of the revolving fund", means the aggregate of all payments charged to the revolving fund, less all credit to the revolving fund.

Responsibility
for
Government
stores.

32. (1) Any person or officer assigned to Government store matters, is personally and pecuniarily responsible for the proper custody, care and use of government stores entrusted to him or under his control, as assigned by the authority under him.

(2) An Accounting Officer is responsible for the general supervision and control, of all government stores held within his Ministry/department and for the due performance of their duties by his subordinate staff in relation thereto. Paymaster-General, through store Verification Department shall issue periodic circulars on general store management.

Order for
Government
Stores.

33. (1) Except as provided for in subsections (2) and (4) of this section, no order for government stores shall be valid unless it has been certified by the Paymaster-General to the effect that there is adequate balance available out of any appropriation to discharge any commitments under such order that would come in course of payment within the financial year in which the order is made.

(2) The Minister may by regulation exempt particular order or class of order from the requirement of prior validation by head of department.

(3) Orders shall be made in sufficient time to allow for delivery and payment within the course of the financial year in which it is made.



(4) If the conditions of supply or the needs of public business make it necessary to place orders in advance of appropriation, the Minister may certify such order as valid and such commitments shall be entered as a charge against future appropriations.

Deferred
payment for
Government
Store.

34.(1) Except in accordance with an agreement approved by the Minister upon the recommendation of the Paymaster-General no government stores shall be purchased on terms that provide for the payment of interest or any other consideration beyond the price of the stores.

(2) Such transactions providing for the deferment of payment exceeding three months or payment of interest, shall be deemed to be a loan of money and shall accordingly be subject to the provisions of a Loan Act.

(3) Such loans arising from the deferred payment for government stores shall form part of the public accounts.

Transfer of
Government
Store.

35. Subject to any other enactment, no transfer, loss, loan or sale of government stores, shall be made to any person except by or under the authority of an enactment.

Discharged of
accountability
for
Government
Stores.

36.(1) Accounting Officers shall be accountable for all government stores from the time of acquisition to the time they are of no use of value to government.

(2) Accountability shall be deemed to have been discharged when government stores have been:-

(a) consumed in the course of government business and records are available to show that the stores have been so consumed;



25

- (b) worn out in the normal course of public business and deletion from the accounts has been approved by the Minister and they have been disposed of in accordance with his directions;
- (c) transferred under the terms of Section 6 of this Act; and
- (d) lost, stolen, destroyed, damaged or rendered unserviceable by means other than fair wear and tear, and deletion from the accounts has been approved by proper authority.

(3) The Minister may by regulation delegate his powers of deletion and disposal under subsection (2) (b) to heads of Ministries and departments, and such delegated powers shall be personally exercised by them.

(4) If the Minister is satisfied that the retention of any government stores is no longer in the public interest, he may authorize disposal in accordance with Section 35 subject to any regulation approved by the House governing such disposal.

(5) Authority for deletion from the accounts in cases under subsection (2) (b), rests with the House which may by regulation delegate powers of deletion to the Minister, head of Ministry or department and such delegated powers shall be personally exercised by them.

(6) All deletions from the accounts under subsection (5) shall be reported in the annual financial statements of the Ministries and departments concerned in such manner as regulations made under this Act may prescribe.

Inspection and
verification
of Government
Stores.

37.(1) The Minister may assign Government Stock Verifier to examine departmental records, accounts and procedures relating to government stores and to verify stocks and to report to the Minister thereon.



(2) The Director of Store Verification Department, shall have free access to records, files and documents relating to stores accounts and shall also comply with any security requirements applicable to and to take any oath of secrecy required to be taken by person employed in that department.

(3) The Store Verification, Department, whose work involves the design, management and inspection of stores accounts shall act in consultation with the Paymaster-General and in any case of dispute between these authorities the matter shall be referred to the Minister for direction.

PART V
GOVERNMENT ACCOUNTS

Public accounts
and other
Government
accounts.

38.(1) The documents and records relating to public and trust moneys received into, held in and paid from the Consolidated Fund shall be termed the public accounts and shall be kept by the Paymaster-General in accordance with Section 4 of this Act.

