

KIRIBATI AUDIT ACT 2017
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REPUBLIC OF KIRIBATI

(No. 6 of 2017)



I assent,


Beretitenti

11/10/2017

AN ACT

entitled

An Act to provide for the audit and examination of public accounts, government project funds and of the accounts of state owned enterprises and for other purposes connected therewith and incidental thereto.

Commencement:

2017

MADE by the Maneaba ni Maungatabu and assented to by the Beretitenti

ART I

PRELIMINARY

1. Short title

This Act may be cited as the Kiribati Audit Act 2017.

2. Commencement

This Act shall commence on a date appointed by notice by the Minister.

3. Definitions

(1) In this Act-

'accountable officer' means any public officer, including accounting officer concerned in or responsible for the collection, receipt, custody, issue or payment of public moneys, stores, stamps, investment, security or negotiable instruments whether the same are the property of the Republic or to any public officer in his or her official capacity either alone or jointly with any other public officer or any other person;

'accounting officer' means any public officer appointed under the provisions of the Public Finance (Control and Audit) Ordinance CAP 79 and charged with the duty of accounting for any services for which moneys have been appropriated;

'authorised auditor' means-

- (a) the Auditor-General.; or
- (b) auditor of the audit office; or
- (c) any person appointed by the Auditor General;

'audit office', means the Kiribati Audit Office as established by section 16;

'environmental audit', in relation to a person, body or thing means a review or examination of the operations of the person, body or thing in relation to their effect on the execution of the Republic's environmental programmes, their adherence to any international documentation concluded by the Republic and other programmes that are not related to the environment but effect it;

'ISSAI', abbreviation for International Standards for Supreme Audit Institutions;

'IT audit', in relation to computer systems and environment means a review of the environment within which the computer infrastructure is accommodated, the security measures in place for ensuring the integrity of the system in providing reliable and quality products and to ensure compliance with any established rule or law;

'Minister', means the Minister responsible for Finance;

'Mexico Declaration', means an International Agreement that provides guidelines on Independence for Supreme Audit Institutions;

'officer', in relation to a public entity, includes a member or employee of the public entity;

'performance audit', in relation to a person, body or thing, means a review or examination of any aspect of the operation of the person, body or thing and includes

environmental audit, to ensure the operations are conducted efficiently and this also includes looking at the economy, efficiency and effectiveness of service delivery;

'public accounts committee', means the Public Accounts Committee of Parliament;

'public money' includes:

- (a) securities and all revenues, loans and other money whatever, collected, received or held by, for, or on account of the Republic; and
- (b) without limiting the generality of paragraph (a):
 - (i) money which, pursuant to any Act, is directed to be paid or expressed to form part of the Consolidated Fund; and
 - (ii) project money as given to entities by the Republic; and
 - (iii) such money, or money of such class or description of money, as prescribed for the purposes of this definition;

'public property', means all property, other than public money, held by any person for or on behalf of the Republic;

'public entity' includes –

- (a) a government department; or
- (b) a State Owned Enterprise or SOEs as defined in the State Owned Enterprise Act 2013; or
- (c) all Local Councils; or
- (d) an entity that is controlled by one or more government departments, SOEs and Local Councils or by a combination of the 3 entities.

4. Act binds Republic

This Act binds the Republic.

PART II

AUDIT BOARD

5. Establishment of the Audit Board

There shall be established an Audit Board for the Office of the Auditor-General.

6. Composition of the Board

- (1) The Board shall consist of the following 6 members –

- (a) a retired Accountant and/or Auditor, who is not a member of any Board of State Owned Enterprises, shall be the Chairperson of the Board;
 - (b) a retired Member of Parliament who is not a member of any Board of State Owned Enterprises;
 - (c) a retired Judicial officer who is not a member of any Board of State Owned Enterprises;
 - (d) such other persons, not exceeding three in numbers; and
 - (e) the Auditor-General who shall be a secretary and advisor to the Board;
- (2) In the absence of the Auditor-General the alternate member appointed by him or her is to attend the meeting and to act as secretary and advisor to the Board.
- (3) A member of the Board shall take oath after accepting his or her appointment before a Single Magistrate or a Magistrate.
- (4) Members of the Board shall be appointed by the Minister for a term of 3 years.
- (5) A member may be removed by the Minister or resigned his or her office by notice in writing to the Minister.

