

**CONSTITUTION (FINANCIAL PROCEDURE) ORDER
(CONST. III)**

FINANCIAL REGULATIONS

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SUBSIDIARY LEGISLATION

FINANCIAL REGULATIONS

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SUBSIDIARY LEGISLATION

Regulations made under section 20

FINANCIAL REGULATIONS

Commencement: 1st April 2022

PART 1

PRELIMINARY

Citation

1. These Regulations may be cited as the Financial Regulations.

Interpretation

2. In these Regulations, unless the context otherwise requires —

“accounting officer” includes every public officer who is charged with the duty of collecting, receiving, or accounting for, or who in fact collects, receives or accounts for, any public money, or who is charged with the duty of disbursing, or who does in fact disburse, any public money, and every public officer who is charged with the receipt, custody or disposal of, or the accounting for, public stores or who in fact receives, holds or disposes of public stores, but does not include the Minister;

“appropriate Minister”, in relation to any title or name of office, means the Minister charged with the responsibility for the Ministry or department to which the title or name of office relates;

“Controlling Officer” means —

- (a) the Permanent Secretary of a Ministry;
- (b) the Deputy Permanent Secretary of a Ministry;
- (c) the Head of Department; or
- (d) any person duly authorised by the Accountant General,

who performs the duties referred to in, and for the purposes of, these Regulations;

“Imprest” includes petty cash or advances.

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Application

3. These Regulations apply to Government public accounts.

PART 2

CONTROLLING OFFICERS AND ACCOUNTING OFFICERS

Duties and responsibilities of Controlling Officers

4. Subject to these Regulations, a Controlling Officer shall be personally responsible for —

(a) ensuring that proper systems of accounts are maintained in every department of which he is in charge;

(b) the due performance of his financial duties in respect of all public moneys collected, received, or disbursed by every department of which he is in charge;

(c) the proper control of expenditure and payment within the approved annual estimates of expenditure in which he is responsible for any financial year;

(d) the proper collection and custody of all public moneys receivable by the department or by any public officer attached to the department and ensuring that those moneys are collected punctually;

(e) the accuracy and safekeeping of all public stores received, held or disposed of by or on account of the department or service for which the purpose is provided;

(f) ensuring compliance by the department or by any public officer attached to the department with any guideline or procedure relating to Government procurement as the Minister may issue; and

(g) the accuracy of the revenue and expenditure accounts rendered by the department or by any public officer attached to the department.

Duties and responsibilities of accounting officers

5. Without prejudice to the generality of the personal responsibilities of all accounting officers for the proper collection and custody of all public moneys receivable by them and for their disbursement and for the accuracy of the accounts rendered by them or under their authority, in particular in so far as the following requirements may be applicable, an accounting officer shall —

(a) keep record of the receipt of public moneys by the department and secure its punctual collection;

(b) account, under the proper classes and items in the annual estimates of revenue or under such new items or in such accounts as may be appropriate, for all public moneys paid or entrusted to him;

(c) ensure that proper provision is made for the safe keeping of public moneys, public stores, stamps, securities and valuable documents in the department;

(d) promptly make good of any deficiency in cash or stamps for which he is responsible;

(e) exercise strict supervision over all public officers under his authority entrusted with the receipt and disbursement of public moneys, and take precautions, by the maintenance of checks including surprise inspections, against any fraud, embezzlement, irregularity or negligence;

(f) comply with any guideline or procedure relating to Government procurement as the Minister may issue;

(g) ensure every payment of public moneys by the department is covered by proper authority;

(h) ensure that no public money is made use of for any private purpose whatsoever;

(i) report to his Controlling Officer any apparent defect in the procedure of revenue collection, or any apparent waste, or extravagance in expenditure which comes to his notice in the course of his accounting duties;

(j) produce or make available when required by the Accountant General or by the Auditor General all books, records and vouchers in his charge including any document or information related to or connected with public accounts in electronic form or by electronic means, and reply without undue delay to any inquiry addressed to him; and

(k) take adequate account of any relevant written law and Circulars as relate to his financial duties.