(2) The documents and records relating to the collection of revenue, the control of expenditures, the administration of trust funds, the management of government stores and such other financial business as may be made the responsibility of government departments shall be termed other Government accounts and shall be kept by Accounting Officers or heads of departments.

Basis of
public
accounts.

39.(1) Except as provided for by this Act or any other enactment, only moneys received by, held in or paid out of the Consolidated Fund shall be recorded in the public accounts.

(2) Where any loss or deficiency, overpayment, surcharge or other recovery is held to be due from any charge that amount to and advance account in the name of such person and credit the account to which such recovery is due.



(3) Where the Government has received a loan by way of deferred payment under section 35 of this Act, such loan will be recorded as public debt against a charge to an appropriation in the financial year governing the accounting period.

(4) In cases of financial adjustments between government departments the Paymaster-General may, against a duly certified requisition, cause entries to be made to give effect to a transfer of moneys.

Classification
of public
accounts.

40. (1) Except as provided for in this Section, the public accounts shall be classified and arranged in the same form as the budget.

(2) The Minister may by regulation authorize the exclusion of minor budgetary classifications from separate recording in the public accounts.

(3) The Minister may by regulation require a class of transaction to be recorded in the public accounts.

(4) No business shall be transacted within any classification of the public accounts until the Paymaster-General has first assigned an account number to that classification.

Monthly
Statement of
public
accounts.

41. (1) When the transactions of each month have been duly recorded in the public accounts, the Paymaster-General shall draw-up and sign a monthly statement of public accounts and publish such statement in the Gazette.

(2) The monthly statement of public accounts include:-

(a) a statement of the financial assets and liabilities (including contingent liabilities) of the Consolidated Fund at the close of the month compared with the corresponding figures for the date in the year previous to the date of the same statement; and



- (b) statements of receipts into and payments from the Consolidated Fund for the month and for the financial year up to the end of that month as compared with the budgetary estimates for the year.
- (3) The financial assets and liabilities of the Consolidated Fund shall consist of:-
- (a) financial assets, namely:-
 - (i) cash in the hands of Principal Accountants or in bank accounts operated by them or in transit between Accounting Officers or held by other agents on behalf of the Consolidated Fund;
 - (ii) securities held on behalf of the Government or of special funds;
 - (iii) advances from the Consolidated Fund;
 - (iv) loans from the Consolidated Fund;
 - (v) equity investments of the Consolidated Fund; and
 - (vi) any accumulated deficit of revenue and expenditure of the Consolidated Fund.
 - (b) financial liabilities, namely:-
 - (i) trust moneys held and administered by Government;
 - (ii) the public debt, distinguishing between short, medium and long term liabilities, and between domestic and foreign debt; and
 - (iii) any accumulated surplus of revenue and expenditure of the Consolidated Fund.



Closure of
public
account.

42.(1) At the close of business of the last working day of each financial year, all treasury cash accounts shall be balanced off and no further cash disbursement may be made against the expenditure authorities of that year.

(2) All subsequent cash transactions shall form part of the public accounts of the new financial year.

(3) Except as provided for in any enactment, no moneys shall be transferred from an appropriation to a deposit account or to any other agency for the purpose of meeting payments after the close of a financial year.

(4) Where any payment has been improperly charged to an advance account prior to the end of the financial year or has been incorrectly charged to an appropriation account, the Paymaster-General may adjust such payments to the correct appropriation account after the end of the financial year as if the expenditure authorities had not lapsed.

(5) As soon as possible after the end of financial year, the Paymaster-General shall inform the Accounting Officers, heads of Ministries and departments of the date of the final closure of the accounts and responsible officers, heads of Ministries/departments shall ensure that their own accounts are in agreement with the public accounts before final closure.

(6) On the date of the final closure of the public accounts, the Paymaster-General shall close all revenue and expenditure accounts for the financial year by transferring the balance on those accounts to the General Revenue Balance of the Consolidated Fund.

Annual
Statement of
public
accounts.

43.(1) As soon as the public accounts of any financial year have been closed, and not later than four months after the end of such financial year, the Paymaster-General shall draw-up and sign an annual statement of the public accounts and lay



such statement, together with his annual report on the public accounts before the House of Representatives.

(2) Copies of the report and the annual statement of the public accounts shall at the same time be sent to the Controller and Auditor-General and the chairman of the Public Accounts Committee and the House.