7. Functions of the Board

- (1) The Board functions include the following:-
- (a) to review the annual work plan of the Audit Office at least 2 months before the start of each financial year to provide guidance on whether the work plan proposed is reasonable and feasible;
 - (b) to review the annual work plan and determine if the Auditor-General had sufficient resources to perform the functions set out in the annual plan and if not then to propose an increase in the budget;
 - (c) to endorse the work plan and budget of the Auditor-General;
 - (d) 3 months after the end of the financial year the Board is to consider the Annual Report submitted by the Auditor-General that sets out the actual performance against the annual work plan and including other relevant matters;
 - (e) to consider any new recommendations for the future development of the Audit Office;
 - (f) consider and review modern audit practices and make recommendations to the Auditor-General;

- (g) to decide on any other matters which the Board thinks fit for the development of the Audit Office.

(2) The functions of the Board listed in subsection (1) shall not affect or interfere with the Auditor General's independence guaranteed under the Constitution.

8. Secrecy

- (1) A person to whom this section applies is not to, either directly or indirectly –
 - (a) make a record of, or divulge or communicate to any person, any information concerning the affairs of another person; and relating to any matter, transaction or decision under or in connection with this or any other Act, that has been acquired by him by reason of his or her membership of the Board or of his or her functions in connection with this Act;
 - (b) produce to any person any document relating to the affairs of another person furnished for the purposes of this Act, unless in the performance of a function under, or in connection with, this Act or any other Act or as required by any other legal duty.
- (2) This section applies to every person who is or has been a member of the Board.
- (3) A person who contravenes any of the provisions of subsection (1) commits an offence and is liable upon conviction to imprisonment for 12 months or to a fine of \$1,000 or to both such fine and imprisonment.

9. Meetings

- (1) Meetings of the Board shall be convened any time before and after Parliament sessions at such times and places as the Chairperson of the Board determines.
- (2) The quorum for the meeting of the Board is 4 members.
- (3) If the Chairperson of the Board is absent from a meeting the members present shall elect one of their number to preside.
- (4) Minute in proper form shall be kept for each meeting of the Board and be confirmed at the next meeting or as soon as practicable thereafter.
- (5) The Board may invite any one or more persons to attend a particular meeting of the Board for the purposes of assisting or advising the Board, but such a person is not deemed to be a member of the Board and, in particular, shall not be entitled to vote.

10. Personal Immunity

No member of the Board is to be personally liable for any act done, or default made, by the Board or by a member thereof or by such other person in good faith in the performance of its or his or her functions under this Act.

PART III

AUDITOR-GENERAL AND THE AUDIT OFFICE

General

11. Auditor-General

There shall be an Auditor-General of Kiribati as stated in the Constitution.

Provisions related to Auditor-General

12. Appointment of Auditor-General

The Auditor-General shall be appointed by the Beretitenti in accordance with section 100(2) of the Constitution.

13. Terms of appointment

- (1) The Auditor-General holds office on a full-time basis.
- (2) The salary and allowances of the Auditor-General are payable in accordance with section 113 of the Constitution.

14. Resignation

The Auditor-General may resign from the office or position in accordance with section 130 of the Constitution.

15. Suspension and removal

The Auditor-General may only be removed or suspended in accordance with section 101 of the Constitution.

16. Audit Office

- (1) An Office called the Kiribati Audit Office shall be established by this Act.
- (2) The Audit Office consists of those auditors who are for the time being appointed in accordance with section 17.

17. Terms of appointment and discipline of staff of the audit office

- (1) Auditors of the Audit Office shall be appointed in accordance with section 99 of the Constitution.
- (2) Auditors appointed under subsection (1) must conduct themselves in accordance with the requirements of the Code of Ethics of the International Standards for Supreme Audit Institutions (ISSAIs) and the provisions of the National Conditions of Service (NCS).
- (3) Auditors newly recruited shall take oath in the presence of the Board members immediately after being appointed.

18. Auditors subject only to direction of Auditor-General

- (1) The auditors are not subject to direction by any person (other than the Auditor-General or a person authorized by the Auditor-General) about-
 - (a) the way in which the Auditor-General's powers in relation to audit are to be exercised; or
 - (b) the priority to be given to audit matters.

