MEMORANDUM

Ministry of Finance

Ref: Circular No. 2 of 2018
To: Cabinet Secretary, Permanent Secretaries, Heads of Department, Other Accounting Officers, and Accountants Sub- Treasuries
From: Financial Secretary, Ministry of Finance
Subject: AMENDMENT TO STORE ORDERS #13 & #15 and FINANCIAL ORDER #701

Date: April 16, 2018

The Ministry of Finance has amended certain sections of the Stores Orders and Financial Orders to increase certain ceilings under which Accounting Officers may purchase stores and issue contracts without first having to obtain the written approval of the Ministry of Finance as set out below.

Please note that these are adjustments in ceilings only and that the requirements to ensure value for money remain unchanged.

The last time such ceilings were adjusted were in the year 1992.

1. Amendment to Stores Orders:-

   Please note that Statutory Instrument No. 17 of 2018 and gazetted on March 21, 2018, requires that the prior written approval of the Financial Secretary now be obtained only in the following cases:

   a) where the cost of individual items of stores to be purchased locally exceeds ten thousand dollars ($10,000.00);

   b) where the cost for any single order (more than one item) exceeds twenty thousand dollars ($20,000.00); and

   c) where the cost of stores to be purchased from abroad exceed fifty thousand dollars ($50,000.00).

   d) The shopping method of requesting thee different quotes before purchases are made remains in effect for the new thresholds. Where possible, stores shall be purchased from the cheapest sources whether local or foreign and Accounting Officers (or other responsible officers) shall ensure, prior to purchase, that the quality of items is suitable and satisfactory.

This Order came into force on April 1, 2018.
2. Amendment to Financial Order 701:-

Order 701 was repealed and replaced as follows by S.I. No. 16, gazetted March 24, 2018:-

"An Accounting Officer may make verbal contracts for works and services under ten thousand dollars ($10,000). An Accounting Officer may make written contracts to a limit of fifty thousand ($50,000) with the approval of that Accounting Officer's Minister. Tenders shall normally be invited for contracts over twenty thousand dollars ($20,000). Tenders shall be invited for contracts over fifty thousand dollars ($50,000)."

This Order also came into force on April 1, 2018.

3. Other

a) While verbal contracts are permitted the Ministry of Finance requests that these be made only in exceptional circumstances, for example, in case of natural disasters (hurricane, floods, etc.) or emergencies (fire, road accidents, rescue, etc.).

b) Each purchase to be made (except for those permitted under (a) above), must have the written approval of all the following officers, irrespective of single item or single order:-

   i) Accounting Officer
   ii) Finance Officer
   iii) Head of Department or Senior Technical Officer.

   Where a Department does not fall under a Minister proper eg. Legislature, Audit, D.P.P. etc., the Accounting Officer is authorized to sign.

c) All purchases to be made within existing funds available.

d) Regular monitoring of this process will be done by the Ministry of Finance.

e) Revocation of the arrangement for those Ministries who do not adhere to the conditions. Delinquent Ministries will need to apply to the Ministry of Finance for purchase approval as per existing arrangements.


Circular No. 8 of 1992 now stands repealed.

It would be appreciated if the contents of this Circular were brought to the attention of all officers concerned, and that it its provisions be strictly adhered to.

Ministries and other government agencies should contact the Ministry of Finance for any clarification needed.

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Financial Secretary

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