(3) The report shall review the transactions of the financial year drawing attention to significant features and making comparisons with previous years, and shall include information as may be required by this or any other enactment, or may be requested by the House.

(4) The annual statement of the public accounts shall include:-

- (a) a statement of the financial assets and liabilities of the Consolidated Fund at the close of the financial year;
- (b) a summary statement of the receipts into and payments from the Consolidated Fund in comparison with the budget summary for the financial year;
- (c) a statement of the revenue and expenditure for the financial year in comparison with the approved and revised estimates for the year;
- (d) a statement of transactions during the year and an analysis of the position at the end of the year for:-
 - (i) the public debt;
 - (ii) deposits and other trust moneys;
 - (iii) the securities of government;
 - (iv) advances;



31

- (v) public loans;
 - (vi) equity investments of the Consolidated fund; and
 - (vii) revolving funds for Government stores.
- (e) such other statements as may be required by any enactment.

Qualifying information.

44. (1) The Paymaster-General shall include in any report prepared under Section 43 of this Act any financial information known to him that materially affects the significance of the figures presented in the annual statements of the public accounts and which is not otherwise required to be recorded in the public accounts.

(2) Without prejudice to the generality of subsection (1) of this Section, such financial information shall include:-

- (a) the contingent liabilities of the Consolidated Fund;
- (b) the market value of securities;
- (c) subscriptions to international organizations; and
- (d) revenue due but uncollected, commitments undischarged, bills unpaid and stocks held as reported by heads of departments at the end of the financial year.

(3) Where such financial information is required to be furnished to him by heads of departments by or under this or any other enactment, the Paymaster-General shall not delay in presentation of his report by reason of their failure to furnish the information.

(4) Where such financial information is not complete by reason of the failure of heads of departments to furnish information, the Paymaster-



General shall state this fact in his report and inform the Minister of the names of such heads of departments.

Certification of public accounts.

45.(1) The report and annual statements of the public accounts drawn-up and signed by the Paymaster-General shall contain a note to the effect that they are presented before audit examination has been completed and are issued subject to any observations contained in a report of the Controller and Auditor-General for the financial year.

(2) When the audit of the financial statements has been completed, the Controller and Auditor-General shall certify, not later than three months after receiving the statement a copy of the statement of financial assets and liabilities signed by the Paymaster-General, to the effect that the statement and other statements of the public accounts have been examined and that in the opinion of the Controller and Auditor-General they give a true and fair view of the financial position of the observation that might be contained in the Controller and Auditor-General's report on the public accounts for the financial year.

(3) The certified copy of the statement of financial assets and liabilities shall be bound in, submitted and published with the Controller and Auditor-General's report on public accounts and shall signify the completion of the accounts of that financial year.

Charges to the General Revenue Balance.

46.(1) The Minister may approve the direct adjustment of any financial asset or liability of the Consolidated Fund to or from the General Revenue Balance of that fund.

(2) All such adjustments shall be noted and explained in the report and annual statement of the public accounts for the year in which they occur.



Basis and classification of the accounts.

47. (1) Other Government accounts shall be kept on a commitment, accrual, cash or cost basis as shall be required by the needs of public business Government and approved in departmental accounting instructions.

(2) Accounts of appropriations shall record disbursements authorized against such appropriations.

(3) Accounts of revenue and appropriations shall be classified in accordance with budgetary estimates and any other accounts shall be classified according to the account number assigned to it by the Paymaster-General.

(4) Subject to the provisions of subsection (3) of this Section, heads of departments may use such other classification as may be required for the conduct of public financial business and are specified in departmental accounting instructions.

Financial year.

48. The financial year of the Government shall extend from the first day of July until the thirtieth June in the following year.

Responsibility of accounting officers.

49. The general responsibilities of the Minister and the Paymaster-General in connection with the public accounts and finance, and the responsibility of the Controller and Auditor-General for examining and certifying the public accounts or for auditing other government accounts do not relieve any Accounting Officer responsible for keeping or rendering such accounts from his duty to comply and to ensure the compliance of his subordinates, with the provisions of this or any other enactment or with any regulation or directions issued there-under.

Annual reports by heads of departments.