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Duties entrusted to subordinates

6. No public officer may be relieved from a duty imposed on him by the Order or these Regulations by delegating the performance of that duty to a subordinate when the public officer should have performed the duty himself.

PART 3

COLLECTION AND RECEIPTS

Revenue Warrant

7. No collection of revenue shall be made unless the collection is authorised by a Revenue Warrant issued by the Accountant General to a Controlling Officer.

Receipts

8. All entries of receipts in the Government public accounts shall be accounted for in such form and manner as the Accountant General may determine.

Receipt of public money

9. An accounting officer shall, at the earliest possible opportunity, pay the whole amount of any public money received by him daily into the credit of the bank accounts of the Government.

Gross amount to be accounted for

10. (1) In all cases the gross amounts of the public moneys received shall be accounted for by the accounting officer.

(2) No charges on the revenue received shall be made without proper authority.

Restriction on use of public money

11. No public money shall be made use of in any way between the time of its receipt and the time of its payment into a bank account of the Government.

Reports of arrears of revenue

12. (1) A Controlling Officer shall report in writing and without delay to the Accountant General any failure on the part of a department of which he is in charge or a public officer attached to a department of which he is in charge to collect and duly account for any sum due to the department or to be collected by the public officer and shall transmit a copy of the report to the Auditor General.

(2) Where the Controlling Officer has reason to believe that any revenue is falling unduly into arrears, he shall report the matter to the Accountant General and transmit a copy of the report to the Auditor General.

Liability of public officers in event of loss

13. If at any time the public money sustains a loss by reason of the neglect or fault of any public officer, he may be liable to surcharge.

PART 4

PROCUREMENT AND TENDERS

Conduct of procurement

14. Every Government procurement shall be conducted in an open competition and with responsibility, transparency, accountability, openness, fairly and justly and in accordance with any guideline or procedure as the Minister may issue.

State Tender Board

15. (1) There shall be a State Tender Board which shall be responsible to open, receive, review and consider the tenders for works, services and supply of public stores to the Government in accordance with their value limits and make recommendations on such tenders for the consent of His Majesty the Sultan and Yang Di-Pertuan.

(2) The State Tender Board shall consist of a Chairman and such other members as His Majesty the Sultan and Yang Di-Pertuan may appoint annually at the beginning of each financial year.

Mini Tender Boards

16. (1) There shall be a Mini Tender Board of a Ministry which shall be responsible to open, receive, review and consider the tenders for works, services and supply of public stores to the Government in accordance with their value limits and make recommendations on such tenders for approval of the appropriate Minister.

(2) Each Mini Tender Board shall consist of a Chairman and such other members as His Majesty the Sultan and Yang Di-Pertuan may appoint annually at the beginning of each financial year.

Quotation Committees

17. (1) There shall be a Quotation Committee of a Department which shall be responsible to open, receive, review and consider the quotations for works, services and

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supply of public stores to the Government in accordance with their value limits and make recommendations on such quotations for approval of the Head of Department.

(2) The Quotation Committee shall consist of a Chairman and such other members as the appropriate Minister may appoint.

Tender or quotation value limits

18. The Minister may, with the consent of His Majesty the Sultan and Yang Di-Pertuan, issue and review the tender value limits set for the State Tender Board and Mini Tender Boards or the quotation value limits set for the Quotation Committees.

Exemption from tender procedure

19. Where a Head of Department considers that, because of the nature of the goods or services required, the tender procedure is not suitable or proper in the circumstances, an application may be made to the Chairman of the State Tender Board or the Chairman of the Mini Tender Board of the Ministry concerned, as the case may be, for it to be exempted.

