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GOVERNMENT NOTICE

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Statutory Instrument

No. 42 of 2024 — Public Finance Management (Public Asset Management)
Regulations.

*Public Finance Management
(Public Asset Management) Regulations*

SAINT LUCIA

STATUTORY INSTRUMENT, 2024 No. 42

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STATUTORY INSTRUMENT, 2024 No. 42

[28th March, 2024]

In the exercise of the power conferred under section 112(2)(d) of the Public Finance Management Act, Cap. 15.01, the Minister responsible for finance makes these Regulations:

PRELIMINARY

Citation

1. These Regulations may be cited as the Public Finance Management (Public Asset Management) Regulations, 2024.

Interpretation

2. In these Regulations —

“Act” means the Public Finance Management Act, Cap. 15.01;

“asset performance” means the ability of a public asset to meet target levels of service;

“Central Public Asset Management Unit” means the Central Public Asset Management Unit within the Ministry responsible for finance;

“Central Public Asset Registry” means the Central Public Asset Registry under regulation 26;

“consumable” means an item that is —

(a) not essential to the service delivery mandate of a Government Agency;

(b) managed to provide maximum benefit from the money expended in relation to the items;

“disposal” —

(a) means the divestiture of public assets;

(b) includes —

(i) intellectual property rights and goodwill,

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(ii) any other rights of the Government such as —

- (A) a sale;
- (B) a rental;
- (C) a lease;
- (D) a donation;
- (E) a transfer with or without value;
- (F) an auction;
- (G) recycling;
- (H) demolition;
- (I) dismantling;

“Disposal Plan” means the Disposal Plan under regulation 23;

“Generally Accepted Accounting Principles” means the comprehensive set of approved accounting methods and practices used as a foundation by the Financial Accounting Standards Board;

“goods” include —

- (a) plant;
- (b) equipment;
- (c) machinery;
- (d) tools;
- (e) vehicles;
- (f) electronic devices that are the property or in the possession or under the control of the Government;

“inventories” are tangible assets —

- (a) held for sale in the ordinary course of business;
- (b) in the process of production for sale;
- (c) in the form of materials or supplies to be consumed in the production process or in the delivery of services;

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“Public Asset Development and Acquisition Plan” means the Public Asset Development and Acquisition Plan under regulation 9;

“Public Asset Management Plan” means the Public Asset Management Plan under regulation 10;

“Public Asset Management Unit” means the Public Asset Management Unit within each Government Agency;

“Public Asset Operation and Maintenance Plan” means the Public Asset Operation and Maintenance Plan under regulation 14;

“Public Asset Strategic Plan” means the Public Asset Strategic Plan under regulation 8;

“register” means the Register of Public Assets under regulation 25.

Application

3. These Regulations apply to all Government Agencies and the management of public assets by a Government Agency.

**PART I
PUBLIC ASSET MANAGEMENT SYSTEM**

Functions of the Central Public Asset Management Unit

4.—(1) The function of the Central Public Asset Management Unit is to oversee the operation and effective management of public assets.

(2) Without limiting the generality of subsection (1), the functions of the Central Public Asset Management Unit are —

- (a) to issue appropriate manuals and guidelines to Government Agencies;
- (b) to maintain a central public asset registry;
- (c) to promote the efficient and effective use of public resources.

(3) The Central Public Asset Management Unit shall use international best practices in the management of public assets.

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Functions of the Public Asset Management Unit

- 5.** The functions of the Public Asset Management Unit are —
- (a) to update the register;
 - (b) to account for the public assets of the Government Agency;
 - (c) to properly and regularly maintain public assets within the custody of the Government Agency;
 - (d) to promote the efficient and effective use of public resources within the Government Agency.

Public Asset Management Information System

6.—(1) The Director of Finance shall cause the commission or acquisition of a Public Asset Management Information System.