Other Matters

19. Delegation of powers

- (1) The Auditor-General may delegate powers provided to him or her under this Act or any other laws to any person or auditor.
- (2) However, the Auditor-General must not delegate a power to certify and to report on accounts to Parliament.

20. Budget Estimates

- (1) The Auditor-General must prepare, for each financial year, estimates of proposed receipts and expenditure relating to the audit office and submit to the Board for review of its reasonableness and feasibility.
- (2) The Auditor-General must give the budget estimates to the Secretary responsible for finance.

PART IV
POWERS AND FUNCTIONS OF AUDITOR-GENERAL

General

21. Independence

The Auditor-General shall be independent and shall not be subject to the direction or control of any person or body.

22. Functions

(1) In addition to the functions conferred on the Auditor-General by virtue of section 114 of the Constitution and by this Act, the Auditor General has the following functions-

- (a) to promote public accountability in the public administration of the Government;
- (b) to audit annual financial statements and accounts of the Government and its Ministries, State Owned Enterprises (SOEs), Government projects and Local Councils;
- (c) to audit accounts and records in respect of any person, body or thing ascertained in accordance with the regulations;
- (d) to conduct performance, environmental and IT audits in respect of any person, body or thing ascertained in accordance with governing laws and policies;
- (e) to audit the Public Accounts and any other financial reports that the Auditor-General is required or authorized to audit by law;
- (f) to provide any particular audit or audit related service to Parliament at the request of Parliament;
- (g) to provide any audit or audit related service to the Minister of Finance at the request of the Minister of Finance or to any other Minister at the request of that other Minister;
- (h) to report to Parliament as required or authorized by law;
- (i) any function conferred on the Auditor-General under the Public Finance (Control and Audit) Ordinance CAP 79 or under any law; and
- (j) to do anything incidental or conducive to the exercise of the Auditor-General's functions.

(2) The Auditor-General has the functions conferred or imposed on Auditor-General by law.

(3) The Auditor-General may exercise his or her functions in such manner as the Auditor-General thinks fit. However, the Auditor-General is required:-

- (a) to have regard to recognized professional standards and practices;
- (b) to apply the International Standards for Supreme Audit Institutions (ISSAI); and
- (c) to comply with any relevant requirements imposed by law.

(4) The Auditor-General may, in the exercise of his or her functions have regard to whether there has been:

- (a) any waste of public resources; or
- (b) any lack of probity or financial prudence in the management or application of public resources.

(5) As prompted by the Mexico Declaration, the Auditor-General is to report on their own operations against their annual work plan before submitting it to Parliament through the Board.

(6) Nothing in this section is to prevent the performance of the Auditor-General of such other functions in relation to the accounts of Government or other SOEs, within or outside Kiribati, as may be invited or requested from time to time.

23. Audit of public accounts

In auditing the public accounts, the Auditor-General must ascertain whether or not, in the Auditor-General's opinion-

- (a) proper accounts were properly kept in accordance with law; and
- (b) procedures applied were in accordance with the prescribed requirements and were adequate to ensure-
 - (i) proper control and safeguards were exercised over the collection, custody, banking, withdrawal, issue of, and accounting for, public money; and
 - (ii) public moneys received on account of, the public accounts were credited to or charged to, the appropriate fund; and
 - (iii) withdrawals from the public accounts were made for lawful and appropriate purposes; and
 - (iv) proper safeguards were followed to prevent fraud and mistake; and
 - (v) the requirements of the law relating to public moneys were complied with in all material respects.

24. Performance auditing

- (1) The Auditor-General may, when he or she considers it appropriate to do so, conduct an audit for all or any particular activities of a public entity to determine whether the public entity is carrying out those activities effectively, economically and efficiently and in compliance with the relevant laws and other prescribed requirements.
- (2) The Auditor-General may conduct an audit on specific funding streams provided through public entities to Kiribati non-government organisations registered under the Incorporated Societies Act that fund Kiribati projects.
- (3) The Auditor-General may also conduct an audit on the management of project funds given to an entity through a public entity.
- (4) The audit may be conducted as a separate audit or as part of another audit.