Exemption from quotation procedure

20. Where a Head of Department considers that, because of the nature of the goods or services required, the quotation procedure is not suitable or proper in the circumstances, an application may be made to the Chairman of the Quotation Committee of the department concerned for it to be exempted.

Non-compliance with procurement guidelines or procedures

21. In the event any public officer responsible for Government procurement has not complied with any guideline or procedure issued by the Minister and the public money or public store concerned sustains a loss by reason of the neglect or fault of that public officer, he may be liable to surcharge.

PART 5

PAYMENTS

Authorisation for expenditure

22. The authority for expenditure of public funds is by the provisions under the Order and in accordance with the Constitution.

Warrants for payments

23. No payment shall be made out of the Consolidated Fund unless the payment is authorised by a Treasury Warrant, Supplementary Warrant, Virement Warrant, Establishment Warrant or Departmental Warrant signed by the Minister.

Treasury Warrant

24. A Controlling Officer shall not incur any expenditure until he has received a Treasury Warrant issued by the Accountant General.

Supplementary Warrant and Virement Warrant

25. When through unforeseen circumstances it becomes necessary for a Controlling Officer to apply for authority to incur additional expenditure in excess of the provision under a particular account or on a service not provided for in the approved annual estimates, he shall apply for a Supplementary Warrant or a Virement Warrant as appropriate and submit it to the Minister.

Establishment Warrant

26. (1) Except in accordance with any written law, no addition or trade-off to the public offices provided under any head of estimates may be made nor may the appropriation of the established salaries under any head be altered either as regards the number of appointments or job title or salary scale unless the approval of the Treasury shall first have been obtained.

(2) An application for any such addition or alteration referred to in sub-regulation (1) shall be submitted to the Minister on an Establishment Warrant form.

Departmental Warrant

27. When a Controlling Officer finds it necessary to incur expenditure through a public officer of another department, he shall authorise such expenditure by the issue of a Departmental Warrant.

Lapse of authority

28. All warrants authorising expenditure cease absolutely on the last day of the financial year to which they relate.

Payment vouchers

29. All entries of payments in the Government public accounts shall be accounted for in such form and manner as the Accountant General may determine.

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Payment vouchers to have full details

30. (1) All payment vouchers shall contain full particulars of each service such as dates, numbers, quantities and rates which are necessary to enable the payment vouchers to be checked.

(2) When supplies are furnished or any work is carried out under an agreement or a contract, there shall be attached to or shown on the payment voucher relating to the agreement or contract a certificate stating that the payments for such supplies or work are made in accordance with the terms of the agreement or contract and, where supplies are furnished, that the supplies have been received or, where work is carried out, that the work has been properly done.

(3) If a deduction in respect of a penalty or damages is made from the amount payable under a contract, only the net sum shall be paid.

Responsibility of accounting officer approving payment voucher

31. (1) Any accounting officer who approves a payment voucher shall thereby certify that it is accurate in every detail.

(2) The accounting officer shall be responsible for ensuring that —

(a) approval has been obtained from relevant authority as quoted;

(b) any service specified in the payment voucher has been duly performed;

(c) any public store purchased has been duly received;

(d) the prices charged are as agreed to in writing or according to approved scales;

(e) the computations have been verified and are correct; and

(f) the payee named in the payment voucher is entitled to receive payment.

Prompt payment necessary

32. All payments shall be made as soon as possible after accounts are rendered or services are performed.

Improper payment

33. In the event of any improper payment of public moneys or for any payment of such moneys which is not duly accounted being made by reason of the neglect or fault of any accounting officer, he may be liable to surcharge.

PART 6

CLASSIFICATION AND CONTROL

Annual estimates of revenue and expenditure

34. Every Controlling Officer shall prepare, in accordance with the instructions issued by Circulars —

(a) the annual estimates of revenue arising from the activities of their departments; and

(b) the annual estimates of expenditure necessary to carry out the functions of their departments.