50. (1) Every head of Ministry/department or Accounting Officer shall within three months of the end of each financial year prepare and submit to the Ministry of Finance a report on the work of the department during that year giving statistical data of the work done in relation to the appropriation granted, copies to the House.



(2) The report shall include the annual financial statement of the Ministry/department showing:-

- (a) the revenue collected and expenditure made against the estimates for the year;
- (b) transactions of other financial business by the department;
- (c) remissions, deletions and reallocations affecting the department's accounts during the year;
- (d) a statement of undischarged commitments and liabilities at the end of the year, and of uncollected revenue; and
- (e) such other financial information that may be required under or by any enactment.

(3) The Minister responsible for the work of the Ministry/department shall endorse the annual report and cause it to be published to the general public.

PART VI
AUDIT OF ACCOUNTS

Auditing of
all accounts.

51. (1) The public accounts of Zanzibar and of all public offices including the Courts, the central and local government administrations, of the educational institutions, of any Statutory Corporation or other body or organization established by or under any enactment or otherwise set up out of public funds shall be audited and reported on by the Controller and Auditor-General; and for that purpose the Controller and Auditor-General or any person appointed by Controller and Auditor-General shall have access to all books, records, returns and other documents relevant to those accounts.



(2) The public accounts of Zanzibar and of all other persons or authorities referred to in the subsection (1) shall be kept in such form as the Controller and Auditor-General shall approve.

Audit Staff and Stationing of officers in Ministries and departments. 52.(1) The staff required to assist the Controller and Auditor-General in the performance of his duties shall be composed of such officers as the President may determine.

(2) The Controller and Auditor-General may, for the performance of his functions, station in any government department, any person employed in his office to enable him more effectively to carry out his duties, and such department shall provide the necessary office accommodation and other facilities for any such officer so stationed.

(3) The Controller and Auditor-General shall require every person employed in his office who is to examine the accounts of a Government department to comply with any security arrangements applicable to, and to take any oath of secrecy required to be taken by, persons employed in that department, and every such person shall comply with the requirement.

Powers of the Controller and Auditor-General. 53. In the exercise of his duties to audit and examine the accounts the Controller and Auditor-General may:-

- (a) call upon any officer for any explanations and information which the Controller and Auditor-General may require in the discharge of his duties;
- (b) examine any person on oath appertaining to any account subject to audit by him;



- (c) authorize any person publicly carrying on the profession of accountant or any officer to conduct any inquiry, examination or audit on his behalf and such person or officer shall report thereon to the Controller and Auditor General;
- (d) without payment of any fee, cause search to be made in and extracts to be taken from any book, document or record in any public office; and
- (e) lay before the Attorney-General a case in writing as to any question regarding the interpretation of any Act or regulation concerning the powers of the Controller and Auditor-General or the discharge of his duties and the Attorney-General shall give a written opinion upon such case.

Audit reports
and queries.

54.(1) The Controller and Auditor-General shall draw the attention of the appropriate authority to any irregularity disclosed during the examination of the accounts as soon as the facts of such irregularity have been established and confirmed.

(2) The Controller and Auditor-General shall as a result of the audit conducted by him, make such queries and observations addressed to the Accountant-General or any person whomsoever and call for such accounts, vouchers, statements and documents as he may think necessary.

(3) Every such query and observation received by the Accountant-General or after its receipt by that person, be returned by him, with the necessary reply, to the Controller and Auditor-General.



Disallowances
by the
Controller
and
Auditor-
General and
surcharge by
the House of
Representatives.

55.(1) In the performance of his functions under this Act or any other law, the Controller and Auditor-General shall have power to disallow any item of expenditure which is contrary to law, and shall in a reports to the House recommend the surcharge of:-

- (a) the amount of any expenditure disallowed upon the person responsible for incurring or authorizing the expenditure; or
- (b) any sum which has not been duly brought into account upon the person by whom the sum ought to have been brought into account; or
- (c) the amount of any loss or deficiency upon any person by whose negligence or misconduct the loss or deficiency has been incurred.

(2) The House shall consider every such report and thereafter shall advise the Minister whether in the opinion of the House it is appropriate that any officer be surcharged in respect of the payment deficiency, loss of sum concerned or that disciplinary proceedings be instituted against an officer or whether a surcharge should be made and disciplinary proceedings instituted.