25. Auditing of State Owned Enterprises

- (1) The Auditor-General is to audit a State Owned Enterprise's financial report for a financial year within 3 months of its receipt.
- (2) The Auditor-General or a person authorized by the Auditor-General is, within that 3 month period, to furnish an opinion:-
 - (a) stating that the Auditor-General has audited the financial report of that state owned enterprise for that financial year; and
 - (b) indicating whether the financial report exhibits a true and fair view of the financial position and financial performance of the state owned enterprise and whether it complies with all applicable accounting standards and governing legislation; and
 - (c) setting forth any qualifications subject to which the opinion is given.
- (3) An opinion in relation to the financial report of a state owned enterprise under subsection (2) unless the Auditor-General has received a statement made in accordance with a resolution of the state owned enterprise and:
 - (a) stating whether, in the opinion of the person or persons by whom the statement is signed, the financial report exhibits a true and fair view of the financial position and financial performance of the state owned enterprise; or:
 - (b) including such matters as are prescribed by the regulations for the purpose of this subsection.

- (4) The statement referred to in subsection (3) is to be signed:
- (a) by at least 2 members of the governing Board; or
 - (b) by a person prescribed by the regulations in respect of that state owned enterprise.
- (5) Nothing in this section prevents the alteration of a state owned enterprise's financial report, with the approval of the Auditor-General, after its receipt by the Auditor-General and before its submission to the Minister for Finance.

26. Return of audited financial report to a state owned enterprise

The Auditor-General or a person authorized by the Auditor-General shall, after all the functions conferred by the preceding section in relation to the financial report of a state owned enterprise have been performed, submit the financial report and the opinion under that section to the state owned enterprise for submission to the appropriate Minister.

27. Access to documents, information and property

- (1) For the purpose of conducting an audit on a public entity under this Act the Auditor-General is entitled, at all reasonable times, to full and free access to all documents and property belonging to, in the custody of, or under the control of, a public entity that is relevant to the audit.
- (2) For the purpose of conducting an audit under this Act the Auditor-General may-
- (a) enter, at any reasonable time-
 - (i) a place occupied by a public entity subject to audit; or
 - (ii) a place occupied by a financial institution with which a public entity, or another entity subject to audit, maintains an account; or
 - (iii) another place if the occupier of the place consents to the entry;
 - (b) inspect, examine, photograph or film anything in the place; and
 - (c) take extracts from, and make copies of, any documents in the place; and
 - (d) take into the place persons, equipment and material that the Auditor-General reasonably requires; and
 - (e) require any person in the place to give to the Auditor-General reasonable assistance in relation to the exercise of the powers mentioned in paragraphs (a) to (d).
- (3) The Auditor-General, an auditor or a person authorized by the Auditor-General is entitled to exercise functions under this section.

(4) A person must not, without reasonable excuse, fail to comply with a requirement made under section (2)(e). Such person not complying with this requirement commits an offence and shall be liable upon conviction to a penalty prescribed under section 43.

(5) An auditor shall not enter the premises or seize documents unless he or she is in possession of a valid identity card (ID).

28. Access to records of credit union

Where an account for banking of money (whether public money or other money) of an authority is kept with a credit union, the credit union concerned or a person in charge of the account, shall, whenever requested to do so by the Auditor-General, an auditor or a person authorized by the Auditor-General:-

- (a) furnish to the Auditor-General, auditor or authorized person, in accordance with the request, a statement of the account or a certificate as to the balance of the account; and
- (b) produce to the Auditor-General, auditor or authorized person, any book, account, record or document relating to the authority and under the custody or control of the credit union or person in charge.

PART V

OFFENCES

29. Obtaining information

(1) If it is reasonably necessary for the purposes of an audit under this Act, an authorized auditor may, by written notice given to a person, require the person to give to the authorized auditor specified information, within 14 days and in a reasonable way specified in the notice.

(2) A person who without any reasonable excuse, fail to comply with subsection (1), commits an offence, and shall be liable upon conviction to a penalty prescribed under section 43.

30. False or misleading information

A person who-

- (a) makes a statement to an authorized auditor that the person knows is false or misleading in a material particular; or
- (b) omits from a statement made to an authorized auditor anything without which the statement is, to the person's knowledge, misleading in a material particular,

commits an offence and shall be liable upon conviction to a penalty prescribed under section 43.

