

**STATUTORY INSTRUMENT**  
**No. 86 of 1980.**

BELIZE:

REGULATIONS made by the Minister responsible for Social Security in the exercise of the powers vested in him by sections 46 and 64 of the Social Security Ordinance, 1979, and all other powers thereunto him enabling.

(Gazetted 20th December, 1980)

1.-(1) These Regulations may be cited as the

**SOCIAL SECURITY (FINANCIAL AND  
ACCOUNTING) REGULATIONS, 1980**

(2) These Regulations shall come into operation on the day appointed by the Minister by Order published in the Gazette.

2. For the purpose of these Regulations, unless the context otherwise requires-  
"appointed day" means the day appointed by the Minister under Regulation 1;  
"death benefit" means a periodically payable benefit awarded under the Social Security (Benefit) Regulations, 1980 to survivors of an insured person who dies as a result of an employment injury; .. expenditure" means payments out of the Fund in accordance with the provisions of subsection (3) of section 46 of the Ordinance-  
"finance and accounting orders" means orders made by the Board with the approval of the Minister; "income" means payments into the Fund in accordance with the provisions of subsection (2) of section 46 of the Ordinance; "Ordinance" means the Social Security Ordinance, 1979;  
"Reserve" means any one of the Reserves constituted under Regulation 16;  
"Schedule" means a Schedule to the Regulations.

All other words and expressions defined in the Ordinance shall have the same meaning in these Regulations.

**PART I**  
**FINANCIAL ORGANIZATION**

3. Subject to these Regulations, benefit provided under the ordinance shall be grouped into three separate benefit branches, namely-  
(a) Short-term Benefits Branch, comprising sickness benefit and maternity benefit;  
(b) Long-term Benefits Branch, comprising retirement benefit invalidity benefit, survivors' benefit and funeral grant;  
(c) Employment Injury Benefits Branch, comprising medical care, injury benefit, disablement benefit, death benefit and funeral grant payable on death due to employment injury.

4.-(1) Except as provided in these Regulations, each of the three benefit Branches specified in Regulation 3 shall be financially autonomous, that is to say, income allotted to one benefit Branch shall not be used to cover expenditure relating to another Branch: Provided that-  
(a) if there is a temporary insufficiency in any one Branch, the Board may authorize the temporary transfer of an amount that may be necessary from another Branch;  
(b) an amount transferred under subparagraph (a) shall be repaid to the lending Branch by the borrowing Branch as soon thereafter as possible with payment of interest at such rate as the Board may determine;  
(c) if the insufficiency mentioned in paragraph (a) continues beyond a period of three months the Board, while authorising a temporary transfer of the necessary amounts, shall seek actuarial advice in accordance with paragraph (3) of regulation 17.

(2) Separate income and expenditure accounts shall be established and maintained for each of the benefit branches, and shall be prepared in accordance with Part IV of these Regulations. (3) Separate Reserves shall be established and maintained in respect of each of the benefit Branches in accordance with Part IV of these Regulations.

#### **PART 11 BUDGET ESTIMATES**

5. The financial year for the purpose of the budget and accounts shall be the year ending on the 31st day of December, provided that the first financial year shall cover such period as the Minister may direct

6.-(1) Before the 31st day of October of each financial year the Manager shall, in respect of each of the Branches specified in Regulation 3, submit to the Board for its approval the estimates of income and expenditure for the next following financial year.

(2) The estimates under paragraph (1) shall be prepared in accordance with financial and accounting orders.

(3) The estimates submitted in accordance with this Regulation, when approved by the Board, shall show the income which is expected to be collected and shall set limits to the expenditure which may be incurred under each of the relevant heads. Expenditure shall not be incurred under any head in excess of the limit set for that head without the prior approval of the board:

Provided that expenditure in excess of The limits approved by the Board may be incurred in respect benefits provided under the Ordinance, subject to subsequent ratification by the Board as soon thereafter as possible.

(4) If for some special reason the budget estimates submitted to the Board have not been approved by it before the beginning of the financial year to which they relate, the Manager may be authorised by for Board to incur expenditure under the various heads subject to such conditions as it may deem fit to impose until such time as the budget is duly approved.

#### **PART III FINANCIAL CONTROL**

7.-(1) The Manager shall draw up a list which shall contain the names of such of the officers of the Board as, from time to time, shall be authorised by the Board to approve payment vouchers, sign cheques, approve accounting transfers or exercise other similar functions, and the list shall specify such limits, financial or otherwise as the Board may approve, within which each officer whose name appears on the list shall be authorised to exercise the function or functions allotted to him.

(2) Any changes in the list referred to in paragraph (1) shall be submitted on a supplementary list for the approval of the Board and the original list shall be revised accordingly.