(3) Any sum which is lawfully due under this Section shall, on civil proceedings taken against the officer in a court of competent jurisdiction be recovered as a civil debt.

Provided that where the person surcharged is in receipt of remuneration from the government or any institution, the remuneration shall be attached to the extent of the sum lawfully due.



(4) In any proceedings for the recovery of the said sum a certificate signed by the Controller and Auditor-General shall be a prima facie evidence of the facts certified.

Responsibility
of the
Controller
and
Auditor-General.

56. (1) The Controller and Auditor-General shall examine in such manner as he may think fit the accounts referred to in Section 52, and shall ascertain whether in his opinion:-

- (a) the accounts have been properly kept;
- (b) all public moneys have been fully accounted for, and the rules and procedures applicable are sufficient to secure an effective check on the assessment, collection and proper allocations of revenue;
- (c) money have been expended for the purposes for which they were appropriated and the expenditures have been made as authorized;
- (d) essential records are maintained and the rules and procedures applied are sufficient to safeguard and control public property; and
- (e) financial business has been conducted with due regard to economy in relation to the results achieved.

(2) The Controller and Auditor-General shall examine and certify in accordance with the outcome of his examination the several statements required under the provisions of Section 44 of this Act to be included in the public accounts, and any other statement that the Minister may present for audit certification.



Failure to answer audit query may result in the forfeiture of emoluments and allowances.

57. Without prejudice to any other provision of this Act every person who fails or refuses to reply to an audit query or observation within the appropriate period specified in Section 55 (3) of this Act shall if the Controller and Auditor-General so directs, have his emoluments and allowances withheld for so long as the person fails to reply.

Controller and Auditor-General to submit annual report to the House.

58.(1) The Controller and Auditor-General shall within nine months of the end of the immediately preceding financial year, submit his report to the House and shall in that report draw attention to irregularities in the accounts audited and to any other matter which in his opinion ought to be brought to the notice of the House.

(2) Without prejudice to the generality of subsection (1) of this Section the Auditor-General shall call attention to every case in such report in which he has observed that:-

- (a) any officer or employee has wilfully or negligently omitted to collect or receive any public moneys belonging to the Government;
- (b) any public moneys were not duly accounted for and paid to the credit of the Consolidated Fund or other public accounts:-
- (c) any appropriation was exceeded or was applied to a purpose or in a manner not authorized by law;
- (d) an expenditure was not so authorized or was not properly vouched or certified; or
- (e) there has been a loss or deficiency through the fraud, default or mistake of any person.



(3) The House shall consider the report of the Controller and Auditor-General and appoint where necessary in the public interest a committee to deal with any matters arising therefrom.

House may request the Controller and Auditor-General to audit.

59. The Controller and Auditor-General shall, whenever the House so directs, and may, of his own volition, inquire into and report on any matter relating to:-

- (a) the financial affairs of the Government or public property; except Presidential expenditures as stipulated by the Constitution;
- (b) any person or organization in receipt of financial aid from the Government or in respect of which financial aid from the Government is sought.

PART VII
THE STATUTORY CORPORATIONS AND
OTHER PUBLIC INSTITUTIONS

Application of this part of the Act.

60.(1) This part of the Act shall apply:-

- (a) to such Government Statutory Corporations and other public institutions in existence immediately before the commencement of this Act as may be specified by the House by notice published in the Gazette;
- (b) to every Government Statutory Corporation established after such commencement, save as may be otherwise expressly provided in the Act or Instrument establishing the Corporation.



(2) Subject to the provisions of this part, on the publication of a notice for the purposes of foregoing subsection (1) (a) any provision or any Act or Instrument establishing the Corporation specified in the notice, being provided for in this part, shall cease to have effect.

(3) Any reference in the following provisions of this part to a "Corporation" shall be construed as a reference to a "Statutory Corporation" or "other public institution" referred to in subsection (1).

Financial year.

61. The financial year of a Corporation shall be the same as the financial year of the Government.

Government Corporation Budgets.

62. (1) For each Corporation the concerned Minister shall annually lay before the House the operating and capital budget for its financial year for approval by the House on the recommendation of the Minister.