31. Obstruction of authorized auditor

A person must not, without reasonable excuse-

- (a) obstruct, hinder or resist; or
- (b) attempt to obstruct, hinder or resist,

an authorized auditor in the exercise of a power under this Act commits an offence, and shall be liable upon conviction to a penalty prescribed under section 43.

32. Impersonation of authorized auditor

A person must not pretend to be an authorized auditor. A person found pretending to be an authorized auditor commits an offence, and shall be liable upon conviction to a penalty prescribed under section 43.

33. Confidentiality

(1) In this section – “person to whom this section applies” means a person who is or has been-

- (a) an authorized auditor;
- (b) a person engaged or employed by an authorized auditor,

(2) A person to whom this section applies must not-

- (a) make a record of protected information, “protected information” means information that is obtained under this Act; or
- (b) whether directly or indirectly, divulge or communicate protected information,

unless the record is made, or the information divulged or communicated-

- (c) under or for the purposes of this Act; or
- (d) in the performance of duties, as a person to whom this section applies, under or for the purposes of this Act.

(3) Subsection (2) does not prevent the disclosure of information to-

- (a) the Public Accounts Committee; or
- (b) a police officer, or a person or body responsible for the investigation or prosecution of offences, if the information relates to the investigation or prosecution of an offence; or

- (c) a court for the purposes of the prosecution of a person for an offence.

34. Misappropriation of money or property

- (1) An officer of a public entity shall not:
 - (a) misapply, improperly dispose of or improperly use, any public money, other money, public property or other property; or
 - (b) pay any public money or other money into an account other than the account into which the money is required to be paid.
- (2) An officer of a public entity shall not wilfully and unlawfully damage or destroy any public property or other property.
- (3) An officer of a public entity who fails to comply with these requirements under this section commits an offence and shall be dealt with according to the provisions of the Penal Code.

PART VI

MISCELLANEOUS

35. Report on audit

- (1) The Auditor-General may prepare a report on any audit conducted under this Act.
- (2) If the Auditor-General is of the opinion that observations or suggestions require attention or further consideration, the Auditor General must give the Secretary for Finance, the Accountant General, the accountable officer of the department, Chairperson of a public entity and the person responsible for the financial matters of a public entity (together with any comments on the finding) –
 - (a) if they arose out of an audit of the public accounts to the Secretary for Finance and the Accountant General; or
 - (b) if they arose out of an audit of a department to the accountable officer of the department; or
 - (c) if they arose out of an audit of another public entity-the Chairperson or equivalent officer of a public entity and the person responsible for the financial administration of the public entity.
- (3) If the Auditor-General is of the opinion that the observations or suggestions are of significance, the Auditor-General must give the report as stated in subsection (2) to the appropriate Minister and Minister for Finance.

36. Protection from liability

- (1) The Auditor-General and an authorized auditor does not incur civil liability for an act or omission done or omitted to be done honestly and without negligence under or for the purposes of this Act.
- (2) A liability that would, but for subsection (1), attach to an authorized auditor attaches instead to the Republic.

37. Audit fees

- (1) The Auditor-General may charge fees for an audit conducted by the Auditor-General.
- (2) The Auditor-General may, determine the basic rates of fees.
- (3) The Auditor-General must assess the fees for an audit having regard to the basic rates of fees determined under subsection (2).
- (4) Unpaid fees must be recovered by the Auditor-General as a debt due to the Republic.

38. Act does not limit other powers of Auditor-General

This Act does not limit any power that the Auditor-General has in other laws or regulations.

39. The Auditor-General must prepare a report to Parliament on audits conducted

For each public entity audited the report must-

- (a) state whether or not-
 - (i) the audit has been completed; and
 - (ii) the statements relating to the accounts have been audited;
- (b) draw attention to any case in which the functions relating to the financial management were not adequately and properly performed if, in the Auditor-General's opinion, the matter is of sufficient signification to require inclusion in the report;
- (c) deal with the action (if any) taken to remedy significant deficiencies reported in previous reports on audits of the public entity; and
- (d) the Auditor-General may, in his or her report prepared under this section or in other special report which the Auditor-General may at any time think fit to make, recommend any plans and make any suggestions for the better collection of revenue, more economic and efficient ways of spending public money and means of improving compliance.