- (2)** The Public Asset Management Information System shall —
- (a) include historical and real time data on public assets;
 - (b) manage the schedules for maintenance, insurance, audit and future disposal of public assets;
 - (c) facilitate the systematic collection, analysis and use of information to enable —
 - (i) the continuous review and monitoring of projects during implementation to ascertain whether projects are being executed effectively, and
 - (ii) ex-post analysis to determine whether the public investment objectives which led to the development or acquisition of the public asset were achieved;
 - (d) allow the Central Public Asset Management Unit to access information in relation to the status and performance of projects and track the public asset at all stages of the life cycle of the public asset including —
 - (i) conceptualization,
 - (ii) feasibility,
 - (iii) approval,
 - (iv) implementation,

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(v) monitoring, and

(vi) evaluation.

(3) An accounting officer shall ensure that information in relation to a public asset is entered in the Public Asset Management Information System in respect of his or her Government Agency.

Public Asset Management Instructions

7.—(1) The Director of Finance shall issue to each Government Agency instructions for the operation, maintenance and disposal of a public asset under section 9(1)(b) of the Act.

(2) Instructions issued under subregulation (1) must provide, in respect of the phases of the life cycle of the public asset, clear, unambiguous and detailed information in relation to —

- (a) procedures;
- (b) requirements;
- (c) manuals;
- (d) tools;
- (e) operational recommendations;
- (f) responsible parties;
- (g) reasonable timeframes;
- (h) other required documentation.

**PART II
PUBLIC ASSET STRATEGIC PLAN, DEVELOPMENT AND
ACQUISITION PLAN AND MANAGEMENT PLAN**

Public Asset Strategic Plan

8.—(1) Each Government Agency shall prepare and submit to the Director of Finance, with the annual budget estimates of the Government Agency, a Public Asset Strategic Plan for consideration and approval.

(2) A Public Asset Strategic Plan under subregulation (1) must —

- (a) link the operation and maintenance of public assets within the custody of the Government Agency;

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- (b) clearly identify the gaps between the existing public asset portfolio and the required public assets to enable a Government Agency to effectively deliver services to the public to achieve the policy objectives of the Government;
 - (c) address all human resources, financial resources and support systems required to deliver the public service mandate of the Government Agency;
 - (d) include the proposals of the Government Agency for the acquisition, operation, maintenance and disposal of a public asset, including, the associated costs;
 - (e) be an integral part of the institutional strategic planning framework of each Government Agency and the annual budgeting process requirements.
- (3) A Public Asset Strategic Plan shall inform the budget allocation for the public assets of a Government Agency.

(4) All budget submissions related to the acquisition of a public asset without a Public Asset Strategic Plan and associated public asset management strategies shall not be considered for funding by the Ministry responsible for finance.

Public Asset Development and Acquisition Plan

9.—(1) A Government Agency shall, prior to acquiring a new public asset, prepare a Public Asset Development and Acquisition Plan where the Public Asset Strategic Plan indicates that the Government Agency requires additional public assets or major improvements or upgrades to the existing public asset portfolio to effectively support the service delivery requirements of the Government Agency.

(2) The Public Asset Development and Acquisition Plan must be approved by the accounting officer of the Government Agency and submitted to the Director of Finance as part of the annual budget estimates of the Government Agency.

(3) The Public Asset Development and Acquisition Plan shall set out the process for acquiring a public asset and properly assess the options for the acquisition of a public asset, including, the needs and risks of the acquisition.

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Public Asset Management Plan

10.—(1) An accounting officer shall, no later than the 1st day of October in each financial year, prepare and submit to the Director of Finance a Public Asset Management Plan for approval.

(2) The Public Asset Management Plan must —

- (a) define key asset performance measures, standards and indicators for monitoring and evaluating the implementation of the Public Asset Management Plan;
- (b) include a report on the attainment of performance measures, standards and indicators contained in the previous Public Asset Management Plan.

(3) The Director of Finance shall, on receipt of a Public Asset Management Plan, cause an evaluation to be conducted to determine whether to approve or refuse the Public Asset Management Plan.