(2) The Minister responsible for finance may make rules and give directions prescribing the form in which budgets required by this Section shall be prepared.

Funds of a Corporation.

63. The funds of a Corporation shall include

- (a) all moneys accruing to the Corporation from the Government by way of grant-in-aid or endowment or otherwise;
- (b) any loan granted to the Corporation by the Government or any person; and
- (c) any moneys accruing to the corporation in the exercise and performance of its functions.

Bank accounts.

64. A Corporation may, with the approval of the Minister maintain in its own name, one or more accounts in such bank in Zanzibar as the Minister may approve.



Special
accounts
with
Government.

65.(1) A Corporation shall, subject to the accounts with enactment under which the Corporation exists, if so directed by the Minister with the concurrence of the concerned Minister, and may, if the Minister and the concerned Minister approve, pay all or any part of the moneys of the Corporation to the Government to be placed to the credit of a special account in the Consolidated Fund in the name of the Corporation.

(2) The Minister may pay out, for purposes of the Corporation, or repay to the Corporation, all or any party of the moneys in the special account.

(3) Interest may be allowed and paid from the Consolidated Fund in respect of the money placed to the credit of a special account under the foregoing Subsection at rates fixed by the Minister.

Payment over
surplus
moneys.

66. Subject to the enactment under which a Corporation exists, notwithstanding the provisions of Section 6, when the Minister, with the approval of the House, so directs, a Corporation shall pay to the Government so much of the money administered by it as the concerned Minister and the Minister consider to be in excess of the amount required for the purposes of the Corporation, and any money so paid may be applied towards the discharge of any obligation of the Corporation to the Government or may be applied as revenues of Zanzibar.

Investment of
moneys.

67. A Corporation may invest all or any portion of the moneys of the Corporation in such manner as the Minister may approve, and in consultation with the Minister may re-invest any of its investments.

Approval of
the
Minister
before
raising a
loan.

68. No Statutory Corporation shall raise any loan without the prior approval in writing of the Minister except where the Minister otherwise directs by legislative instrument either generally or in the case of any particular Corporation or class of Corporation.



Award of contracts.

69. The Minister may make regulations or issue instructions with respect to the conditions upon which a Corporation may undertake contractual commitments under its Corporate statutory powers as approved by its respective Board of Directors.

Reserves.

70. Subject to any direction by the Minister, a Corporation may make provision for reserves, for extensions, depreciation of assets, for uncollectible debts and for other purposes as might be approved by its Board of Directors and concerned Minister.

Banks of accounts and Audit.

71. (1) A Corporation shall keep proper books of accounts and proper records in relation there-to and the books of accounts and records shall be in such form as the Controller and Auditor-General may approve.

(2) The books and accounts of the Corporation shall each year be audited by the Controller and Auditor-General or any person authorized or appointed in that behalf by the Controller and Auditor-General who shall at all times be entitled to have access to all the books, records, stores, and other matters relating to such accounts and who shall, in his report draw attention to irregularities in the accounts audited by him.

(3) The Controller and Auditor-General shall, in the letter appointing an auditor prescribe the terms of reference and such other requirements as may be necessary for the audit.

(4) Such appointed auditor shall be entitled to exercise the same power of access to records and to obtain explanations as are accorded to the Controller and Auditor-General under this or any other enactment.

(5) The appointed auditor shall have no powers of disallowance but shall refer any cases appearing to require the exercise of this power to the Controller and Auditor General.



(6) The Board of Directors of a Corporation shall pay in respect of such audit such fees as the Controller and Auditor-General and the Board may agree or in case of failure to agree, such fees as the Minister may prescribe.

(7) It shall be the duty of the Board of Directors as soon as possible on receipt of the report of the Controller and Auditor-General to forward a copy of such report to the Minister.

(8) The Minister shall as soon as practicable upon receipt thereof, cause to be laid before the House a copy of the Controller and Auditor-General's report forwarded to him.

Annual report.

72.(1) The Board of Directors shall within six months after the expiration of each financial year, submit to the concerned Minister an annual report with copy to the Minister dealing generally with the activities and operations of the Corporation within that year and shall include:-

- (a) a copy of the audited accounts of the Corporation together with the Controller and Auditor-General's report thereon;
- (b) a statement of all directions given by the concerned Minister to the Board of Directors under Section 77 of this Act with that year and also under the enactment of the Corporation; and
- (c) such other information as the Minister may by writing reasonably request.

