

PUBLIC FINANCE MANAGEMENT AMENDMENT BILL 2014

SAMOA

Explanatory Memorandum

Introduction

The Bill amends the Public Finance Management Act 2001 (the principal Act) by:

- (a) providing for the Minister to be specifically responsible for coordinating activities of all Government sectors that are related to implementing development projects and other aspects of economic plans approved by the Legislative Assembly;
- (b) making specific reference to the Minister of Finance's other specific responsibilities for planning, management and utilization of development cooperation activities and resources;
- (c) updating all references to the 'Statement of Economic Strategy' with the 'Strategy for the Development of Samoa';
- (d) providing for a new part in the Principal Act which provides for the publication and reporting of the Government's debt management strategy; and
- (e) specifying that financial statements prepared by the Financial Secretary and departments must comply with any cash basis public sector financial reporting standard developed by the International Federation of Accountants (IFAC), and amending the form and content of financial statements in Schedule 5 to comply with the requirements of that standard. The International Federation of Accountants is the global organisation for the accountancy profession dedicated to serving the public interest, which, amongst other things, contributes to the development of strong international economies, and establishes and promotes adherence to international financial reporting standards.

Clauses:

- Clause 1:** - provides for the short title and commencement provisions. It will commence on the date of assent by the Head of State but clauses 6 to 10 will commence on 1 July 2014.
- Clause 2:** - provides for general amendments to change references to "statement of economic strategy" to "Strategy for the Development of Samoa" wherever they appear in the principal Act.

- Clause 3:** - amends section 5 by specifying the Minister’s responsibility for the coordination of activities of all sectors that are related to implementing development projects and other aspects of economic plans approved by the Legislative Assembly, and for planning, managing and utilising of development cooperation activities and resources.
- Clause 4:** - amends section 17 of the principal Act to reflect the timeframe for development and publication of the Strategy for the Development of Samoa.
- Clause 5:** - amends section 19 of the Principal Act for consistency with the renaming of the statement of economic strategy as the Strategy for the Development of Samoa.
- Clause 6:** - amends section 20 of the Principal Act to specify the time frame in months and for consistency with the renaming of the statement of economic strategy as the Strategy for the Development of Samoa.
- Clause 7:** - inserts section 78A after section 78 to provide for the purposes for the State borrowing.
- Clause 8:** - inserts a new Part XIA in the Principal Act to provide for the objective of debt management, provisions for a debt management strategy and the inclusion of the debt management strategy in the annual report from Treasury that is to be laid before the Legislative Assembly under section 110.
- Clause 9:** - amends section 107 to specifically provide that financial statements prepared by the Financial Secretary must be prepared in compliance with any cash basis public sector financial reporting standard developed by the International Federation of Accountants.
- Clause 10:** - substitutes section 108 to specifically provide that quarterly summary of the receipts and payments must be prepared pursuant to any cash basis public sector financial reporting standard developed by the International Federation of Accountants.

Clause 11: - amends section 110 to specifically provide that the statement of receipts and payments which is included in departmental annual reports must be prepared pursuant to any cash basis public sector financial reporting standard that is developed by the International Federation of Accountants.

Clause 12: - substitutes Schedule 5 of the Principal Act to provide for the form and content of financial statements to comply with any cash basis public sector reporting standard requirements of the International Federation of Accountants.

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(Hon TUILAEPA Fatialofa Lupesoliai Aiono Neioti Sailele Malielegaoi)
PRIME MINISTER AND MINISTER FOR THE MINISTRY OF FINANCE