(4) An accounting officer shall, on receiving approval of the Public Asset Management Plan from the Director of Finance, implement, monitor and review the Public Asset Management Plan for compliance and accountability by the Government Agency.

**PART III
MANAGEMENT OF PUBLIC ASSETS**

Duties of Director of Finance in relation to public asset management

11. In assisting the Minister in the discharge of his or her functions under section 8(d) of the Act, the Director of Finance shall —

- (a) formulate and review public asset management policies, guidelines, procedures and directives;
- (b) cause a physical verification and valuation of public assets within a Government Agency to be conducted;
- (c) ensure that the classification structure related to public assets are maintained in accordance with appropriate and acceptable standards;
- (d) ensure that public assets are disposed of in accordance with appropriate public asset management policies, laws, regulations and procedures;

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- (e) recommend a list of losses incurred by public entities to be written off by the Government.

Classification of public assets

12.—(1) In issuing written accounting instructions, including, accounting methodology and forms of accounting under section 11(e) of the Act, the Accountant General shall determine the classification of public assets.

(2) In determining the classification of public assets under subregulation (1), the Accountant General shall consider if —

- (a) the useful economic life span of the item is beyond one financial year;
- (b) the cost or value of the item at the date of acquisition of the item meets or exceeds the capitalization threshold set out in any policy relating to the management of public assets.

(3) In this regulation, a public asset may be classified as —

- (a) a tangible public asset, including —
 - (i) a movable public asset, including —
 - (A) machinery;
 - (B) equipment;
 - (C) furniture;
 - (D) a vehicle;
 - (E) information technology hardware,
 - (ii) an immovable public asset, including —
 - (A) land;
 - (B) buildings;
 - (C) infrastructure;
 - (D) minerals;
 - (E) other resources;

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- (b) an intangible public asset, including —
 - (i) a trademark,
 - (ii) a patent,
 - (iii) a license,
 - (iv) information technology software and applications,

(4) An item which does not meet the classification requirements determined by the Accountant General shall be classified and managed as an inventory or consumable.

Condition assessment of a public asset

13.—(1) In issuing instructions for the operation, disposal and maintenance of public assets under section 9(1)(b) of the Act, the Director of Finance shall cause the regular and cost-effective condition assessment of public assets to allow for the prioritization of public assets in need of rehabilitation.

(2) The Director of Finance shall prepare Condition Assessment Guidelines to evaluate a public asset and determine the improvements that may be required in relation to the public asset.

(3) Each Government Agency shall conduct timely assessments of the condition of all public assets in their custody as provided for under the Condition Assessment Guidelines.

- (4) The main purpose of a condition assessment is to —
 - (a) identify a defect or deficiency currently affecting the performance of the public asset or likely to impact the public asset over the planning period;
 - (b) identify the effect of the condition of a public asset on the ability to deliver public services;
 - (c) determine the maintenance required to return the public asset to the condition in which it provides the most effective service;
 - (d) estimate the cost of the identified maintenance activities in respect of a public asset.

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PART IV
OPERATION OF PUBLIC ASSETS

Operation, maintenance and safeguarding of public assets

14.—(1) Each Government Agency shall prepare a Public Asset Operation and Maintenance Plan to set out the public asset management processes annually and ensure that a public asset remains suitable for its intended use.

(2) The Public Asset Operation and Maintenance Plan must include —

- (a) a schedule of inspection, testing, repair, and servicing of public assets;
- (b) an evaluation of the human and financial resources required for the implementation of the Public Asset Operation and Maintenance Plan.

(3) Each Government Agency shall, in the course of the maintenance planning process, assess the performance and condition of public assets within its custody.

(4) Public asset maintenance priorities must only be determined and provided for if the asset performance and condition assessments have been successfully completed.

(5) Public asset maintenance planning and the process of determining priorities in relation to a public asset must consider —

- (a) statutory requirements;
- (b) health, safety and environmental considerations;
- (c) financial and risk considerations.