(2) The Minister shall as soon as possible after receiving the annual report of the Board, cause the report to be laid before the House.



The Managing Director and the Board of Directors to ensure preparation of accounts.

73. It shall be the duty of the Managing Director and the Board of Directors of a Corporation to ensure that proper accounts are prepared and submitted not later than three months after the end of the financial year of a Corporation for auditing in accordance with Section 72 of this Act.

Withdrawal of Government grant or subsidy on neglect of a Corporation to collect moneys due to it.

74. If it appears to the Controller and Auditor-General from any examination, audit or inspection made by him that a Corporation has wilfully or negligently omitted to collect or receive any moneys due to the Corporation the Minister may upon the recommendation of the Controller and Auditor-General withdraw or suspend any Government grant or subsidy as the case may be, due to the Corporation.

Efficiency auditing.

75. Notwithstanding anything in this part of the Act, the Minister may, in respect of any Corporation cause to be carried out:-

- (a) an assessment and appraisal of the standards and techniques of management; and
- (b) an assessment of the effectiveness of the procedures adopted and instructions issued.

Concerned Minister's power of direction.

76. The concerned Minister may give general directions in writing to the Board of Directors on matters of policy and the Board shall be bound to comply with such directions.

Government Directors of enterprises partly owned by the Government.

77.(1) Notwithstanding anything in this part of the Act, with regard to enterprises of which the government is a joint owner, the concerned Minister may give directions to a member of the Board of Directors who is appointed by the Government to serve on the Board of such enterprises, to forward



to the concerned Minister annual reports on the operations (including financial operations) of the enterprises, within a specified time and the member shall be bound to comply with such directions.

(2) Where such a member fails to comply with the said directions, he may:-

- (a) be removed from office; and
- (b) have his emoluments and allowances withheld, if the concerned Minister so directs.

PART VII
LIABILITIES AND OFFENCES

Liability for
keeping
public
moneys.

78. (1) Where the Paymaster-General has reason to believe that any person:-

- (a) has received money for the Government and has not duly paid it over;
- (b) has received money for which he is accountable to the Government and has not duly accounted for it; or has in his hand any public money applicable to any purpose and has not duly applied it;

he may cause a notice to be served on such person or on his personal representative in case of his death, requiring the person or his personal representative within such time, from the serving of the notice as may be specified therein duly to pay over, account for or apply such money (as the case may be) and to transmit to the Paymaster-General satisfactory evidence that he has complied.

(2) In the case of failure of such person or his personal representative to comply with a notice served on him under subsection (1) of this Section within the time stated therein, the Paymaster-General shall cause to be stated an account between such person and the Government, showing the amount



47

of money not duly paid over, accounted for or applied, as the case may be and charging interest at the prevailing bank rate from the date the amount became due. Such failure shall cause confiscation of a person's property of value to recover Government funds with immediate effect.

(3) In any proceedings for the recovery of such money a copy of amount so stated by a person authorized in that behalf by the Paymaster-General shall be prima facie evidence that the amount stated therein, together with interest is due and payable to the Government.

(4) Where it appears:-

- (a) by the books of account kept by or in the office of any person employed in the collection or management of public moneys;
- (b) in any accounting by such person; or
- (c) by his written acknowledgement or confession.

that any such person has, by virtue of his office or employment received moneys belonging to the Government and has refused or neglected to pay over such moneys to the proper persons at the proper times, an affidavit sworn with respect to such facts, made by any person having knowledge thereof, shall, in any proceedings for the recovery of such moneys, be received in evidence and shall be prima facie evidence of the fact stated therein.

(5) Where by reason of any misconduct, neglect of duty or negligence by any person employed in the collection or receiving of any public moneys, any sum of money is lost to the Government, such person shall be accountable for such sum, as if he had collected and received it, and it may be recovered from him as such.



(6) The provisions of this Section shall apply to Government Stores and value thereof as appropriate as they apply to Government moneys.

Offences.

