



MINISTRY OF FINANCE AND PLANNING
30 NATIONAL HEROES CIRCLE
P.O. BOX 512
KINGSTON
JAMAICA

ANY REPLY OR SUBSEQUENT REFERENCE SHOULD BE
ADDRESSED TO THE FINANCIAL SECRETARY AND THE
FOLLOWING REFERENCE NUMBER QUOTED:-

Telephone No. 92-28600-15

November 13, 2003

CIRCULAR NO. 11

DIVISION: PUBLIC EXPENDITURE POLICY CO-ORDINATION
FILE NO. 107/125

Permanent Secretaries
Heads of Departments

Procedure for Virement

The attention of Permanent Secretaries and Heads of Departments is invited to the instructions herein relating to virement (i.e. the authorised use of funds provided in the Estimates of Expenditure for a particular allocation by other allocation(s), pending approval by Parliament through Supplementary Estimates).

In keeping with the principle of delegation of functions, Accounting Officers are hereby authorized to effect where deemed necessary virement among functions, sub-functions, programmes, sub-programmes, activities/projects, sub-activities/sub-projects, objects and sub-objects within the same Head of Estimates of Expenditure and in keeping with their approved corporate and operational plans.

This flexibility is provided to allow Accounting Officers to focus on achievement of their objectives and targets in the most efficient and effective manner and not to be restricted by the actual budgetary location of the funds. It is also designed to give Accounting Officers the ability to re-focus, re-prioritize and re-order their work plan according to changing events and circumstances which may emerge during the actual implementation of the budget.

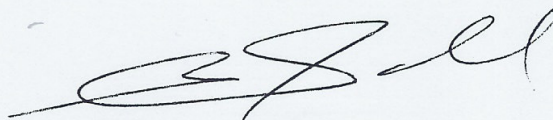
Notwithstanding the above, the approval of virement by Accounting Officers is subject to the following conditions: -

1. There can be no virement between Heads of Estimates of Expenditure or between financial patterns.
2. Any proposal to incur an excess on the amount voted for a head requires the prior approval of Parliament by way of Supplementary Estimates.
3. If the need to incur expenditure which will cause an excess on the head is so urgent that it cannot await the passing of Supplementary Estimates, such expenditure, if supported by the Minister of Finance, may be financed by means of an advance from the Contingencies Fund under Section 13 of the Financial Administration and Audit Act.
4. Virement must not create any new commitment, or increase any existing commitment on a permanent basis, which would necessitate the provision of additional funds in the Head of Estimates of Expenditure of the current year or any subsequent financial year;
5. Virement must not cause any expenditure which is contrary to the policies of the Government or cause any significant variation to the ministry/department's approved budget unless approval is sought and given by the Cabinet.

Accounting Officers must advise the Financial Secretary and the Auditor General promptly of all approved virement as well as all approved variations to their corporate and operational plans.

Permanent Secretaries and Heads of Departments must ensure that this circular is brought to the attention of all relevant officers.

This circular supersedes Ministry of Finance and Planning Circular dated July 24, 1970.



Shirley Tyndall (Miss)
Financial Secretary