8. Insurance by way of fidelity bonds or other similar security, may be arranged by the Board giving cover, up to such amounts as may be approved by the Board, against the risk of defalcation by the cashiers, storekeepers and other custodians of the property of the Board.

9.-(1) The Board may authorised the writing off of any loss, deficiency or overpayment as irrecoverable if it is satisfied in each case-

(a) that adequate investigation has been made into the causes of, and responsibility for, the loss, deficiency, or overpayment; and

(b) that steps have been taken as far as possible to prevent the recurrence of similar losses, deficiencies, or overpayments in the future.

(2) The Board may direct that specific measures be taken to prevent losses mentioned

in paragraph (1).

10. The Board shall ensure that adequate arrangements shall be made for the internal audit of the financial procedures, benefit payments and the maintenance and operation of the;accounts of the Fund, and the principal functions of the internal audit shall be specified in the financial and accounting orders.

11.-(1) The financial and accounting orders shall require the Manager to submit to the Board periodical reports on the financial situation of the Fund with reference to income and expenditure.

(2) The Manager shall submit to the Board any report by internal auditors concerning fraud, administrative abuse and serious irregularities.

#### **PART IV ACCOUNTS**

12. The financial transactions of the Fund shall be recorded in the accounts by the double-entry system of bookkeeping.

13.-(1) At the end of each financial year the accounts as a whole shall be, balanced and summary accounts and Balance Sheet shall be prepared, namely-

- (a) a consolidated Income and Expenditure Account for the Fund as a whole;
- (b) the Income and Expenditure Account in respect of each of the three Benefit Branches specified in Regulation 3;
- (c) a Balance Sheet for the Fund as a whole;
- (d) an account supplementary to the Balance Sheet showing the, current transactions of the Disablement and Death Benefit Reserve.

(2) The accounts and Balance Sheet specified in paragraph 0 (1) shall show the details specified in the financial - accounting orders.

(3) Subject to paragraph (3) of Regulation 16, the Income and Expenditure Accounts shall show the income and expenditure recorded during the financial year and the Balance Sheet shall show the liabilities and assets of the Fund as at the end of the Financial year.

(4) The accounts and Balance Sheet specified in this Regulation shall be prepared as soon as practicable after the, end of the financial year and shall be submitted to the Board not later than ft 3 1 st day of March:

Provided that if the Board is satisfied that for certain practical reasons the accounts could not be submitted to it by such date, it may extend the said date by a period not exceeding thirty days.

14.-(1) All sums collected as contributions shall be distributed among the Benefit Branches in the following proportions--

- (a) Short-term Benefit Branch: 21.4%
- (b) Long-term Benefit Branch: 50.0%
- (c) Employment Injury Benefits Branch: 28.6%

"Provided that:

(i) where a sum is collected as contribution which in accordance with the Ordinance is payable only in respect of specified benefit or benefits such sums shall be allocated to the Branch of which such benefit or benefits form part with due regard to the provisions of this paragraph;

(ii) if in an actuarial report made under the Ordinance a revision of the contribution rate or of the method of distribution of sums collected as contribution is recommended, the Minister may, after consulting the Board, modify by order or regulation the provisions of this paragraph accordingly. CD

(2) The income from the investment of the Reserves shall be allocated as follows-

- (a) the income from the investment of the Short-term Benefits Contingency Reserve shall be allocated to the Short-term Benefits Branch;
- (b) the income from the investment of the Long-term Benefits Reserve shall be allocated to the Long-term Benefits Branch;
- (c) the income from the investment of the Disablement and Death Benefit Reserve shall be allocated as provided in paragraph (3) of Regulation 16.

(3) All other income to the Fund which cannot be identified with any specific Branch shall be distributed among the three Benefit Branches in equal parts.

15.-(1) The expenditure, on each benefit shall be, ascribed to that Branch under which the benefit is grouped in Regulation 3.

(2) The administrative expenditure of the Fund shall be distributed among the three Benefit Branches in such a manner that the proportion, allocated to a particular Branch shall be equal to the, proportion which the sum of the contribution income and benefit expenditure shown in the Income and Expenditure Account of that Branch bears to the sum of the contribution income and benefit expenditure of the Fund as a whole.

(3) All other expenditure which is not attributable to any specific Branch shall be distributed among the three Benefit Branches in equal parts.

16.-(1) A Short-term Benefits Contingency Reserve shall be constituted by transferring thereto annually the excess of income over expenditure of the Short-term Benefits Branch.

(2) A Long-term Benefits Reserve shall be constituted by transferring thereto annually the excess of income over expenditure of the Long-term Benefits Branch.