Estimates to be basis of accounts

35. The approved estimates of revenue, approved estimates of expenditure and any supplementary estimate together with any new sub-head of expenditure created for each financial year under section 13(4), which includes the classification and subdivision of the accounts of revenue and expenditure, shall form the basis of the accounts of that financial year.

Receipts and payments

36. (1) The date of receipt or payment governs the date of the record of the transaction in the accounts.

(2) A payment of public money shall not be made before it is due for the purpose of utilising an anticipated saving arising on a sub-head of expenditure.

(3) Any unexpended portion of any sub-head of expenditure shall not be drawn for the purpose of setting that portion in reserve to meet a payment which is not due or for the purpose of transferring such portion to a deposit or suspense account.

(4) An expenditure properly chargeable to an account of a financial year shall, as far as possible, be met within that financial year and shall not be deferred for the purpose of avoiding an excess in any sum provided in any approved annual estimate of expenditure.

(5) Any credit to expenditure accounts is not permissible except when made in adjustment for overpayments or when made in adjustment of sums incorrectly charged in the accounts of the same year.

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(6) Any recovery of overpayments of allocated expenditure shall be accounted as follows —

(a) a recovery of expenditure incurred within the same year shall be credited to the expenditure sub-head concerned;

(b) a recovery of expenditure incurred in a previous year shall be credited to the Miscellaneous Revenue account, except in the case of a recovery of expenditure from the Development Fund which shall be credited to the relevant sub-heads irrespective of the year in which the overpayments were made.

(7) An expenditure shall be classified strictly in accordance with the approved annual estimates and every account shall be applied only to the purpose for which it is intended.

(8) An outstanding item of revenue shall not be accounted to a revenue sub-head as a charge against an advance or suspense account pending the collection of the amount.

(9) Any revenue collected in a financial year shall not be placed in a deposit account or held in suspense with the object of transferring the amount collected to the revenue of the following financial year.

PART 7

IMPRESTS AND DEPOSITS

Imprests

37. If it is necessary for any public officer to have at his disposal, for disbursement on the public service, money for which payment vouchers cannot be presented direct to the Treasury for payment, he will receive an Imprest of such amount as the Accountant General may authorise.

Control of Imprests

38. A public officer shall ensure that every Imprest under his charge is duly accounted for in accordance with the terms of the authorisation.

Deposits

39. (1) Any money which a Controlling Officer is required to receive and account for by virtue of his office and which is not attributable to a revenue account, an expenditure account or Government Trust Funds shall be placed in a deposit account.

(2) The Controlling Officer is responsible for the accuracy of deposit accounts under his charge.

(3) The Controlling Officer shall maintain a copy of the receipt which states the name of the depositor and the nature of the deposit for the purpose of any claim and submit a copy of such receipt to the Accountant General.

PART 8

CUSTODY OF PUBLIC MONEYS

Safeguarding of public moneys

40. (1) The Controlling Officer shall make necessary arrangements to ensure that all public moneys are properly safeguarded.

(2) A public officer shall, as soon as possible, deposit all public moneys into a bank account of the Government.

(3) No private money shall be paid into a bank account of the Government.

PART 9

ANNUAL ACCOUNTS

Statements of accounts

41. (1) The Accountant General shall keep and maintain books of accounts as will enable the statements required by section 14 to be prepared.

(2) After the end of each financial year, the Accountant General shall prepare and submit to the Minister such books of accounts referred to in sub-regulation (1).

PART 10

CUSTODY OF PUBLIC STORES

Verification of public stores

42. (1) All public stores shall be verified by public officers appointed by the Controlling Officer at such frequency and in such manner as the Controlling Officer may think necessary.

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(2) The appointment of such public officers referred to in sub-regulation (1) shall not relieve the Controlling Officer or public officers of their responsibility for ascertaining by periodical stocktaking that the balances shown in the ledgers and inventories are actually in stock.

(3) The Controlling Officer shall prepare a report of such verification referred to in sub-regulation (1).