40. Comments on proposed audit reports

- (1) If the Auditor-General proposes to include in a report to Parliament, a matter that, in the Auditor-General's opinion, is a matter of significance, the Auditor-General must give written advice of the matter that is proposed to the accountable officer of that public entity.
- (2) The advice must include a statement to the effect that comments on the proposed matter may be made in writing and given to the Auditor-General in a specified time.
- (3) If comments are received within the specified time the Auditor-General must include them in the report.

41. Tabling of financial audit, performance audit and special reports

- (1) The Auditor-General is, as soon as practicable after making a report under section 39, to present the report to Parliament.
- (2) The Auditor-General is to submit his or her audit reports to the Speaker who shall cause them to be tabled in Parliament.
- (3) The Auditor-General is to provide copies of the audit report on the Government annual accounts to the Beretitenti and to the Minister for Finance.

42. Recovery of money and value of property

- (1) Where there occurs a loss of or deficiency in:
 - (a) public money or other money that has been advanced to an officer of a public entity; or
 - (b) public money or other money while that money is under the control of an officer of a public entity, that loss or deficiency shall be a debt due to the Republic; or public entity, as the case may require, and may be recovered from the officer as a civil claim in a court of competent jurisdiction.
- (2) Where loss or destruction of or damage to public property or other property occurs while the property is in the custody of a public entity, the value of the property lost or destroyed or, as the case may be, the cost of replacing or repairing the damage to that property shall be a debt due to the Republic or a public entity, as the case may require, and may be recovered in a court of jurisdiction by civil action brought against:
 - (a) the officer of the authority in whose custody the property was at the material time;
 - (b) another officer of a public entity who by culpable negligence or misconduct caused or contributed to the loss or destruction of or damage to the property.

(3) Where loss of public funds were caused by the overpayment of salary or allowances erroneously paid to officers of public entities currently employed and those that have left the public entities the value of overpayment may be recovered from that officer and those that have left the public entity as a civil claim in a court of competent jurisdiction.

(4) Where the negligence or misconduct of an officer of a public entity was not the sole cause of the loss or destruction of or damage to the property the subject of an action under subsection (2), the Republic or a public entity, as the case may require, may recover from the officer so much only of the cost of, or damage as determined by the court.

(5) In this section a reference to an officer of a public entity includes a reference to a person who has been such an officer.

(6) For the purpose of this section:

(a) public money or other money shall be taken to be under the control of an officer of a public entity if the money has been collected or received by or has come into the custody of the officer but has not been paid to another person or to the credit of an account with a bank, or credit financial instructions or the prescribed requirements; and

(b) public property or other property shall be taken to be in the custody of an officer of an authority if the property:

(i) has been delivered to the office; and

(ii) has not been returned to a person or delivered to another person entitled to receive it on behalf of the Republic or a public entity, as the case may require.

(7) The provisions of this section do not affect a right of the Republic or a public entity to recover an amount from an officer of a public entity otherwise than under this section but the Republic or a public entity as the case may require, shall not recover amounts from the one officer both under this section and otherwise than under this section, in respect of the same loss, deficiency, destruction or damage.

43. Offences-generally

A person who contravenes or fails to comply with any provision of this Act or the prescribed requirements is guilty of an offence and liable, where a penalty is not otherwise expressly provided, to a penalty not exceeding \$1,000 or imprisonment for a term of not more than 1 year.

44. Regulations

The Minister may, after consultation with the Auditor-General, make regulations for carrying into effect any purposes of this Act.

45. Transitional Provision

(1) Despite the enactment of this Act, the person holding office as Auditor-General immediately before the commencement of this section continues, after that commencement, to hold office on the same terms and conditions as those on which the Auditor-General held office before that commencement.

(2) Auditors currently employed shall take oath in the presence of Board members in one of their Board meetings.

EXPLANATORY MEMORANDUM

PART I – Preliminary

This part of the Act encapsulates the title of the Act, its commencement date and definitions of words that would assist in clarifying particular sections where such words appear. It also makes it clear the Republic is obligated to conform to the provisions as laid out in the Act.