(3) A Disablement and Death Benefit Reserve shall be constituted, to finance the periodically payable disablement and death benefits by transferring thereto at the end of each financial year the balance outstanding in the current account after the actuarial present values of periodically payable disablement and death benefits awarded in that year has been charged against the income for that year in the Income and Expenditure Account of the Employment Injury Benefits Branch and credited to a current account which will also be credited with the income from the investment of the said Reserve and debited with the actual payments of current periodical disablement and death benefits effected during the year.

(4) Subject to paragraph (3), an Employment Injury Benefits (Short-term). Reserve shall be constituted to finance medical care, injury benefit disablement grant and funeral grant by transferring thereto annually the excess of income over expenditure of the Employment Injury Branch.

17.-(1) The minimum level of the Short-term Benefits Contingency Reserve shall be equivalent to six months average benefit expenditure of the Branch over the preceding three financial years.

Provided that for the first three years of operation of the Ordinance the Reserve may be fixed at six times the average monthly contribution income of the Branch.

(2) The minimum level of the Employment Injury Benefits (Short-term) Reserve shall be equivalent to twelve months average expenditure of the Branch on benefits other than periodically payable disablement and death benefit over the preceding three financial years:

Provided that this level may be reached by the end of the third year of operation and during the period the level of the Reserve shall be computed with reference to the actual period of operation.

(3) The Reserves specified in paragraphs (1) and (2) shall be used to meet any

unforeseen or abnormal expenditure with current income of any other Branch may not be sufficient to cover:

Provided that if either of the said reserves falls below the level specified in paragraphs (1) and (2) and the trend of reduction continues, actuarial advice shall be sought in accordance with the Ordinance, and necessary action shall be taken so that the contribution income available to the Branch concerned may be sufficient to cover the expenditure of that Branch and to restore the Reserve concerned to the prescribed level.

(4) Where it is anticipated that the current income of the Long-term Benefits Branch will become insufficient to meet the current expenditure of that Branch, actuarial advice shall be sought in accordance with the ordinance.

18. Each of the Reserves constituted under Regulation 16 shall be invested only in accordance with general or specific directions given by the Social Security Investment Committee or as may be prescribed;

Provided that due regard shall be had to the nature and purpose of each Reserve and to the probable period at which it may be necessary to realise the investment.

19. In addition to the Reserves constituted under Regulation 16, a - working balance shall be established and maintained to meet the current expenditure (including administrative expenses) income in the operation of the Ordinance as a whole 'Me amount of the said balance shall be fixed at two months average expenditure calculated over the preceding three financial years.

20. The actuarial present values of awards of periodically payable disablement and death benefits shall be calculated on the basis of the Tables set forth in the First Schedule and in accordance with the examples given in the Second Schedule:

Provided that the actuarial factors in the First Schedule may be revised by the Minister by order on the recommendation of an actuary appointed in accordance with the Ordinance and after consultation with the Board.

21. The Annual Balance Sheet shall be supplemented by a schedule giving a complete list of the investments of the Funds as at the date of the Balance Sheet, classified by the Reserves to which the investments relate. The list shall show the following particulars-

- (a) the name or identification of the investment, the rate of interest and the maturity date;
- (b) the cost price of the investment;
- (c) the face value of the investments;
- (d) the current market value of the investment.

22.-(1) All Board shall require the Manager to produce the accounts and Balance Sheet to the Auditor appointed under section 47 of the Ordinance on or before the fifteenth day of April following the close of the financial year to which they relate:

Provided that in the case of an extension under paragraph (4) of Regulation 13 the Board may extend the said date by a period not exceeding thirty days. (

2) The Manager shall submit to the Auditor all accounts enquired for the purpose of the audit and any other document, information or explanation which the Auditor may require for the purpose.

(3) Subject to subsection (2) of section 47 of the Ordinance, the Auditor's report on the annual accounts shall be submitted to the Board in such form as it may specify and, in case the Auditor has called for any information or required an explanation from any officer of the Board in accordance with this Regulation, whether such information or explanation has been satisfactorily furnished to him.

(4) The Auditor shall submit to the Board a separate statement if necessary in regard to -

(a) Any material impropriety or irregularity which he may observe in the expenditure or in

the recovery of moneys due to the Fund or in the accounts of the Board; or  
(b) any loss or waste of money or other property owned by or vested in the Board which has been caused by neglect or misconduct.

(5) The Board shall forthwith require the Manager to remedy any defect or irregularity pointed out by the Auditor and shall determine responsibility therefore and report to the Minister on the action taken thereon.

MADE this 15th day of December, 1980.

ELIJIO E. BRICENO,  
Minister of Local Government  
and Social Security.