Deficiency in or destruction of public stores etc.

43. In the event any public officer is or was responsible for any deficiency in, or for the destruction of, any public store, stamp or other property of the Government by reason of the neglect or fault of that public officer, he may be liable to surcharge.

PART 11

WRITE-OFF

Write-off

44. (1) The Minister shall, with the consent of His Majesty the Sultan and Yang Di-Pertuan, in respect of public moneys, revenue and stores of Brunei Darussalam, have power —

(a) to write off losses or deficiencies of public moneys and the value of lost, deficient, condemned, unserviceable or obsolete stores; and

(b) to abandon any claim to irrecoverable amounts of revenue, debts and overpayments.

(2) In this regulation, the expression “Minister” includes the Deputy Minister of Finance and Economy.

Write-off for irrecoverable amounts of revenue, debts and overpayments

45. (1) Every application for the authorisation of the abandonment of irrecoverable amounts of revenue, debts and overpayments shall be made to the Accountant General and full reasons for the failure to collect the irrecoverable amounts shall be given.

(2) The Accountant General shall submit such application under sub-regulation (1) to the Minister.

PART 12

GENERAL

Accounting for sums recovered and costs in Government suits

46. (1) No court fees are payable by the Government in an action against a private person or company.

(2) Where the Government is successful in an action against a private person or company, the court has power to award costs to the Government.

(3) The responsibility for obtaining payment of amounts due under a judgment or order, including costs awarded to the Government, rests on the department or public officer instituting or defending the suit and until such sums are recovered, they shall be shown as arrears of revenue.

(4) On receiving the amount due under a judgment or order of a court, the department or public officer obtaining the judgment or order shall bring the full sum including costs to be credited to the Miscellaneous Revenue account.

(5) When the amount due to Government under a judgment or order has been brought to account as a court deposit, the public officer who instituted the suit is responsible for securing payment of the amount due to Government from that court deposit.

Communications with other Governments

47. Communications with other Governments or with Government agents involving financial transactions shall be made by the Minister.

Treasury Officers to carry letter of authorisation

48. A Treasury Officer on inspection duty shall be provided with a letter of authorisation signed by the Accountant General, identifying him as an officer of the Treasury and reminding all accounting officers that in accordance with the provisions of regulation 5(j) he is entitled to have access to all books, records or vouchers relating to accounts including any document or information related to or connected with public accounts in electronic form or by electronic means and that all accounting officers shall give him every facility for inspecting such documents.

Issue of guidelines etc.

49. (1) The Minister may, with the consent of His Majesty the Sultan and Yang Di-Pertuan, generally in respect of any particular provision of these Regulations, or generally in respect of the control and management of the public finances of Brunei Darussalam, and for any financial and accounting procedure including procedure

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for the collection, custody and payment of the public moneys, and the purchase, custody and disposal of public property, issue, by means of Circulars, such guidelines, procedures or directives as he may consider desirable.

(2) If any provision of any guideline, procedure or directive is inconsistent with regulations made under the Order, it shall, to the extent of the inconsistency, either have effect subject to such regulations or, where appropriate, having regard to such regulations, shall not have effect.

(3) The Minister may exempt, either generally or for such time as the Minister may specify, any public officer from any provision of any guideline, procedure or directive.

(4) Every public officer shall comply with the relevant guidelines, procedures or directives.

Exemption

50. The Minister may, if he thinks fit, exempt any person from all or any provision of these Regulations.

Savings

51. Any document, approval or decision, made, issued or granted and any act or thing done under or pursuant to the Financial Regulations, 1983 (S 1/1983) which is repealed by these Regulations and valid immediately prior to the commencement of these Regulations is deemed to have been made, issued, granted or done under or pursuant to the corresponding provisions of these Regulations and shall continue to have effect accordingly.

Repeal

52. The Financial Regulations, 1983 (S 1/1983) are hereby repealed.