(6) A Government Agency is responsible for the following types of maintenance —

- (a) planned maintenance, including, capital maintenance;
- (b) minor rehabilitation or maintenance;
- (c) preventative maintenance, including, routine or periodic maintenance;
- (d) emergency maintenance.

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(7) An accounting officer shall maintain and safeguard a public asset within his or her custody.

(8) A public officer who is assigned responsibility for a public asset shall operate and maintain the public asset in accordance with the instructions issued by the Director of Finance under regulation 7.

(9) Each public asset management unit shall submit to the accounting officer a quarterly report in writing on the status of the implementation of the Public Asset Operation and Maintenance Plan.

(10) The Director of Finance shall undertake an annual asset verification process to establish and verify the existence of public assets of the Government.

(11) Notwithstanding subregulation (10), each Government Agency shall, no later than the 1st day of October of each year, undertake an annual asset verification process to verify and account for all public assets within the custody of the Government Agency.

Acquisition of public assets

15.—(1) The acquisition of a public asset must be in accordance with an appraisal performed by a certified professional in the sector to which the public asset relates.

(2) The acquisition of a public asset must consider the fitness of the public asset for the intended purpose.

(3) In considering the fitness of the public asset under subregulation (2), a Government Agency shall conduct a Fit for Purpose appraisal to determine the appropriate public asset to be used for a particular purpose and only public assets that satisfy the requirements of a Fit for Purpose appraisal shall be acquired.

(4) Each Government Agency shall document appropriate institutional arrangements for the acquisition of a public asset.

(5) Where the acquisition of a public asset involves a technically specialized public asset, such as, information and communication technology hardware and software, infrastructure, plant and machinery, the Government Agency shall ensure that the institutional acquisition arrangements and processes involve technical experts from the relevant specialized Government Agencies.

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(6) A public asset must be acquired and developed in accordance with —

- (a) the Act;
- (b) the Public Procurement Act, Cap. 15.10;
- (c) any other enactment.

(7) The acquisition of a high value public asset, such as, a motor vehicle, plant and machinery, information and communication technology hardware and software, buildings and infrastructure shall be based on standard specifications as defined by the Government Agency.

Use, care and custody of public assets

16.—(1) An accounting officer is responsible for approving the use of a public asset in the Government Agency.

(2) An accounting officer shall ensure that a public asset is used in a manner that is economical and in accordance with the duty to be performed.

(3) A public asset must —

- (a) be kept within the custody of a Government Agency;
- (b) be used in the operations of the Government Agency to generate revenue or provide services for the benefit of the public and not for a private purpose by a public officer.

Operating records

17.—(1) An accounting officer shall ensure that operating records are maintained in respect of a public asset.

(2) Operating records under subregulation (1) must contain details of —

- (a) operating hours;
- (b) downtime;
- (c) servicing;
- (d) overhauls and repairs.

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Transfer of public assets

18. A public asset must not be transferred from one Government Agency to another without the approval of the Director of Finance.

Replacement of public assets

19.—(1) Each Public Asset Management Unit shall prepare and submit to the accounting officer of the Government Agency an annual Replacement Plan and an annual Procurement Plan.

(2) The Director of Finance shall issue instructions for the arrangement in relation to the replacement of public assets.

Depreciation of public assets

20. In establishing accounting policies and forms of accounts consistent with international accounting standards under section 11(a) of the Act, the Accountant General shall establish accounting policies in relation to the method and rate of depreciation of a public asset.

PART V
VALUATION, ACCOUNTING AND REPORTING

Valuation of public assets

21.—(1) For the purposes of preparing public accounts under sections 12(1)(d) and 75 of the Act, a public asset must be valued, accounted for and reported in accordance with the requirements stipulated in the accounting instructions and the applicable accounting policies and procedures as determined by the Accountant General from time to time.

(2) The valuation of a public asset must be made in accordance with Generally Accepted Accounting Principles and instructions from the Accountant General.