PART II – Audit Board

This part of the Act establishes the Audit Board as currently there is no oversight of the Auditor General's role by a Parliamentary or other non-Executive body and the Auditor General is accountable to the Ministry of Finance and the Responsible Minister in respect of budget and other performance. The establishment of the Board is a response to Principle 5 of the Mexico Declaration where it states the Auditor General should have the obligation to report on the discharge of functions generally, a new accountability regime that now involves an external body to review the performance of the Auditor General. However the Board should not interfere with how the Auditor-General conducts the audits and issues an opinion for each completed audit.

In enhancing positive impact on trust in society Board members are expected to take Oath after accepting their appointment, the provision of which is extended to covering also all auditors.

PART III – Auditor-General and the Audit Office

This part of the Act covers the appointment and terms of office of the Auditor-General and also staff of the Audit office. It covers the delegation powers of the Auditor-General as well as explicitly stating staff of the Audit Office are subject only to the direction of the Auditor-General. It also states the channel by which the annual budget estimate of the Audit Office is to be processed.

PART IV – Powers and Functions of Auditor-General

This part covers the broad powers and functions of the Auditor-General when conducting the audit of Government entities' financial statements. The mandate of the Auditor-General is now being extended to covering all audit streams, i.e. financial, compliance, performance, environmental and IT audits, thus widening the audit scope to including follow the dollar (audit on projects funds through the public entity) and value for money auditing.

The extension of the audit function is in line with the international trend to broaden the type of audit work an audit office undertakes beyond the traditional role of financial audit. For instance environmental auditing, which is regarded as an additional or fourth "e" to the current three "e" of performance auditing, i.e. economical, efficiency and effectiveness, involves an audit, either of certain surroundings or the outcome of some major activities, to ensure there are no spill-over effects that in return will cause excessive or additional cost to the budget.

Also included in this part is the power to obtain timely, unfettered, direct and free access to relevant documents and information however the Auditor-General is required to preserve the confidentiality of documents obtained through the audit process and when conducting audits all auditors should have in their possession a valid identity card (ID).

PART V – Offences

This part of the Act lists types of offences that would trigger the imposition of a fine or penalty, the amounts of which would depend on the severity of the case, as stipulated in this or other Act and that provided in the Penal Code.

This part is also extended to recovering overpayments of salaries or allowances been erroneously paid to employees who are either still in employment or had left the Government service the total amount of which had distorted, as could be sighted in the annual accounts of the Government, the financial position and performance of the Government at each year end. This is an analogous provision to that of CAP 79.

This part could be regarded as a deterrent to fraudulent actions and also, knowing the severity of penalties attached thereto, could be seen as a means of improving the Government cash flow and management of public funds by custodians of public resources and, of foremost importance, fosters Government's objective in eliminating corruption.

PART VI – Miscellaneous

This part of the Act covers assorted provisions not already covered in the aforementioned parts. The wide range of provisions include the manner in which the Auditor-General will lodge the audit reports, the exit clause specifically stating functions of the Auditor-General are not limited to functions stipulated in this Act, the steps and channels in pursuit of recovering loss of public money and property of the Government. It also includes a general offence clause for cases under this Act, the penalty of which is more than that provided in the Penal Code.

Also included is a transitional provision, as is the norm in newly drafted Acts, which ensures continuity of the appointment of the Auditor-General under the current terms of appointment and ensures all current auditors take oath in the presence of Board members once the Audit Board is established.

Taneti Maamau
His Excellency Te Beretitenti

LEGAL REPORT

I hereby certify that in my opinion none of the provisions of the above Act conflicts with the Constitution and that the Beretitenti may properly assent to the Act.

Mrs. Tetiro Maate Semilota
Attorney General

**CERTIFICATE OF THE CLERK OF THE MANEABA NI
MAUNGATABU**

This printed impression of the Kiribati Audit Act 2017 has been carefully examined by me with the Bill which passed the Maneaba ni Maungatabu on the 15th August 2017 and is found by me to be a true and correctly printed copy of the said Bill.



Eni Tekanene
Clerk of the Maneaba ni Maungatabu

Published by exhibition at the Maneaba ni Maungatabu this ^{11th} day of
..... October 2017.



Eni Tekanene
Clerk of the Maneaba ni Maungatabu