79.(1) Every officer or person acting in any office or employment connected with the collection, management or disbursement of public and trust moneys or with the control of Government Stores who:-

- (a) receives any compensation or reward for the performance of any official duty, except as by law prescribe;
- (b) conspires with any other person to defraud the Government;
- (c) designedly permits any violation of the law by any other person;
- (d) wilfully makes or signs any false entry in any book or wilfully makes or signs any false certificate or return in any case in which it is his duty to effect any entry, certificate or return;
- (e) having knowledge or information of the violation of any financial law by any person, or fraud committed by any person against the Government under any law relating to public finance in force, fails to report such knowledge or information to his senior officer; or
- (f) demands or accepts or attempts to collect, directly or indirectly, as payments or gifts or otherwise, any sum of money or anything of value, for the compromise, adjustment, of settlement of any charge or complaint for any violation of any law relating to public finance,



commits an offence, and shall be liable on summary conviction to a fine not exceeding five hundred thousand shillings or to imprisonment for a term not exceeding two years or to both such fine and imprisonment.

(2) Every person who:-

(a) promises, offers or gives any money or other valuable consideration to any officer or person acting in any public office or employment connected with the collection, management or disbursement of public or trust moneys or the control of Government Stores with the intent:-

(i) to influence his decision or action on any question or matter that is then pending, or may by law, be brought before him in his official capacity;

(ii) to influence such officer or person to commit, or aid and abet in committing, any fraud on the Government, or to connive at, take part in, or allow any opportunity for the commission of such fraud;

(b) accepts or receives any such money or valuable consideration, commits an offence, and shall be liable on summary conviction to a fine not exceeding three times the amount so offered or accepted or to imprisonment for a term not exceeding two years or to both.



PART IX
MISCELLANEOUS PROVISIONS:

Government
Property.

80. All books, papers, accounts or documents kept or used by, or received or taken into possession of any person who is or has been employed in the collection or management of revenue by virtue of that employment, shall be deemed to be property belonging to Government and all moneys or valuable securities received or taken into the possession of any such officer or person by virtue of his employment shall be deemed to be moneys and valuable securities belonging to Government.

Deductions
from moneys
due by the
Government.

81. (1) Where in the opinion of the Minister, after consultation with the Attorney-General, any person is indebted to the Government, in any sum of money, the Minister may authorize the retention by way of deduction or set-off of the amount of any such indebtedness out of any sum of money that may be due or payable by the Government to any such person.

(2) Notwithstanding subsection (1) of this Section, the Paymaster-General and any other accounting officer shall recover any over payment made out of the Consolidated Fund on account of salary, wages, and allowances from any sum of money that may be due or payable by the Government to the person to whom such over payment was made.

Transfer, etc
of
Government
Property.

82. Subject to any other enactment, no transfer, lease or loan of property owned by the Government shall be made to any person except in accordance with the appropriate law in force.

No Bank
charge on
Government
cheques etc.

83. No bank shall make a charge for cashing a cheque or other instrument drawn on the account of the Government in any bank or for cashing any other instrument issued as authority for the payment of money out of the Consolidated Fund or any other



public fund, or in respect of any cheque or other instrument drawn in favour of the Government or any Ministry or any public officer in his official capacity and tendered for deposit to the credit of the Government.

Repeal.

84.(1) The Audit Decree No. of 3 1965; Budget Decree No. 2 of 1965; Treasury Instructions: Principal Accountant Order, Cash Budget Instructions; and all other Financial Acts applicable to the Government of Zanzibar are hereby repealed.

(2) All regulations, orders, rules and instructions relating to the administration of public finance and government stores are hereby repealed.

Regulations.

85. The Minister may, subject to the provisions of this Act by Legislative Instrument, make regulations, rules or orders in respect of all or any of the following matters:-

- (a) the collection, management and administration of, and the accounting for public and trust moneys;
- (b) the maintenance of records of the property of Government; and
- (c) subject to the provisions of any enactment, any purpose necessary for the efficient administration of public finance.
- (d) anything which is required or authorized to be made by regulations, or orders.



52

Passed in the House of Representatives on 17th
October, 1996.

Khamis Juma Chande

(KHAMIS JUMA CHANDE)
CLERK OF THE HOUSE OF REPRESENTATIVES OF
ZANZIBAR