Accounting and reporting

22.—(1) An accounting officer shall, as part of the duty to provide proper accounts and financial information pertaining to a Government Agency under section 12(1)(d) of the Act, prepare and submit to the Director of Finance and the Accountant General no later than seven working days after the end of each quarter, a quarterly asset management performance report in accordance with the information in the register.

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(2) A report under subregulation (1) shall, in respect of a public asset within the custody of a Government Agency, include details of —

- (a) the type of public asset;
- (b) the acquisition of a new public asset;
- (c) the condition and attainment of performance measures;
- (d) the transfer of a public asset;
- (e) the book value;
- (f) the associated risks;
- (g) disposal.

(4) The accounting standards shall be a hybrid of the standards issued by the International Public Sector Accounting Standards Board and any other internationally accepted principles and standards adopted by Saint Lucia.

(5) In these Regulations, “International Public Sector Accounting Standards Board” means the independent organ of the International Federation of Accountants that issues the International Public Sector Accounting Standards.

**PART VI
DISPOSAL OF PUBLIC ASSETS**

Disposal Plan

23.—(1) An accounting officer shall, each financial year, prepare and submit to the Director of Finance a Disposal Plan in accordance with the instructions issued under regulation 7.

(2) The disposal, decommission or movement of a public asset must be carried out in accordance with the Disposal Plan under subregulation (1).

Disposal of public assets

24.—(1) A public asset that is identified by a public officer as unserviceable must be reported to the accounting officer of the Government Agency within five working days to determine if the public asset must be disposed.

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(2) An accounting officer, on receipt of a report under subregulation (1), shall, within five working days, conduct an assessment with respect to the public asset and submit a report of his or her finding to the Director of Finance.

(3) The Director of Finance shall appoint a committee to assess and make recommendations in respect of the disposal of the public asset.

(4) The Director, on receiving the recommendations of the committee under subregulation (4), shall decide whether to dispose of the public asset or take any other measure which he or she considers appropriate.

PART VII
REGISTERS

Register of Public Assets

25.—(1) An accounting officer shall keep and maintain a Register of Public Assets.

(2) The register under subsection (1) may be kept in electronic form.

(3) An accounting officer shall take all reasonable steps to ensure that his or her Government Agency maintains a management, accounting and information system that accounts for information entered into the register.

(4) The information to be recorded in the register in respect of a public asset includes —

- (a) the type;
- (b) the make, model and other physical characteristics;
- (c) the date of acquisition;
- (d) the condition;
- (e) the location;
- (f) the Government Agency within which the public asset is used;

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- (g) the serial number, if applicable;
 - (h) the warranty period, including the expiration date;
 - (i) the insurance arrangement, if applicable, including —
 - (i) the insured value,
 - (ii) the force sale value, if applicable;
 - (j) the certificate of title number, if applicable;
 - (k) the source of financing, including the budget code;
 - (l) details indicating whether the public asset was purchased or donated;
 - (m) the valuation, if applicable;
 - (n) the date of the valuation;
 - (o) improvements;
 - (p) the present use;
 - (q) the useful life;
 - (r) damage or loss incurred during the financial year, and the reversal of damage or loss, if applicable;
 - (s) the maintenance schedule;
 - (t) the disposal of the public asset;
 - (u) the authority for disposal;
 - (v) the disposal date;
 - (w) the disposal amount;
 - (x) the expected replacement date.
- (5) An accounting officer shall update the register in a timely manner.
- (6) An annual reconciliation of the records of the register must be undertaken by a Government Agency to ensure that a public asset purchased under capital or current expenditure is reconciled with the information provided in the register.

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Central Public Asset Registry

26.—(1) The Central Public Asset Management Unit shall maintain a Central Public Asset Registry.

(2) The Central Public Asset Registry —

(a) is the central database for public assets;

(b) may be in electronic form.

(3) An entry made in the register is automatically made in the Central Public Asset Registry.

Made this 27th day of March, 2024.

PHILIP J. PIERRE,
Minister responsible for finance.